

FLEX SPENDING-FSA

Remember it is

USE IT or LOSE IT

What Is A Flexible Spending Account?

Sometimes referred to as a Cafeteria Plan, Flex Plan or a Section 125 Plan, a Flexible Spending Account (FSA) lets you set aside a certain amount of your paycheck into a health care reimbursement account or a dependent day care reimbursement account - before paying federal, state, or Social Security taxes. This can save you 20-30% on out-of-pocket costs, depending on your personal tax rate.

How Do Flexible Spending Accounts Work?

During open enrollment, you decide how much of your pay you want to deposit into your reimbursement account(s). When you have determined how much expense you will have for the upcoming plan year (January 1– December 31, 2016), that amount is divided evenly over 12 pay periods and is automatically deducted from your paycheck before taxes are assessed. Once eligible expenses are incurred, you simply file a request to receive reimbursement from your account.

How Do I Use My Flexible Spending Money?

For a health care reimbursement account, you have two ways of paying for eligible expenses with money you contributed to your flex account. You can elect to have a NBS Flex Card and the service provider is paid directly from your flex funds at the point of service OR you can pay for the expense out of your own pocket and then submit a claim seeking reimbursement by providing the receipt(s) to NBS. NBS processes claims daily so you will receive your reimbursement funds quickly. At your request, NBS can also set you up on a continual reimbursement program so that predictable expenses, such as day care, can be reimbursed automatically on a monthly basis.

Can I Make Changes During The Plan Year?

Contributions cannot be changed or stopped during the plan year unless a qualified life status change occurs. These are outlined in the FAQs section of this booklet. Please note that if employment with the District is discontinued, you will not be able to receive reimbursement for expenses incurred after you have discontinued employment.

What If I Don't Use All My FSA Money This Plan Year?

Careful planning is important! At the end of the plan year (December 31, 2016), if you have money “left over” in your health care reimbursement account, you can continue to incur claims and use your debit card (if applicable) or submit claims for those qualified health care expenses until March 15 following the plan year. The Internal Revenue Code does not allow the plan to return your unused contributions to you after March 15 following the plan year. Any contributions remaining after March 15 will be forfeited by the participant.

USE IT OR LOSE IT!!!

FSA Health Care Account

A health care reimbursement account can be used to reimburse you or your family for out-of-pocket medical and dental expenses that are not typically paid by the District's medical and dental insurance programs.

**The maximum annual contribution to a health care expense account is
\$212.50 per month = \$2,550 per year**

For a listing of eligible health care reimbursements go to: www.nbsbenefits.com

FSA Dependent Day Care Account

The dependent day care reimbursement account reimburses you for qualified day care expenses in order for you and your spouse (if married) to work and/or go to school.

To Qualify for dependent day care, your dependent(s) must be:

- ◆ A Child under the age of 13
- ◆ A child, spouse or other dependent that is physically or mentally incapable of self-care and spends at least 8 hours a day in your household

**The maximum annual contribution to a dependent day care expense account is
\$416.66 per month = \$5,000 per year**

FSA Debit Card

Monthly fee to have the convenience of a FSA Debit Card = \$3.50

Monthly fee to have a FSA account without a Debit Card = \$2.00

Cards do not work for Dependent Daycare



Talk About Convenience!

The NBS Flex Card is a Master Card that is credited with the annual amount you elect to contribute toward a health care reimbursement account only (dependent day care reimbursement accounts are not eligible for the NBS Flex Card program). When you incur an eligible health care expense, you simply present your NBS Flex Card to the merchant and have them run the NBS Flex Card as a Master Credit Card. As you use the NBS Flex Card, your annual election balance will be reduced by the amount of your qualified purchases.