

2019 Flexible Benefit Plan

Your plan year will run from your date of eligibility to December 31, 2019. If you have any questions regarding your enrollment, we encourage you to call P.R.I.M.E. Benefit Systems at 319-294-4046 or 800-473-8970 ext. 4046. Please complete and return the Flex Election for to the Human Resources Department as soon as possible.

2019 HIGHLIGHTS

- ❖ **WHY ENROLL?** If you have never participated in a Flexible Spending Plan, now is the time to enroll. Why not save taxes on certain expenses you already have to pay for? Your existing health plan may already cover most of your expenses, but there are unavoidable expenses you must pay out of your pocket (deductibles, coinsurance, co-payments, dental expenses, vision expenses, and over-the-counter medication expenses). By participating in a Medical Flexible Spending Plan, those eligible expenses can be reimbursed to you with tax-free dollars. Not only will you save income taxes, you are also likely to have eligible medical expense reimbursed BEFORE you have had the County withhold money from your paycheck. In other words, you will get money back before you have the same amount withheld from you. If you have dependent care expenses for your eligible dependents, those eligible expenses can also be reimbursed to you with tax-free dollars.
- ❖ **MORE NEWS REGARDING OVER THE-COUNTER MEDICINES** – The IRS has issued new rules regarding Over-The-Counter (OTC) drugs and medicines. You must now provide P.R.I.M.E. with an **actual prescription** from your doctor. For most OTC items, you will probably decide that obtaining an actual prescription is more trouble than it is worth. Over the Counter SUPPLIES are still eligible without a prescription.
- ❖ **Preventing Identity Theft** – P.R.I.M.E. takes identity theft seriously. Therefore, when you submit a claim for reimbursement, we are giving you the choice of identifying yourself using your (1) social security number or (2) using your “BDID.” Your “BDID” is your MMDDYYYY (dates of birth, using all 8 characters, with no dashes PLUS the last 4 digits of your social security number. So, if your date of birth is 02/09/1973 and your SSN is 481-60-5396, your BDID would be 020919735396.
- ❖ **E-MAIL ADDRESS** – The best way of communicating with you is through e-mail. On the Election Form, please list an e-mail address that we may use to contact you. If you prefer a phone call, let us know the best number to use to contact you.
- ❖ **CHANGE IN STATUS** – If you have a change in your family status (birth of baby, divorce, etc.) during the plan year and wish to make a change to your annual flexible spending election amount, you will have 30 days to notify the County. Report in person to the Linn County Human resources office to complete the required paperwork.
- ❖ **2 ½ MONTH GRACE PERIOD** – Anyone who has a positive balance in their **medical and/or dependent care** flexible spending account on December 31, 2019, will have a 2 ½ month grace period to submit claims with dates of service to March 15, 2020. Claims will be applied towards your OLD plan year balance first. The grace period makes it much easier to ensure that you are able to claim 100% of your annual election. You will have until April 30, 2020 to file a 2019 claim. Keep in mind the OLD plan year will then be closed out on the next regular scheduled disbursement date following April 30, 2020.
- ❖ **REMINDER** – Flexible spending plans are designed to pay last. On the pink Election Form, please pay attention to the questions asked whether **you or any other member of your family** are 1) covered under a High-Deductible Health Savings Account (HSA); 2) “double covered” where one or more member of your family have more than one health, dental or vision insurance policy or another flexible spending plan covering them; or 3) covered (or soon to be covered) under another flexible spending plan? If any of these circumstances apply to you, then mark “YES” and call P.R.I.M.E. to ask how this may affect your reimbursements.
- ❖ **RECEIPTS** – An Explanation of Benefits (EOB) from Wellmark Blue Cross Blue Shield is required for reimbursement of provider services and pharmacy expenses. Eye exam reimbursement claims also require an EOB from Wellmark. Other eligible expenses should be accompanied by a receipt listing the date, item, retailer, and amount.

HOW THE PLAN BENEFITS YOU

By participating, you will increase your annual take-home pay. Why? Because the plan gives you the right to pay less Federal, State, and Social Security taxes. The taxes saved are yours to spend or invest. The savings is based on a 1978 tax law allowing you to designate a portion of your taxable wages for the year which may be legally converted into tax-free benefits from your employer. Eligible benefits include: a) medical expenses; b) dependent care expenses; and c) employee portion of insurance premiums for group coverage with the County.

HOW THE PLAN WORKS

The open enrollment period allows you to declare the amount you want to convert into tax-free dollars. First, you need to make a reasonable estimate of the amount of medical and/or dependent care services you will incur in 2019. Then simply transfer your estimate onto the P.R.I.M.E. Election Form. This constitutes your permission to convert taxable wages into tax-free benefits. Your election will be divided by the number of pay periods during the 2019 Plan Year. An equal amount of money will be set aside each pay period throughout the year.

P.R.I.M.E. will send you a confirmation packet which will include a complete description of the claims process, along with forms necessary to claim your tax-free reimbursements. When we receive your claim requests, we will review them and will determine if the expenses eligible for reimbursement, given the rules established by Congress and the IRS. Once your claim is approved, you will be paid on disbursement dates agreed to by P.R.I.M.E. and the County via check or Electronic Funds Transfer (EFT).

Weekly Disbursements – Claims submitted by Wednesday will be paid on Friday.

ELIGIBLE EXPENSES

EMPLOYER SPONSORED PRE-TAX INSURANCE PREMIUMS – Insurance premiums that the County may ask you to contribute towards your group coverage. This level of benefit should NOT be included in your Medical Flexible election amount.

MEDICAL FLEXIBLE SPENDING – Eligible medical expenses are any out-of-pocket expenses incurred by you or a family member, and NOT REIMBURSED by your insurance carrier or any other source. These expenses would include the annual deductible for your insurance (medical, dental, prescriptions drug, etc.) and all co-insurance and co-payments. Please refer to the listing of eligible and non-eligible expenses for further detail.

If you participate in a Medical Flexible Spending Account, you are entitled by law to be reimbursed for the amount of your claim, not to exceed your annual election, without regard to the current balance in your account.

DEPENDENT CARE FLEXIBLE SPENDING – Any expense that you incur for a babysitter, daycare, preschool or adult daycare that makes it possible for you and/or our spouse to work. There would be the same expenses you may be taking as a tax credit on IRS Form 2441. Generally, taking these expenses through your employer's flexible spending plan is better for you because there are no declining tax credit percentages as you make more money. **The federally mandated limit under this plan is \$5,000 regardless of the number of children.**

IMPORTANT – RECENT LEGISLATION NOW ALLOWS YOU TO PARTICIPATE IN THE DEPENDENT CARE FLEX ACCOUNT EVEN IF YOU EXPECT TO RECEIVE AN EARNED INCOME CREDIT (EIC).

Your Plan Year will run from your date of eligibility through December 31, 2018. Be reminded of the new 2 ½ month grace period for medical and dependent care flexible spending accounts.

HOW DO I ENROLL?

Estimate your annual medical and dependent care expenses. Fill in the amounts on the Election Form. Sign and date the form and address it to Linn County Human Resources Department **as soon as possible**. A Summary Plan Description will be provided to each Flexible Spending Plan participant. Please refer to this document for complete details regarding your plan.