



North Coast Administrators Flexible Spending Account Plan Summary of Benefits

Healthcare and Dependent Care Spending Accounts

More information on this benefit can be accessed online at <http://www.ezflexplan.com/northcoast> or by viewing the video by following the link to the **TAKE CARE** and then **EMPLOYEE** Tab.

The Flexible Spending Account (FSA) Plan enables you to deposit Pre-Tax contributions into a Health Reimbursement Account (HCRA), a Dependent Care Spending Account (DCRA), or both. Since these contributions are deducted on a Pre-Tax basis, you pay no federal income tax, FICA (Social Security), or, in most cases, state income tax on your contributions. Therefore, if you think that you will be incurring out-of-pocket expenses for medical, dental or vision care within the next year or if you have day care and babysitting expenses during working hours, this plan can really help save you money as it will reduce taxable income by the amount you designate in the plan. This is not a tax deferral; this is a true tax savings. However, budget carefully as restrictions apply!

Healthcare Spending Account

You may contribute annually to pay for eligible healthcare expenses for you or any dependents you can claim on your federal tax return. Payroll deductions will be made in equal installments and placed in a special Pre-Tax account in your name. You are issued a limited access debit VISA Card that will work at hospitals, doctors, labs, X-ray, pharmacies, vision services and dentists. Your entire account balance is made available to you immediately on the card! However, you are required to keep track of your receipts to submit upon request to our plan administrator. You may also elect to file claims via the [mobile app](#) or through the www.myflexonline employee portal for a paper check mailed around pay date.

Eligible Expenses for the Healthcare Spending Account

Examples of IRS approved eligible expenses under this plan are listed on the last page of this document. These may include deductibles, co-pays, dental and vision expenses. **Certain over the counter expense purchases are also eligible with a doctor's prescription.** You cannot use the plan for expenses that have already been paid under another medical or dental plan or for cosmetic expense items. This plan is intended to reimburse your out-of-pocket expenses only and not to replace your insurance plan

Dependent Care Spending Account

You may contribute up to \$5,000 annually to pay for eligible dependent care expenses while you (or if you are married, you and your spouse) work. IRS rules may affect your maximum. This plan may save you roughly one week per month on day care expenses.

Your deposit to the DCRA will be less if either of the following IRS restrictions applies:

- If you are married and file separate tax returns, you can only deposit up to \$2,500 per year in the DCRA.
- Your annual DCRA deposit cannot be greater than your annual income or, that of your spouse, whichever is lower. If your spouse is a full-time student, his/her income is assumed to be \$200 monthly with one qualifying dependent of \$400 monthly with more than one dependent.

Payroll deductions will be made in equal installments and available on your card each pay date. In certain instances, when your Day Care Provider does not accept a card, we can establish an automatic reimbursement of day care when proper documentation is filed.

Eligible Expenses for the Dependent Care Spending Account

Eligible expenses under the DCRA must be incurred to allow you and your spouse (if married) to work outside the home or attend school full-time. The expenses must be for a child under age 13, or an older dependent who is incapacitated and claimed as a dependent for income tax. Services may be provided in or out of your home by someone who is not your dependent and who declares these expenses as taxable income. You will be required to furnish the Tax Identification Number or Social Security Number of the care provider. Also keep in mind; if you choose to participate in this plan, you will not be able to deduct these expenses on your income tax filed at the end of the year. But your net spendable income will immediately increase by utilizing the plan.

Taking Money out of the Flexible Spending Accounts

Your debit card will enable you to pay for your out of pocket deductibles, co-payments, Rx, dental and vision expenses when your care provider has determined that these are your responsibility and payment is required. You may *swipe the card* at the point of service and funds will immediately be debited right from your account. You may also “phone in” your card number for mail order Rx medications. Your entire annual election is made available to you at the beginning of each plan year. Paper claims may be filed on line or through the mobile app and are reimbursed at least twice monthly. You can receive text or email notifications of claim payment, card denial or receipt request.

Many Day Care providers accept VISA Card. Payroll deductions are available on the card each pay date, but are not pre-funded. Therefore, you may not charge future day care expense. If, your care provider does not accept the card, we can arrange to automatically pay your claims as long as you provide an annual claim form and letter from your care provider substantiating your day care expenses for the plan year. Claim kits will be issued at the time of enrollment to insure that you understand the process.

Points to Remember

- It is important to budget for known expenses only. Deposit enough money to cover expenses that you are likely to have during the year. Many expenses, particularly daycare, are easy to predict. However, for those expenses about which you are unsure, be conservative. IRS guidelines require unclaimed amounts to be forfeited.
- Keep in mind that you are required to submit receipts upon request for monies claimed under the plan.
- Federal law requires that your elections stay in effect for the entire Plan year, unless you have a qualifying event. For this purpose, marriage, divorce, birth of a child, death of a dependent, change of employment status or insurance change by your spouse may be considered a qualifying event. You must contact your Human Resources Department within 30 days of a qualifying event to change your FSA election.

Examples of Expenses for the Healthcare Spending Account

Acupuncture

Air conditioner for allergic relief

Alcoholism treatment

Ambulance

Anesthesiologist's fees

Artificial teeth or limbs

Automobile equipment, excess costs of specifically equipping automobile for handicapped person over cost of ordinary automobile: device for lifting handicapped person into automobile

Birth control drugs (prescribed)

Blind person's guide & Braille Books

Braces, orthodontic devices

excess of the cost of regular editions

Childbirth classes for the mother

Chiropractor fees for services within scope of license

Christian Science Practitioner fees

Computer storage cost for medical records

Contact lenses & Solutions

Crutches

Deductibles for medical and dental

Dental Care

Dermatologist's fees

Diagnostic services

Drug dependency treatment

Elevator for the alleviation of cardiac

Eyeglasses/ RK Surgery

Fluoridation costs for home water supply advised by dentist

Gynecologist's fees

Halfway house for adjustment to community following stay in mental hospital

Hearing aids

Hearing-trained cat or other animal to assist deaf person (costs of buying, training, and maintaining)

Hospital services

Insulin

Laboratory fees

Legal fees directly related to mental commitment of mentally ill person

Mattress prescribed to alleviate arthritis

Mileage Fees as per IRS limits

Note-taker fee for a deaf child in school

Nurse's room & board charges if paid by the taxpayer where nurse's services qualify

Nursing home for medical reasons

Nursing services for care of specific medical ailment

Obstetrical expenses

Optometrist's fees

Orthopedic shoes' excess cost over cost of ordinary shoes

Osteopaths' fees

Over-the-counter medications-*with restrictions!*

Oxygen equipment and oxygen

Physical Therapy

Physician's fees

Prescription drugs

Psychiatric therapy for sexual problems

Psychotherapist, psychiatrist's, and psychologist's fees

Reclining chair for cardiac person

School Physicals - Including Sports

Seeing-eye dog (costs of buying, training, and maintaining)

Social Security tax paid with respect to wages of a nurse

Typewriter for a blind person

Sterilization

Surgical services

Swimming pool fees for exercise prescribed by physician to alleviate specific medical condition such as rheumatoid arthritis

Telephone specially equipped for deaf person

Television closed caption decoder

Vaccinations

Visual alert system for the home for deaf person

Wheelchair or autoette

Wigs (for health reasons)

X-rays, Radiation treatments

Further information regarding eligible expenses can be found on the IRS Website at www.irs.gov/pub/irs-pdf/p969.pdf.