

**PLACER COUNTY OFFICE OF EDUCATION
SECTION 125 FLEXIBLE BENEFITS PLAN**

**ENROLLMENT FORM
Plan Year: July 1, 2020 - June 30, 2021**

Section A: EMPLOYEE INFORMATION

EMPLOYEE NAME SOCIAL SECURITY # WORK PHONE NUMBER

MAILING ADDRESS CHECK HERE IF THIS IS A NEW ADDRESS HOME PHONE NUMBER

CITY STATE ZIP CELL PHONE NUMBER

E-MAIL ADDRESS:

Section B: DEPENDENT CARE SPENDING ACCOUNT

I elect to enroll in the *Dependent Care Spending Account* and authorize the following to be deducted from my paycheck on a pre-tax basis for the Plan Year:

\$ _____ Annual Amount (Annual Maximum \$5,000 - to be deducted equally from each monthly paycheck for the Plan Year stated above.)

If enrolling after July 1st, designate the amount to be deducted for remainder of the Plan Year (thru June 30th).

Section C: MEDICAL REIMBURSEMENT ACCOUNT

I elect to enroll in the *Medical Care Reimbursement Account* and authorize the following to be deducted from my paycheck on a pre-tax basis for the Plan Year:

\$ _____ Annual Amount (Annual Maximum \$2,750 - to be deducted equally from each monthly paycheck for the Plan Year stated above.)

If enrolling after July 1st, designate the amount to be deducted for remainder of plan year (thru June 30th).

I hereby authorize my Employer to reduce my gross salary (before federal, state, and Social Security taxes are calculated) by the total amount indicated above and understand and agree that:

- To participate in the Dependent Care Spending Account or the Medical Reimbursement Account I must complete a new Enrollment Form each Plan Year and that participation is not automatic.
- If I make contributions to Social Security my contributions may be reduced, which may affect my Social Security benefits at retirement and/or upon disability.
- Up to \$500.00 of unused contributions in my Medical Expense Reimbursement Account may be carried over to the next Plan Year. This does not apply to the Dependent Care Account balance.
- Amounts remaining in my Medical Expense Reimbursement Account and not claimed in excess of \$500.00 will be forfeited according to IRS regulations.
- Funds in the Medical Reimbursement Account can only be paid out to reimburse payment of allowable expenses actually incurred during the Plan Year.
- Amounts remaining in my Dependent Care Account and not claimed will be forfeited.
- Funds in the Dependent Care Account can only be paid out to reimburse payment of allowable expenses incurred during the Plan Year and up to 2 ½ months into the following Plan Year.
- If I terminate employment prior to the end of the Plan Year, I am only eligible for reimbursement of expenses up to my termination date, unless I elect to continue after-tax contributions to the Plan under COBRA rules.
- My election is **irrevocable** for the Plan Year, unless I have an allowable status change. (See Plan Highlights on the back of this form.)

I have reviewed and understand the information on the back of this form. I have been given the opportunity to talk to a 125 Plan Administrator representative.

Section D: Employee Signature:

Date:

INSTRUCTIONS FOR COMPLETING THE COMPENSATION REDUCTION AGREEMENT

Section A: **Employee Information** – Complete all of Section A.

Section B: **Dependent Care Spending Account** – Complete only if you wish to enroll in the Dependent Care Spending Account for reimbursement of allowable dependent care expenses.

Section C: **Medical Spending Account** – Complete only if you wish to enroll in the Medical Spending Account for reimbursement of allowable health and dental care expenses.

Section D: **Employee Signature** – Sign and date this section (required).

NOTE: Health insurance premium payments (including medical, dental, and vision) are automatically deducted from employee paychecks on a pre-tax basis through the Section 125 Cafeteria Plan. To opt out of this tax-saving plan, employees must notify PCOE's payroll office in writing.

PLAN HIGHLIGHTS (Please see the Plan Document for a complete explanation of the 125 Plan provisions)

I understand that with the **Dependent Care Spending Account**:

- Dependent care expenses are reimbursable if my spouse (if I am married) and I are both employed or if my spouse is a full-time student.
- I may not claim services for periods I did not work or while not on duty (or my spouse if I am married), (e.g., leaves of absence, vacation, sick leave, etc.)
- Dependent care expenses must be for my dependent children under age 13 or other dependents (e.g., a physically or mentally handicapped relative or other person living in my home that is unable to care for himself/herself and over half of whose support I pay).
- I can contribute up to \$5,000 per year if I am a single parent or married and filing a joint return. The maximum is the total family contribution allowable. My maximum may be less if:
 - I or my spouse earn less than \$5,000; or
 - I or my spouse is a full-time student or incapable of self-care; or
 - I am married but file a separate federal tax return.

If any of the above exceptions apply, please call the Administrator, Envoy Plan Services, Inc., at 1-800-248-8858.

- My spouse or anyone I claim as a tax dependent cannot provide care.
- I cannot claim as a tax credit the same dependent care expenses that are reimbursed under this Plan.
- Claims will be reimbursed for the amount of my eligible "out-of-pocket" expenses up to the amount in my account.
- I will be required to identify the person or agency performing the childcare services to the IRS by providing the federal tax I.D. number or social security number.
- I may be reimbursed for expenses incurred for services rendered during the current Plan Year and for up to 2 ½ months into the following Plan Year.
- Any money left in my account(s) after the 90th day following the end of the Plan Year, (after I have claimed all eligible expenses for that year) will not be reimbursed to me and will be **forfeited** to my employer pursuant to the IRC Section 125.

I understand that with the **Medical Reimbursement Account**:

- Health-related expenses are reimbursable if they are considered "deductible" medical expenses on my tax return as defined under Section 213(d) of the Internal Revenue Code ("IRC"). Insurance premiums, over-the-counter drugs, and unnecessary cosmetic surgery are examples of ineligible expenses. See IRS Publication 502 for guidelines. I cannot claim on my tax return the same health care expenses that are reimbursed under this Plan.
- The maximum amount I may contribute is \$2,750 per Plan Year. If both my spouse and I are eligible for the 125 Plan Medical Spending Account; we may each contribute up to \$2,750 per plan year.
- My claims will be reimbursed for the amount of my eligible "out-of-pocket" expenses up to my annual election, minus previous claims paid.
- I may be eligible to continue in the Medical Reimbursement Account on an after-tax basis through COBRA if a qualifying event occurs, such as separation from service.
- I may be reimbursed for expenses incurred for services rendered during the current Plan Year only. Claims must be submitted no later than 90 days after the end of the Plan Year. **Corrections to claims received after September 30th will not be accepted.**
- Up to \$500.00 remaining in my account after the end of the Plan Year may be carried over to the next Plan Year. **Any amounts remaining in your account in excess of \$500.00 will be forfeited pursuant to IRC Section 125.**

I understand that with the **Dependent Care and Medical Reimbursement Accounts**:

- My election is irrevocable for the Plan Year, unless I have an allowable status change. Examples of allowable status changes include, but are not limited to: changes in legal marital status, changes in the number of dependents, or changes in employment status.
- I must submit a written status change form to the Administrator within 90 days of the status change event. Otherwise, my election cannot be changed. The election change must be consistent with the status change and may be made on a **prospective** basis only after the Administrator's receipt and approval of the required status change forms.
- Claims must accumulate to a total of \$25 before reimbursement will be made, except that at the end of the Plan Year, amounts less than \$25 will be reimbursed.
- All forms and receipts must contain **complete** information before my reimbursement can be processed, and must be received by the Administrator no later than 90 days following the end of the Plan Year. Corrected claim forms received after this date cannot be reimbursed.
- The IRS considers the date of the claims as the date the service or services were rendered, not when the bill is actually paid.

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