

## WHAT IS A FLEXIBLE BENEFIT PLAN?

The flexible benefit plan allows you to elect an amount for the year that you plan to spend on out-of-pocket health care and day care expenses. The money is then taken out of your paycheck on a pretax basis, which means you can save around 30% in taxes!

You Save:

7.65% FICA  
7.1% State  
15% + Federal  
30% + Savings

For example: If you pay \$100/month for braces with this plan, you could save \$360/year in taxes!

## HOW DOES IT WORK?

You deposit money into your account through pre-tax payroll deductions. Once eligible expenses are incurred, you simply file a request to receive reimbursement from your account. These expenses can be incurred by yourself, your spouse or any of your dependants. NBS processes claims daily so you will receive your reimbursement funds quickly!

## HOW DO I GET REIMBURSED?

You can pay for expenses out of pocket, and then send in your receipt with the reimbursement claim form to NBS, or you can choose to get the NBS Benefits Prepaid MasterCard. For more information about this card, see page 90.

## ARE THERE MAXIMUM AMOUNTS I CAN CONTRIBUTE?

The maximum annual election for a health care expense account is \$2,750. The maximum allowable election for a dependent care account is \$5,000 per family for a married couple filing jointly (or a single parent) and \$2,500 for a married person filing separately.

## CAN I CHANGE THE AMOUNT I CONTRIBUTE DURING THE YEAR?

Yes, you can change your contribution amount during the year, but only if you have a qualifying life event occur during the year. These events include: a birth or death in the family, adoption, no longer dependent, marriage or divorce, employment change, and spousal employment change.

## DO I NEED TO SPEND ALL OF THE MONEY THIS PLAN YEAR?

Careful planning is important. For an expense to be eligible it must be incurred in the plan year. The Internal Revenue Code does not allow the plan to return your unused payroll deductions to you. There is, however, a claims grace period through March 15<sup>th</sup> following the plan year during which expenses for reimbursement under your account can continue to be incurred. Reimbursement requests will be paid out from any funds left over from the previous plan year first. All requests for reimbursement for the plan year and the grace period must be submitted by March 31<sup>st</sup> following the plan year.

## SPECIAL NOTE FOR EMPLOYEES ELECTING “HIGH DEDUCTIBLE HEALTH PLAN” INSURANCE COVERAGE:

If you elect one of the High Deductible Health Plan insurance options along with a Health Saving Account, you will not be eligible for a regular health care flexible spending account. You do, however, have the option of enrolling in a “limited purpose” flexible spending account. This limited purpose flexible spending account may be used only for qualified vision and dental expenses. The maximum annual election for this type of account is \$2,750.

### HOW DO I SIGN UP?

Use the District’s electronic open enrollment system .

The District’s insurance open enrollment period is the only time you may elect to enroll in the plan unless you are a new employee.

You must make a new election each year during open enrollment if you wish to continue your participation in the Flexible Benefit Plan.

## FLEXIBLE BENEFIT PLAN EXAMPLE

	<u>Without 125 Plan</u>	<u>With 125 Plan</u>
<b>Gross Pay</b>	<b>\$1,500.00</b>	<b>\$1,500.00</b>
Amount Withheld for Flexible Benefit Plan	0.00	-200.00
<b>Taxable Earnings</b>	<b>\$1,500.00</b>	<b>\$1,300.00</b>
<b>Minus:</b>		
Federal Income Tax (15%)	-225.00	-195.00
State Income Tax (7.2%)	-108.00	-93.60
FICA (7.65%)	-114.75	-99.45
<b>Same expenses paid After Taxes . . .</b>	<b>-200.00</b>	<b>0.00</b>
<b>Take Home Pay</b>	<b>852.25</b>	<b>911.95</b>
	<b>Monthly Savings</b>	<b>\$59.70</b>
	<b>Annual Savings</b>	<b>\$716.40</b>

[www.nbsbenefits.com](http://www.nbsbenefits.com)

*On our website you can:*

- Access your account balance 24 hours per day
- Get all forms including reimbursement forms
- Calculate projected savings and expenses
- Find many other useful forms and financial planning tools



# Sample Expenses

## Medical Expenses

- Acupuncture
- Addiction programs
- Adoption (medical expenses for baby birth)
- Alternative healer fees
- Ambulance
- Body scans
- Breast pumps
- Care for mentally handicapped
- Chiropractor
- Copayments
- Crutches
- Diabetes (insulin, glucose monitor)
- Eye patches
- Fertility treatment
- First aid (e.g., bandages, gauze)
- Hearing aids & batteries
- Hypnosis (for treatment of illness)
- Incontinence products (e.g., Depends, Serene)
- Joint support bandages and hosiery
- Lab fees
- Menstrual Products\*
- Monitoring device (blood pressure, cholesterol)
- Non-prescription medicines or drugs (vitamins/supplements without a prescription are not eligible)\*
- Physical exams
- Pregnancy tests
- Prescription medicines or drugs
- Psychiatrist/psychologist (for mental illness)
- Physical therapy
- Speech therapy
- Vaccinations
- Vaporizers or humidifiers
- Weight loss program fees (if prescribed by physician)
- Wheelchair

*\*After January 1, 2020*

## Dental Expenses

- Artificial teeth
- Copayments
- Deductible
- Dental work
- Dentures
- Orthodontia expenses
- Preventative care at dentist office
- Bridges, crown, etc.

## Vision Expenses

- Braille - books & magazines
- Contact lenses
- Contact lens solutions
- Eye exams
- Eyeglasses
- Laser surgery
- Office fees
- Guide dog and upkeep/ other animal aid

## Items that generally do not qualify for reimbursement

- Personal hygiene (e.g., deodorant, soap, body powder, sanitary products. Does not include menstrual products)
- Addiction products\*\*
- Cosmetic surgery\*\*
- Cosmetics (e.g., makeup, lipstick, cotton swabs, cotton balls, baby oil)
- Counseling (e.g., marriage/family)
- Dental care - routine (e.g., toothpaste, toothbrushes, dental floss, anti-bacterial mouthwashes, fluoride rinses, teeth whitening/bleaching)\*\*
- Exercise equipment\*\*
- Haircare (e.g., hair color, shampoo, conditioner, brushes, hair loss products)
- Health club or fitness program fees\*\*
- Homeopathic supplement or herbs\*\*
- Household or domestic help
- Laser hair removal
- Massage therapy\*\*
- Nutritional and dietary supplements (e.g., bars, milkshakes, power drinks, Pedialyte)\*\*
- Skin care (e.g., moisturizing lotion, lip balm)
- Sleep aids (e.g., snoring strips)\*\*
- Vitamins\*\*
- Weight reduction aids (e.g., Slimfast, appetite suppressant)\*\*

*\*\*Portions of these expenses may be eligible for reimbursement if they are recommended by a licensed medical professional as medically necessary for treatment of a specific medical condition.*

# NBS Benefits Prepaid MasterCard®

## The Smart Way to Pay for the Things You Need



### The NBS Benefits® Prepaid MasterCard®

As part of your flexible benefit plan, you can receive your own NBS Benefits card that makes using your flex dollars easier than ever. As long as the merchant or service provider accepts MasterCard, there's no need to pay cash upfront and then wait for reimbursement.

### HERE'S HOW IT WORKS . . .

1. Enroll in the flexible benefit plan and select an annual contribution amount.
2. Pre-tax funds are loaded into your account via payroll deduction.
3. You receive your NBS Benefits card in the mail, and can use it immediately for qualified expenses. Funds are deducted directly from your flex account. Purchases that exceed the available funds are declined, and you'll have to use another form of payment and submit a claim for reimbursement.
4. An NBS Benefits card is similar to a credit card in that you always select "Credit" and sign for purchases. Your card does not require a PIN and you cannot withdraw cash. If the merchant or service provider does not accept MasterCard, you'll need to use another form of payment and submit a claim for reimbursement. To see a list of stores that accept the card see <http://sig-is.org/card-holder/store-locator>.
5. If you already have an NBS Benefits card, please retain the card as it will be reloaded with your new plan year's election amount.

### Sign up for the flexible benefit plan today, and keep those hard earned dollars in your wallet.

Please note, the NBS Benefits Card is optional and costs \$18 per year. The cost will be subtracted up front from your first check of the year, tax-free. You will be sent one card automatically when you enroll for the card. You can request additional cards by calling NBS at 800-274-0503. You can get a second card at no additional cost, then for each card after there is a \$5 card fee. Enrollment is for the plan year and is not reversible. **If you have any questions about the plan, call the District Payroll Department at 801-402-5232 or NBS at 800-274-0503.**

### YOUR NBS BENEFITS CARD FOR NEXT YEAR

*To re-activate your NBS Benefits card and/or re-enroll, employees must access the open enrollment system to make those elections. When you elect or re-activate the NBS Benefits card, the administrative fee will be a one time deduction from your January payroll check, and your elected amount is loaded to your card for the next plan year.*

*Some of your cards will be expiring during the year. You can check your expiration date on your card. Most cards are good for three years. If your card is expiring, you will receive a new card at no additional cost in your name one month prior to the expiration date. Please watch for these to come in the mail to your home.*

