

Flexible Spending Accounts

You may choose to participate in one or both the flexible spending accounts:

- Medical Reimbursement Account
- Dependent Care Account

With the **Medical Reimbursement Account** you can save 15%-40% on your out-of-pocket expenses that are not covered by the medical, dental or vision plans. Simply calculate your estimated expenses for the year and have that amount set aside in a Medical Reimbursement Account. The money is taken from your check before taxes, so you don't pay most federal, state, Social Security and Medicare taxes on that amount.

The **Dependent Care Account** allows you to set aside tax-free dollars for eligible day care expenses for your dependents. A Dependent Care Account is a great way to defer child care costs. Someone in a 15% tax bracket with the maximum \$5,000 election would save \$1,132 in one year using BASIC Flex.

Dependent Eligibility:

- You and/or your spouse must be employed or actively seeking employment or attending school full time.
- Dependent care expenses paid during a sick leave, holiday or vacation are not eligible.
- Child must be a dependent under 13 years of age and be in your custodial care more than 50% of the calendar year. If your child turns 13 during the plan year, expenses are no longer eligible for reimbursement.
- A spouse or dependent who is incapable of self-care and regularly spends at least eight hours per day in your home (i.e. an invalid parent).

Service Requirements:

- Provider cannot be a minor child or dependent for income tax purposes (i.e. an older child).
- Service provider must claim payments are income and comply with state regulations.
- Services must be for the physical care of the child, not for education, meals, etc.
- Overnight camps are not eligible.
- Expenses paid for Pre-K are eligible but kindergarten is not.

How the Accounts Work

A debit card will be issued to you if you sign up for the Flexible Spending Account. The debit card may be used to pay for eligible expenses. If you forget to use your debit card or if a vendor does not accept debit cards as a method of payment, you may pay for your expense out of pocket and submit a claim for reimbursement. BASIC will reimburse you via check or direct deposit (if you have signed up for direct deposit).

Plan Limits:

- **Medical Reimbursement Account:** Maximum is \$2,500 per eligible employee per year. If you and your spouse are employed by the County each can contribute \$2,500.
- **Dependent Care Account:** Maximum is \$5,000 (married filing jointly or single) or \$2,500 (married filing separately) each year.

The US Treasury Department has modified its Flexible Spending Account (FSA) "use-it-or-lose-it" provision to allow carryover of FSA funds. This provision does not apply to Dependent Care Account funds.

This is great news for you, because:

- You can carryover up to \$500 of your unused Medical Reimbursement Account funds at the end of the plan year.
- This eliminates the risk of losing Medical Reimbursement Account funds if you elect \$500 or less.

If you choose not to participate in the past because of the "use-it-or-lose-it" mandate, now is the time to take another look. The benefit will automatically take effect on your account should you decide to participate in the Medical Reimbursement Account.



LEARN MORE

You can find more information at:

www.basiconline.com.

The full amount of your Medical Reimbursement Account election is available on the first day of your plan year.

The Dependent Care Account is a pay-as-you-go account. You may only be reimbursed up to the amount you have contributed into the account.

You should check with a tax advisor to see what your savings might be if you participate in the Flexible Spending Account program.

Note that you are unable use certain tax credits if you use the FSA accounts.

This is an example of how you can save tax dollars with an FSA:

	With FSA	Without FSA
Annual Income	\$40,000	\$40,000
Estimated health care expense	\$2,500	\$0
Taxable Income	\$37,000	\$40,000
Estimated Federal Tax	\$5,625	\$6,000
Estimated Social Security Tax	\$2,869	\$3,060
Healthcare expenses	\$0	\$2,500
Net pay	\$29,006	\$28,440
Savings with FSA	\$506	N/A

Tax Savings Calculator

To use our calculator to estimate your tax savings when you choose to participate in the FSA visit:

www.basiconline.com/fsasavingscalculator

THE NEW
FSA

USE OR
Carryover \$500
~~LOSE~~

Eligible FSA medical expenses include:

- Ambulance; crutches; eye glasses
- Copays and deductibles
- Nursing care; Physical Therapy
- Orthodontics
- Birth Control
- Smoking cessation programs, nicotine patches/gum
- Diabetic Supplies

For a reference of FSA eligible expenses go to www.basiconline.com.

When in doubt ask BASIC.

We realize that the IRS regulations can be confusing at times. Please call BASIC, prior to election, if you have any questions about the eligibility of any item, event, service or treatment. Once or our Customer Service Representatives will be happy to advise you on the regulations that apply so you can make the best election for your situation.

We want your FSA plan to benefit you in every way possible.



Parking and Transit Plan

You can also save money on your parking and transit costs (up to 40%) by joining the Parking and Transit Plan administered by BASIC.

You can pay for your work-related parking and mass transit costs with tax-free dollars.

There is no cost to you to participate in this plan.

Plan Limits:

- **Parking:** \$250 per month
- **Transit:** \$130 per month

Any unused funds continue to roll over month-to-month as long as you are an active employee. Requests for reimbursement must be made within six months of the pre-tax contribution.

You must enroll online at

<https://parking.basiconline.com/NeWEnrollment.aspx>. To receive reimbursement for parking, expenses must be submitted online at www.basiconline.com within 180 days of incurring the expense. You will receive your reimbursement by direct deposit only.

Eligible Expenses

Parking expenses on or near the premises of Bernalillo County or a location from which you commute to work by train, bus, van or carpool.

Parking and transit expenses resulting from travel to or from meetings, visits to other County departments or other locations are ineligible for reimbursement.



For Questions:
800.444.1922 ext 1

County Sponsored Benefit

FISCAL YEAR 2015

- County pays administrative fees
 - No employee cost to join
- Medical Reimbursement Limit
 - Up to \$2,500
- Dependent Care Limit
 - Up to \$5,000

ADVANTAGES

- Save Payroll Taxes
 - 15%-40% savings on:
 - ♦ Out-of-pocket medical, dental and vision
 - ♦ Day care expenses

24/7 ACCESS TO ACCOUNT BALANCES

- Online Access
- Free Mobile App
- Toll Free Number

SPEEDY TURNAROUND ON CLAIMS

- Direct Deposit Available
- Claims processed Daily

Examples of **ineligible health care expenses** include cosmetic surgery, marriage counseling, and prepayment of services.

Examples of **ineligible dependent care expenses** include transportation expenses, convalescent or nursing home expenses and overnight camp expenses.

You must enroll each year if you want to continue participating in the Flexible Spending Account program.