



Bloomington School District #271

To: Staff members eligible for the Dependent Care Flex Plan

From: Bloomington School District #271 / PlanSource

Re: Flexible Spending Plan, Benefit Option

Date: April 11, 2023

**Annual enrollment for your dependent care flexible spending plan is here!
Now is the time for you to decide if you wish to participate in the new plan year beginning July 01, 2023.**

YOU MUST RE-ENROLL PRIOR TO EACH PLAN YEAR FOR THE DEPENDENT CARE REIMBURSEMENT ACCOUNTS.

How to Enroll: Complete the Flexible Spending Plan Election Form – located in your enrollment packet.

You MUST return your completed form to Vickie Hepler – Human Resources no later than Wednesday, May 10, 2023.

Additional Information:

The flexible spending plan offered by Bloomington School District #271 is a plan established to provide you and other employees with a way to save money on your costs for health care and dependent care expenses. It is a salary reduction plan permitting participants to choose among more than one benefit. It is classified as a "Cafeteria Plan" for Federal income tax purposes. The Summary Plan Description (SPD) containing information about how this plan operates is available via your employer and on the PlanSource website.

The plan year will commence July 01, 2023 through June 30, 2024. There are several components to the plan:

1. Pre-tax premiums for insurance deductions
2. Dependent care flexible spending account - \$5,000 limit (\$2,500 if married but filing separately)
 - Dependent care FSA elections are reimbursable only up to the balance of your account.
 - Limited to \$208.33 per pay period deduction.

The Flexible Spending accounts allow you to pay for dependent care expenses with pre-tax dollars. You are able to lower your taxable income because the money placed in your Flexible Spending account is taken out of each paycheck before taxes are calculated and is not subject to Social Security, Federal, and in most cases, State income taxes.

A WORD of CAUTION: You must use the money you allocate to your flexible spending accounts or you will lose it; any money not used is forfeited.

TAX CONSIDERATIONS: Any claim in which you receive reimbursement through a flexible spending account cannot be used as a deductible expense or credit on your income tax returns at the end of the year. Review your personal situation carefully.

Grace Period:

The flexible spending plan offered by Bloomington School District #271 includes a Grace Period provision.

Your Grace Period is: July 01 through September 15. During this period of time, you may:

- Incur and be reimbursed for *new* expenses from the prior plan year's balance.
- Be reimbursed for expenses incurred in the prior plan year, from the prior plan year's balance.

Benefit Extras does not determine which expenses are paid from the old plan year and which expenses are paid from the new plan year. *Benefit Extras will process claims as they are received.* It is important for you to submit all expenses you wish to have reimbursed from your prior year's account balance **before** you submit new plan year expenses. Benefit Extras will NOT be able to reprocess claims. For example: You submit an expense incurred *during* the grace period and this claim reimburses all remaining prior year funds. At a later date, you submit an expense incurred *prior* to the grace period. This claim will be denied because no funds remain in your prior year's account.

The claims grace period applies to you even if you do not make an election for the new plan year.

Should you have any questions regarding this information, please feel free to contact:

Benefit Extras
952-435-6858

Email: flex@benefitextras.com

Link to Portal for Member: <https://benefitextras.lh1ondemand.com/Login.aspx?sec=BEX-1773>