


Municipal Government Town of Dracut

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ANN M. VANDAL
ASSISTANT TOWN MANAGER
FINANCE DIRECTOR

CAROL A. BRIGGS
ASSISTANT TREASURER

DATE: October 16, 2020
TO: Town of Dracut Full Time Employees
FROM: Carol Briggs 
Interim Treasurer
RE: Open Enrollment for Flexible Spending Benefits

Amazingly, it is once again open enrollment for Flexible Spending Benefits.

Attached you will find the Flexible Spending packet which includes the explanation of Flexible Spending and enrollment forms.

If you were enrolled in Flexible Spending last year, you may roll over \$500.00 for the new plan year of 2021 if you enroll again. You will be eligible to sign up on-line at www.cpa125.com. Starting 2021 you may roll over \$550.00 if you enroll again in 2022.

The Flexible Spending Packet will also be available on www.employeeforward.com where you can print out the forms. Forms will also be available in the Town Hall Treasurer's Office and at the School Department.

The deadline to return the forms is Friday, November 13, 2020.

If you have any questions, please contact the Treasurer's Office at 978-454-8262. School employees should contact the School Department at 978-957-2660.

Sign up **NOW**
for the
2021
Plan Year!

Flexible Spending Benefits Town of Dracut

One of the Few Gifts the IRS Gives!

Discover the benefit that **SAVES YOU MONEY**. This perk allows you to set aside a portion of your pay—**BEFORE TAXES**—to cover out-of-pocket expenses in these categories:

- ◆ **HEALTH CARE.*** Eligible expenses and services include: non-cosmetic medical, dental, and vision care services; prescription medications; orthodontics, prescription eyeglasses, contact lenses, laser eye surgery, mental health services, alternative health therapies (e.g. chiropractic, acupuncture), and *MORE!*

Max. Annual Health Care Election: \$2,750.

Who's Covered? You, your legal spouse, and your dependents as defined by the Internal Revenue Service, including those claimed on your tax return and adult children under age 26.

Benefit Cards. For employer plans that offer the benefit card, new Health Care FSA enrollees will receive **2 cards** that can be used at most medical facilities, dental offices, optical shops, and pharmacies to pay for eligible expenses. **Keep your cards!** They will reload each plan year that you enroll.

Rollover Option. Health Care FSA balances—**up to \$550**—will roll over to the next plan year as long as you re-enroll for that new plan year. Funds roll over after the prior plan year's 90-day run-out deadline.

HSA Ineligibility. If you or your spouse have a Health Savings Account ('HSA'), you are **NOT** ELIGIBLE to participate in the Health Care FSA plan.

- ◆ **DEPENDENT CARE.**** For dependent children under age 13, elderly dependents, and dependents with special needs. Eligible expenses include day care, pre-school, before/after school care, day camp, elder day care.

Max. Annual Dep. Care Election: \$5,000. per family

Annual FSA administration fee of \$60 is paid via payroll deduction.

* Not all Health Care expenses are FSA-eligible, such as cosmetic procedures or products *even if performed or dispensed by a doctor* (e.g. Botox, teeth whitening, veneers, etc.), couples/family counseling, general health/wellness expenses (i.e., toothbrushes, non-prescription sunglasses, gym dues, etc.), and federally non-permissible products. Effective 1/1/20, non-prescription/over-the-counter medications were made eligible. Some expenses, such as medical equipment and some services, may be FSA-eligible with a physician's Letter of Medical Necessity. Visit <https://fsastore.com/FSA-Eligibility-List> and search the "Eligible Products and Services List" for more info.

** Overnight camp and school tuition are not FSA-eligible; day camp is eligible when utilized as childcare in order for the parent(s)/guardian(s) to be able to work; extra-curricular and enrichment programs/activities that aren't daycare/childcare-based are not eligible; monies paid to a provider who doesn't report childcare income on his/her taxes aren't eligible.

Enroll by **11/13/2020**
for the
1/1/2021 – 12/31/2021
Plan Year

Complete an "Authorization for Pre-Tax Payroll Reduction" form and send it to **Cafeteria Plan Advisors** by the deadline above.

Already in the plan? Log in to your employee **account portal** via our website (www.cpa125.com) by the deadline above to enroll for the new plan year.

Note: Re-enrollment is not automatic.

Track Your Account and File Claims 24/7!

Log in to your **employee portal** via our website (www.CPA125.com), or use our app: **CPA Flex Mobile**.

★ NEW OTC ELIGIBILITY ★

Over-the-counter 'medicines' are now eligible without a prescription (*excludes vitamins & supplements*).



Flexible Spending Plans administered by...

CAFETERIA PLAN ADVISORS | 420 WASHINGTON ST., SUITE 100, BRAINTREE, MA 02184 | www.CPA125.com
TEL.: 781.848.9848 | FAX: 781.848.8477 | E-MAIL: INFO@CPA125.COM

HD-RO v.1.3 (8-12-20)



CAFETERIA PLAN ADVISORS, INC.
420 Washington St., Ste. 100
Braintree, MA 02184
Tel.: 781-848-9848

Authorization for Pre-Tax Payroll Reduction

Enrollment Deadline is 11/13/2020.

*** Late Enrollments not Accepted. ***

INSTRUCTIONS: New Enrollees: Complete & return this form to CPA, Inc., by e-mail (info@cpa125.com) or fax (781-848-8477).
If Already in Plan: Enroll for the new plan year **online** via your account portal. Go to www.cpa125.com, click *Sign In: Employee Online Access*, log into your account, select **ENROLL**, and follow the steps.

1 Personal Information:

Participant Name: _____ **Employer:** **Town of Dracut**
Mailing Address: _____ **Plan Year:** **1/1/2021 to 12/31/2021**
(Expenses must be incurred between these dates)
City/Town, State, ZIP: _____ **SSN:** _____ **DOB:** _____
E-Mail: _____ **Daytime Phone:** _____ ☐ personal
☐ work

2 Employment/Payroll Info.: I am a (check one): ☐ Town Employee ☐ School Teacher ☐ School Staff
I am paid (check one): ☐ Bi-weekly 21 ☐ Bi-Weekly 26 ☐ Weekly

3 Flexible Spending Account (FSA) Benefit Selections:

☐ **Health Care FSA Election:** \$_____ for the **plan year** for employee, legal spouse, and eligible dependents' qualified medical, dental, vision expenses. *Benefit card included.*

Max. Annual Election: \$2,750.

Rollover Option: Any unspent Health Care balance—**up to \$550**—will roll over to the next plan year if you re-enroll for the next plan year.

Ineligibility Note: You are **NOT** eligible for this plan if you or your spouse have a Health Savings Account ("HSA").

☐ **Dependent Care FSA Election:** \$_____ for the **plan year** for qualified childcare expenses of eligible dependents under age 13, and elderly or special needs dependents requiring day care.

Max. Annual Election: \$5,000. per family

Claim-based plan; no benefit card. Participants must submit claim(s) each plan year to receive accrued funds.

Annual FSA administration fee of \$60 paid via payroll deduction. See Open Enrollment flyer for more plan information.

4 Direct Deposit Info. Direct deposit is Cafeteria Plan Advisors' preferred method of expense reimbursement. Unless your banking info. is already on file with Cafeteria Plan Advisors, please set up direct deposit: **1) Attach a voided check** to this form; or **2) Set up direct deposit** online via your account portal once you receive enrollment confirmation.

5 Certification. I hereby authorize a salary reduction agreement for the amount(s) shown above and understand that:

- Cafeteria Plan Advisors, Inc., will hold these funds until eligible expenses are incurred and a claim is submitted. FSA expenses must be consistent with allowable deductions under Internal Revenue Service (IRS) Publication 969, and funds may be forfeited in accordance with the same publication if eligible balance isn't incurred and/or submitted for reimbursement by plan year deadline.
- All claims for the Plan Year must be submitted within ninety (90) days of the end of the Plan Year.
- Your Health Care FSA plan has a **Rollover option**. Eligible balances roll over to the next plan year when you re-enroll in the Health Care FSA for the new plan year and the rollover occurs after the current plan year's 90-day runout period ends.
- This election cannot be revoked or changed** during the plan year unless the participant experiences a qualifying event as defined by the IRS. **Current participants must enroll each plan year; re-enrollment is not automatic.**
- Health Care FSA cards**, if offered through your employer's plan, **will reload** at the start of each plan year when you re-enroll; keep until they expire.
- Additional certification for Dependent Care Plan Participants: I understand that the Dependent Care Reimbursement Plan Guidelines can be found at CPA125.com and I qualify to participate in the FSA Dependent Care plan. I agree to notify the plan administrator in writing within 30 days should I experience a change in need or no longer meet the IRS's eligibility criteria. Dependents must qualify under regulations set forth in IRC sections 152 and 129.
- Tax advice:** It is suggested you consult with a tax advisor to determine your tax savings and/or limits on tax deductions.

Signature: _____ **Date:** _____

A system-generated e-mail confirmation will be sent once your enrollment is processed.

Don't know what to use your FSA money on?

Did you know you could use your FSA to save money on everyday health essentials like baby health items, health trackers, pain relief products and more?

Use your FSA funds or risk forfeiting your money.



The largest selection
of guaranteed FSA-eligible
products



24/7 support,
FREE shipping on orders
over \$50



**Are your health
needs eligible?**
Easily check with our
expansive Eligibility List



Need an Rx?
We'll work with you to
make getting one easier



Learning Center
Get daily
money-saving info



Use your FSA card
or any major credit card

Visit **FSAstore.com/FlyerCAI** for the largest selection of
guaranteed FSA-eligible products with zero guesswork.

Get **\$5 off** with code, **FCCA15**. One use per customer.



Everything Flex Spending.