

Flexible Spending Account (FSA) Section 125

Marysville School District Section 125 Plan

A Flexible Spending Account (FSA) program enables you to set aside tax-free money to pay for health and day care costs. An FSA is the only individual choice benefit that actually saves you money on the cost of health care and/or day care expenses. Our plan year runs on a calendar year: January 1 through December 31.

Please note the enrollment deadlines for the 2017/2018 plan years:

<u>Enrollment Deadline:</u>	<u>Plan Year:</u>	<u>70-Day Grace Period- May Incur Claims:</u>	<u>End of 90-Day Run off. Claims must be filed (postmarked) no later than:</u>
Closed	01/01/2017 to 12/31/2017	01/01/2018 to 03/11/2018	03/31/2018
12/19/2017	01/01/2018 to 12/31/2018	01/01/2019 to 03/11/2019	03/31/2019

We offer the following two accounts to choose from:

Unreimbursed Medical: Allows up to **\$2,600** per year of tax-free dollars to pay for out-of-pocket medical, dental or vision expenses, as well as prescriptions and some over-the-counter products, incurred by you and your dependents.

Dependent Care: Allows up to **\$5,000** per year of tax-free dollars to pay for work-related dependent care costs. This includes private day care, licensed day care, and elder care.

For both medical and day care expenses, claims **must** be filed (postmarked) by the end date of the 90-day run off period. **Claims submitted on or near that day, that do not meet the requirements, could end up not being eligible to be paid.**

You must enroll every year you wish to participate: You must sign up each year or your participation will automatically stop at the end of the plan year. Once the FSA deadline has passed, you cannot make any changes. There may be an exception due to an approved life change for Dependent Care Accounts.

Who is eligible? All employees who are eligible for group benefits.

How does it work? You can direct a part of your pay, on a pre-tax basis, into a special account that is then used to reimburse yourself for dependent day care expenses or unreimbursed medical expenses. Claims for expenses are submitted to American Fidelity and the reimbursement is issued directly to you. Participation in a Section 125 Plan results in a tax savings to you. You avoid paying Social Security and Medicare tax (7.65%) and Federal Income Tax (10-39.6%).

American Fidelity is available to answer any questions you have and to enroll you in one or both of the Flexible Spending plans. Please contact one of our Seattle area representatives at **(866) 576-0201**.

For information further information, visit the American Fidelity website: www.afadvantage.com

Post Tax vs. Pre Tax:

Since employee medical out-of-pocket costs fall under the Section 125 rules, they come out of your paycheck as a pre-tax deduction. If you choose, you may request that these deductions come out on a post-tax basis. If interested you will want to consult your tax advisor to discuss the pros and cons.