



Town of Walpole

Flexible Spending Account Open Enrollment

Plan Year: 7/1/2013 – 6/30/2014

Deadline to join: 5/30/2013

The Flexible Spending Account is a tremendous opportunity for you to enhance your benefits package. Your employer knows that this is a highly beneficial program and wants you to have the opportunity to participate in a Flexible Spending Account.

Most employees pay for expenses such as dependent care expenses, out-of-pocket medical/dental expenses, prescription drug co-payments etc, on an after tax-basis. The Flexible Spending Account allows you to set aside a portion of your paycheck pre-tax to pay for those expenses. The result is a reduction in Federal, State and Social Security taxes, which will give you an increase in your take home pay. **Don't miss out on this opportunity to save between 28-34% in taxes.**

MEDICAL FLEXIBLE SPENDING ACCOUNT (FSA)

The Medical FSA allows you to set aside up to \$2,500 pre-tax from your paycheck to pay for expenses not covered by insurance for you and your dependents. Some examples of these out-of-pocket expenses are:

Dental: Orthodontia/Crowns/Fillings/Dentures/Cleanings/X-rays

Co-pays: Doctor Visits/Prescriptions/Deductibles

Medical: Chiropractor/Psychologist Fees/Orthopedic Expenses/Hearing Aides

Vision Care: Eye Exams/Contact Lenses/ Solution/Glasses/Laser Eye Surgery

Effective 1/1/2011, The IRS eliminated OTC Medications from being eligible for reimbursement without a prescription.

A **MasterCard debit card** (known as the "benny" card) will be provided for all FSA-medical account holders. The card can be used at medical, vision, dental and pharmacies locations and can provide auto substantiation for most items. **Current participants will have their election amount loaded to their existing cards.**

DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT (FSA)

The Dependent Care FSA is a great tax savings for people who have children in daycare or spouse/parents who require elder care. The IRS allows you to set aside up to \$5,000 pre-tax from your paycheck to pay for these expenses. In most instances participation in the Dependent Care FSA results in a greater tax savings than the Dependent Care Tax Credit (we recommend that you speak with your tax advisor to determine which would provide the greatest tax benefit for you). Some examples of eligible Dependent Care expenses are:

Daycare	Before School Care
Pre-School	After School Care
	Summer Day Camp

Plan Year

The plan year for the Flexible Spending Account is 7/1/2013 – 6/30/2014. Enrollment occurs each plan year and is not automatic. Expenses must be incurred within the plan year and during your employment to be eligible for reimbursement.

Plan Limits

The Federal Government limits employee contributions to a Dependent Care Account to \$5,000 per family per calendar year. The limit for Medical is currently set by the IRS and is \$2,500. Interested employees should elect one or both accounts.

Use-It-Or-Lose-It Provision

Be conservative! It is important to calculate what expenses will be incurred as precisely as possible – the IRS does not allow unused funds to be returned. Note; the amount you set aside is restricted to change during the plan year unless you have a qualifying event such as birth of a child, death, marriage, divorce or change in employment.

Reimbursements

Claim reimbursements are made by direct deposit or paper check. Direct Deposit is run weekly and paper checks are cut twice per month.

Medical Account Reimbursements:

Participants submit claim vouchers with receipts or bills attached and will be reimbursed the amount of the claim regardless of the current contribution balance (up to the annual election). Proper bills/receipts need to include, date of expense, nature of expense, cost of expense, and the name of the person who incurred the expense.

Dependent Care Reimbursements:

Participants complete a Dependent Care Claim Form qualifying them for this benefit and are automatically reimbursed back their contributions as they are deducted from your pay. Reimbursements can not exceed what has been deducted.

To Enroll:

1. Call Cafeteria Plan Advisors, Inc. with any questions at 781-848-9848.
2. H.R. will provide Authorization Forms to new participants. If enrolling in Dependent Care, also complete the Dependent Care Claim Form (download from our website).
3. Return the Authorization Form to H.R. by 5/30/2013
4. Current participants will have their enrollment form mailed to their home.

Visit our web site at www.cpa125.com