



Unified Government Human Resources Guide

Effective Date 12-06-18

FLEXIBLE SPENDING ACCOUNTS (FSA) PLAN/SECTION 125

- I. General: The Unified Government provides a FSA Plan that complies with Section 125 of the Internal Revenue Code. Under this plan an employee may elect to save income taxes by paying the cost of certain qualifying expenses with before-tax dollars from a flexible spending account funded by payroll deduction. The FSA Plan year is the calendar year.
- II. Policy:
 - A. Participation in the FSA Plan
 1. Effective date of coverage
 - a. Premium Expense/Premium Payment Benefit becomes effective when insurance goes into effect.
 - b. Medical and dependent/child care reimbursement spending account plans become effective 30 days from the date of hire.
 2. Eligibility: Full-time and part-time A employees are eligible to participate in the plan.
 - B. Enrollment
 1. Employees electing to participate in the Unified Government-sponsored family health, dental, or vision plan will be automatically enrolled in the Premium Expense/Premium Payment Benefit program. Monthly premiums will be deducted from an employee's paycheck on a before-tax basis. Employees who elect to contribute to a qualifying health savings account, as set forth under Internal Revenue Code Section 223, will also have applicable amounts deducted from the employee's paycheck on a pre-tax basis.
 2. New employees may enroll in the medical and dependent childcare reimbursement spending account plans during new hire orientation. If they do not enroll at that time, they must wait until the next annual medical/dental open enrollment period to do so.
 3. A change in family status allows the employee to change his or her election in the FSA Plan as long as the change is submitted in writing to Human Resources within 31 days of the qualifying event. The following are considered qualifying events:
 - a. Gaining a dependent, through marriage, birth of a child, adoption;
 - b. Losing a dependent, through a divorce or the death of the employee's spouse or dependent;
 - c. Termination or commencement of employment by the employee's spouse.
 4. Enrollment is an annual election during our fall open enrollment.



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- C. Open Enrollment period
1. At least once each year, eligible employees have an opportunity to make an election to participate in the FSA Plan. Once the employee has made an election to participate, the election will remain in force for the entire plan year.
 2. The election may be changed during a plan year (the calendar year) only if there is a change in family status.
 3. Open enrollment is held annually as determined by the Human Resources Department.
- D. Types of Benefits
1. Employees may choose to receive their entire compensation in cash or to use a portion to pay for the following benefits or expenses during the year:
 - a. Medical Reimbursement Spending Account
 - b. Limited Purpose Reimbursement Spending Account
 - c. Dependent/Child Care Reimbursement Spending Account
 - d. Premium Expense/Premium Payment Benefit
 - (1) Health premiums
 - (2) Dental premiums
 - e. Medical Opt-Out
- E. More specific information about the benefits provided by participating in the FSA Plan and the applicable rules and restrictions can be obtained from Human Resources.