

Section 125 Flexible Spending Accounts (FSA)

The District offers employees the option to enroll in a Section 125 FSA plan as a tax-saving option. Section 125 plans reduce your taxes and increase your spendable income! The Plan works like this: You are allowed to deduct a set amount each month from gross earnings before taxes are computed. This means that current after-tax expenses, such as medical co-payments or dependent day care costs, can now be paid for with pre-tax dollars. The advantage of this Plan is simple: The eligible premiums you pay under the Plan are paid on a pre-tax basis.

FSA elections can only take place at the time of hire or during the District's open enrollment period. However, Dependent Day Care Accounts allow you to make a change during the plan year if you experience an allowable election change event, such as marriage, divorce, or a change in the number of your dependents.

FSA's follow a strict "Use or Lose" rule: Whatever money is not used will be lost at the end of the year, so be conservative when determining your annual election.

Unreimbursed Medical Accounts may be used to reimburse yourself for eligible medical expenses incurred for yourself, your spouse, your adult child(ren) who have not reached age 27 by the end of the tax year, and your eligible dependents. This could include anything from co-payments, medical deductibles, and prescriptions, as well as other medical expenses not reimbursed by another source. Your maximum amount allowed to contribute tax-free into this account is \$2,750 per 12 month calendar year.

Dependent Day Care Accounts are used for reimbursement of eligible dependent day care expenses incurred to allow you (and your spouse) to continue working. You may allocate up to \$5,000 pre-tax per calendar year for reimbursement of dependent care services.

[American Fidelity Assurance Company](#)

CONTACT INFO:

Matt McCallum

(916) 743-6168

Matt.McCallum@americanfidelity.com

www.americanfidelity.com

OPEN ENROLLMENT is the time to ENROLL or RENEW!

Important reminders:

- Flexible Spending Accounts for unreimbursed Medical and/or Dependent Care Expenses are not automatically renewed. You must sign up each year during open enrollment.
- Unused dollars in your FSA account are not refundable or transferable to the next plan year.
- Your annual contribution can only be changed during the year if you have a qualifying event as defined by the IRS.
- To enroll, you must be a regular employee who works 20 or more hours per week
If you want to set up a Flexible Spending Account (FSA), **or continue an existing FSA**, please contact American Fidelity directly at (800) 365-8306 Ext. 0. An American Fidelity representative will also be at school sites during Open Enrollment to meet with employees. Please contact Susan Pierson, Benefits Coordinator, for more information about available onsite appointments.