

ENROLLMENT UNDER OUR HMED, SMED OR PMED PLAN

Flexible Spending Accounts

You have the opportunity to set aside pre-tax dollars in a Flexible Spending Account and/or Dependent Care Spending Account through UMR.

You are able to use the funds for expenses incurred during the year, and have 90 days after the end of the year (or 90 days after termination of employment) to submit for reimbursement. If you do not use all your funds by the end of the plan year, you may be able to carryover up to \$650 into the new plan year. The carryover is applied after the run out period is complete.

With the Flexible Spending Account you have the opportunity to allocate up to **\$3,400** of pre-tax dollars to be used for qualified expenses incurred during the plan year.

Some examples of qualified expenses include:

- Deductibles, Co-payments, or Coinsurance
- Qualified Expenses Beyond Plan Limits
- Vision care
- Dental care
- Hearing aids
- Some eligible Over-the-Counter drugs when prescribed by physician

Some Medical expenses may require additional substantiation.



Non-Qualified Expenses which cannot be reimbursed using a Flexible Spending Account include drugs obtained in an illegal manner, vitamins or dietary supplements available without a prescription (even if prescribed), insurance premiums, elective cosmetic surgery, funeral and burial expenses, health club dues, maternity clothing, diapers or diaper services, weight loss drugs or programs, massage therapy (unless prescribed by physician for specific injury or trauma), special schooling for children, household and domestic help, uniforms, transportation not essential to medical care, and more.

Dependent Care Spending Account

With the Dependent Care Spending Account you are able to set aside up to \$7,500 per Taxable Year to be used for Dependent Care, such as nursery schools, licensed day care centers for children or adults, or before- or after-school programs.

If you are married but you and your spouse file separate tax returns, you are eligible to contribute up to \$2,500. Other limitations to annual contributions may also apply.

Medical Benefits - Flexible Spending Accounts

THE HEALTH CARE REIMBURSEMENT FSA

The health care reimbursement FSA lets you pay for certain IRS-approved medical care expenses not covered by your insurance plan with pre-tax dollars. For example, cash that you now spend on deductibles, co-payments or other out-of-pocket medical expenses can instead be placed in the health care reimbursement FSA pre-tax. The annual maximum contribution to the health care reimbursement FSA is \$3,400.

Health FSAs employ a “use-it-or-lose-it” model. If you do not use the funds that you contribute to your FSA within the end of the year, you will have to forfeit those funds. However, employers also have the option of allowing employees to carry over up to \$650 of unused funds from one year to the next. In addition, any amount that is carried over does not count toward the maximum contribution limit.

ELIGIBLE EXPENSES

Eligible health care expenses for the health care reimbursement FSA include more than just your deductible and co-payments. You can also reimburse items such as prescription drugs, dental expenses, eye glasses and contacts, certain medical equipment and many more items. For more information about eligible medical expenses, please refer to IRS Publication 502, Medical and Dental Expenses, available at www.irs.gov/publications/p502/index.html.

Over-the-counter drugs used to be eligible expenses, but a law effective Jan. 1, 2011, only allows claims for over-the-counter medication or drug expenses (other than insulin) to be reimbursed if the patient has a prescription. This new rule does not apply to items for medical care that are not considered medication or drugs. Equipment such as crutches, supplies such as bandages and diagnostic devices such as blood sugar test kits still qualify for reimbursement without a prescription.

THE DEPENDENT CARE FSA

The Dependent Care FSA lets you use pre-tax dollars toward qualified dependent care. The annual maximum amount you may contribute is \$7,500 (or \$3,750 if married and filing separately) per calendar year.

If you elect to contribute to the dependent care FSA, you may be reimbursed for:

- The cost of child or adult dependent care
- The cost for an individual to provide care either in or out of your house
- Nursery schools and preschools (excluding kindergarten)

ELIGIBLE EXPENSES

In order for dependent care services to be eligible, they must be for the care of a tax-dependent child under age 13 who lives with you, or a tax-dependent parent, spouse or child who lives with you and is incapable of caring for himself or herself. The care must be needed so that you and your spouse (if applicable) can go to work. Care must be given during normal working hours (instances such as Saturday night babysitting does not qualify) and cannot be provided by another of your dependents.

IS THE FSA PROGRAM RIGHT FOR ME?

The flexible spending accounts offered by are beneficial for anyone who has out-of-pocket medical, dental, vision, hearing or dependent care expenses beyond what his or her insurance plan covers. It's easy to determine if an FSA will save you money. At enrollment time, you will need to determine your annual election amount. Estimate the expenses that you know will occur during the year. These include out-of-pocket expenses for yourself and anyone claimed as a dependent on your taxes. If you had \$100 or more in recurring or predictable expenses, the accounts can help you stretch your dollars