

# City of Worcester

## Flexible Spending Open Enrollment Period

Enroll April 4, 2016 to June 13, 2016



Things to remember.....

### DEBIT CARD

Health Care Account FSA participants will receive 2 debit "Benny" cards, with the employee's name on both cards. A spouse or IRS dependent can sign the second card. The cards will contain the full amount you elected for the plan year ready for use on July 1<sup>st</sup>. You may use your debit card to pay for eligible expenses at the point of sale. This will mean real time use of your money without having to submit receipts for reimbursement, however; the IRS requires that all receipts be saved for your records. **Do not throw your cards away when you have exhausted your election** – when you re-enroll the new election value will be added to your existing card.

### 75 DAY GRACE PERIOD

Your employer has elected to implement a grace period at the end of the plan year. This grace period will give enrollees an additional 75 days (until September 13) to spend any money that may be left in their medical accounts at the end of the plan year.

## What is Flexible Spending?

Flexible Spending Account plans are a tremendous opportunity for you to enhance your benefits package. Your employer knows that these are highly beneficial programs and wants you to have the opportunity to participate in an IRS Section 125/Flexible Spending Account Plan administered by Cafeteria Plan Advisors, Inc. (CPA, Inc.) for the plan year of July 1, 2016 through June 30, 2017 these programs allow you to set aside a portion of your paycheck tax free to pay for these expenses. The result is a reduction in your taxable income, 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.

### Health Care Account

Employees may set aside up to \$2,550 per plan year to pay for out-of-pocket medical/dental expenses for themselves and their family members. Examples include:

- Copays for office visits and prescription drugs
- Deductible expenses
- Orthodontia and other dental expenses
- Contact Lenses, eye glasses, laser eye surgery
- Visits for Chiropractic Care or Acupuncture

### Dependent Care Account

Employees can set aside up to \$5,000 per plan year to pay for out-of-pocket dependent care expenses for children under the age of 13 or elderly parents. This includes:

- Day Care
- Before School Care & After School Care
- Summer Day Camp
- Elder Care

Although you can claim dependent care expenses when you file your taxes, in most cases, people are able to save more money this way. Please consult your tax advisor.

### Transportation Accounts

The Transportation accounts allow you to set aside an amount pre-tax from your paycheck to pay for parking and transportation expenses that allow you (the employee) to get to/from work

- Parking Reimbursement – updated maximum for 2016
  - Employee may elect up to \$255 per month/\$3060 per plan year
- Transportation Reimbursement
  - Employee may elect up to \$255 per month/\$3060 per plan year

# How to Enroll in your Flexible Spending Account

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## Current Participants – Enroll On-Line:

- Go to <https://cpaemployee.lh1ondemand.com> or go to [www.cpa125.com](http://www.cpa125.com) and click on Employee Online Access
- If you **have not** logged in use the following in lowercase and do not use spaces
  - Username – first initial of your first name, last name, last 4 digits of your SSN
  - Password – same as above. You will then be prompted to change your password
- If you **have** logged in, your username remains first initial of your first name, last name, last 4 digits of your SSN and the password you created. If you are unsure of the password you created or are locked out, click on the Forgot Password link and a temporary password will be e-mailed to you
- Follow the commands to complete your enrollment process

## New Participants:

- Obtain a form from your HR office or log on to [www.cpa125.com](http://www.cpa125.com) to download a form
- Send completed form directly to C.P.A. Inc. via fax or mail by 05/20/16
- Email [info@cpa125.com](mailto:info@cpa125.com) or call 781-848-9848 with any questions

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## IMPORTANT - Please Note The Following:

- Due to a change in IRS regulations, the maximum amount allowed for Medical/Dental Accounts was INCREASED to \$2,550 effective January 1, 2016.
- Do not throw away your Benny card! If you re-enroll in the next plan year, the same card will be reloaded with your elected amount for that plan year. There is a replacement fee if you need to request a new card or additional cards.
- Your plan year is 07/01/2016 – 06/30/2017 as this is a one year commitment. The plan does not renew automatically. If you would like to enroll, you need to do so before June 13, 2016.
- You cannot change your elected amount during the plan year unless you have a qualifying event and notify CPA, Inc. within 30 days. If your employment ends, your FSA ends. Expenses need to have been incurred when you were an active employee and participating in the FSA.
- If you do not use it you lose it. Please be conservative when deciding how much to elect for Health Care Account. If you do not spend your election by the end of the plan year, you could be in danger of forfeiting your money. However, the implementation of 75 –day grace period allows you 75 days past the end of the plan year (September 13, 2017 ) to spend the available balance in your health care account.