

## **Section 125**

**Enrollment for January 1, 2010 through August 31, 2010**

**IMPORTANT CHANGES**

**PLEASE READ CAREFULLY**

**Section 125**  
**Enrollment Instructions**  
**January 1, 2010 through August 31, 2010**

To participate in Section 125 for 2010, please read the following enrollment instructions. THERE ARE CHANGES TO THE PLAN YEAR.

**SECTION 125 CHANGE FOR 2010:** There will be a short plan year – from January 1, 2010 through August 31, 2010 for Section 125 benefits. Enrollment in October 2009 is for the short plan year.

Beginning September 1, 2010, the plan year for Section 125 will coincide with the plan year for other benefits. Enrollment in Section 125 for September 1, 2010 through August 31, 2011 will be in the spring along with enrollment for other benefits.

- **NOTICE:**

- To change your current election for premium only account, complete the election form in this packet and return to the benefits office by November 6. Current premium only account elections will continue for January through August if no change is made.
- To participate in the Medical Reimbursement Account for short plan year beginning January 1, 2010, you must complete a new election form for 2010. Current elections will end on December 31, 2009.
- To participate in the Dependent Care Reimbursement Account for 2010, you must complete a new election form for 2010. Current elections will end on December 31, 2009.

**\*\*\*If you are currently participating in the medical reimbursement or child care account for 2009, you must sign the election form for 2010 and return it to the Benefits Office at the administration building annex by Friday, November 6, 2009. Current 2009 Section 125 elections for reimbursement accounts will end on December 31, 2009 and do not carry forward to 2010.\*\*\***

## Section 125 Flexible Spending Accounts – Plan Year 2010

Flexible Spending Accounts provide you with the opportunity to reduce your taxable income reported to the IRS and have more take home pay. You contribute to the accounts on a pre-tax basis, which means that your contributions are taken out of your paycheck before your pay is taxed. Thus, your contributions are tax-free!

The three component options for Section 125 are:

1. **Premium Only Account** can be used to pay for your medical, dental or vision premiums with pre-tax dollars. Any eligible premium will be deducted from your gross salary before the federal income tax is calculated, which reduces your federal income tax.

To check to see if you currently participate in premium only account, go to [www.cfbportal.org](http://www.cfbportal.org) and click on Web check history/benefits. After logging on, click on last "Last Issued Check Stub". If you currently participate in the premium only account, your medical, dental and/or vision premium(s) will have an asterisk beside it. If there is no asterisk, you do not currently participate in premium only account.

To change your election, please complete the election form and return it to the benefits office by November 6. **Current elections for premium only account will continue unless you make a change for 2010.**

2. **Medical Reimbursement Account** allows you to set aside a fixed amount of your pre-tax salary to reimburse yourself for your, your spouse's or your children's eligible health expenses (even if they are not covered by a C-FB medical, dental, or vision plan) not reimbursed from another source. This might include charges applied to your deductibles, co-payments, co-insurance or prescription copays. See the next page for a more detailed list of eligible expenses.

At the end of the plan year (August 31, 2010) any unused money left in your account will carryover to the next plan year beginning September 1, 2010. All carryover funds not used with dates of service within 75 days (November 14) will be forfeited...

**NOTE: The maximum amount you can elect for January 1, 2010 through August 31, 2010 is \$3,200 or \$400 per month.** This amount is limited so that you will not contribute more than \$5000 for the calendar year.

3. **Dependent Care Account** allows you to set aside a fixed amount of your pre-tax salary that can be used to reimburse yourself for expenses you pay for the care of your eligible dependents while you (and your spouse, if you're married) work. The maximum contribution is \$5,000 per calendar year or \$2,500 if you are married and file a separate return from your spouse. By electing this account you may not be eligible for the federal income tax credit. You are encouraged to seek professional tax or financial advice regarding this account and your personal tax situation. For more details refer to IRS Publication 503, available at [www.irs.gov](http://www.irs.gov) or by phone at 800-829-3676.

At the end of the plan year (August 31, 2010) any unused money left in your account will carryover to the next plan year beginning September 1, 2010. All carryover funds not used with dates of service within 75 days (November 14) will be forfeited...

**NOTE: The maximum amount you can elect for January 1, 2010 through August 31, 2010 is \$3,200 or \$400 per month.** This amount is limited so that you will not contribute more than \$5000 for the calendar year.

The elections that you make are effective January 1, 2010 through August 31, 2010. Your contributions are taken out of each paycheck – before taxes – in equal installments for this time period. In the spring enrollment, you will make elections for September 1, 2010 through August 31, 2011.

When you have an eligible health care or dependent care expense, you submit a claim form along with the required documentation to be reimbursed.

- For health care expenses, you can be reimbursed up to the amount that you have chosen to contribute for the entire plan year, less any reimbursements already received.
- For dependent care expenses, you can be reimbursed up to the amount that is in your account at the time you submit the claim.
- **There is a \$4.65 per month administrative fee for participants in the medical reimbursement and/or child care plans, which is a \$.26 increase from the current rate.**
- You will receive a statement 90 days prior to the end of the plan year telling you how much you have left in your account(s). Unused funds at the end of August 31, 2010 will carryover on September 1, 2010. Unused funds must be used within 75 days or the rollover amount will be forfeited.

UnitedHealthcare administers the Section 125 Medical Reimbursement and Dependent Care plans. Several options are available through [www.myuhc.com](http://www.myuhc.com) for reimbursement purposes. These include:

- Debit card that can be used for reimbursement.
- Auto-rollover feature that you can elect that will automatically reimburse you for eligible expenses when claims are processed. With that feature, there are no paper claims to submit.
- Option to use Direct Deposit for reimbursement purposes when a paper claim is submitted or the auto-rollover feature is used.

Complete details of the Section 125 plan are available in the Section 125 Summary Plan Description found on the C-FB Health Portal.

# QUALIFYING HEALTH CARE FLEXIBLE SPENDING ACCOUNT EXPENSES

Detailed description available in IRS Publication 502-Medical and Dental Expenses at [www.irs.gov](http://www.irs.gov) or 800-829-3676

## MEDICAL

Acupuncture	Alcohol/drug treatment	Ambulance
Artificial limbs	Chiropractor	Co-insurance
Counseling/learning disability	Crutches/wheelchair	Deductible
Emergency room	Hospital bills	Immunizations
Infertility treatment	Laboratory fees	Office visits
Osteopath	Oxygen	Physical exam
Physical therapy	Physician bills	Physiologist
Prescription drugs	Private hospital room	Private nurse
Routine checkup	Special Education	Stop smoking programs
Surgery	Transplants	Vision correction surgery
Well baby care	Wheelchair	

**Over the counter medications related to medical care (detailed receipt required showing what the item is).**

## DENTAL

Anesthesia	Bridge	Crown
Co-insurance	Deductible	Dental exam
Dentures	Extractions	Fillings
Fluoride treatments	Mileage to/from dentist	Parking while at dentist
Oral surgery	Prophylaxis	Orthodontics
Root canal	Space maintainers	X-rays

## VISION

Braille books  
Contact Lenses & solution  
Eye Exam  
Glasses  
Guide dog  
Laser eye surgery  
Mileage to/from doctor  
Parking while at doctor

## Hearing

Hearing aid and batteries  
Hearing exam  
Phone for deaf  
Mileage to/from doctor  
Parking while at doctor

The above expenses are allowable for reimbursement through a Medical Reimbursement Account after the appropriate paperwork has been filed.

(1) claim form containing an acknowledgement that the same is not reimbursable under any other health care coverage

(2) a copy of the Explanation of Benefits from the health care insurance plan (if applicable) or an itemized bill or statement from the provider or third party that the expense has been incurred.

## NON-ALLOWABLE EXPENSES

Cosmetic surgery	Dancing lessons for medical purposes	Diaper service
Electrolysis	Funeral expenses	Hair transplant
Health club dues	Household help recommended by dr.	Illegal operations/treatment
Maternity clothes	Medicines/drugs from other countries	Nutritional supplement
Personal use items	Swimming lessons for medical purposes	Teeth whitening
Weight loss program for purpose to maintain good health		

## ***Frequently Asked Questions About Your FSA MasterCard***

### **1. How does the Consumer Accounts Card work?**

You can use your MasterCard to pay your **copays** associated with the TRS medical and pharmacy plans as well as any in network dental claims on your UnitedHealthcare dental plan.

Your card will **not** work for any medical or pharmacy claims where you may owe coinsurance/deductibles; it can only be used to pay **copays**.

### **2. What expenses are eligible for use with my Consumer Accounts Card?**

Your Card can be used to pay for:

- Pharmacy prescriptions (*copays only* – cannot use for pharmacy deductibles or coinsurance)
- Co-payments at your doctor's office, hospital, or other health care center (*copays only* – cannot use for medical deductibles or coinsurance)
- Certain over-the-counter health care items purchased at Walgreens.
- Dependant care expenses, if you have a Dependant Care FSA. Provider who submits charges must be identified with a MC code that indicates it as a dependent care provider only.

### **3. Who can use the Consumer Accounts Card?**

You and any covered dependent(s) can use your FSA card at approved locations that accept MasterCard®. Two cards are sent to you for your convenience and additional cards may be requested by calling Customer Service. Note – Only the Employee's name will appear on the MasterCard however all family members may use the card.

### **4. How do I activate my Consumer Accounts Card?**

Review the information sent to you with your new Card, including the Terms and Conditions. Sign the back of the Card and then call the toll-free number on the activation sticker affixed to the Card to complete the activation process. Additional Cards sent to you for your dependents are to be signed by them. Only one phone call is necessary to activate all Cards.

- You may begin using your Card **one business day** after activation.

### **5. If asked to enter 'debit' or 'credit' at a MasterCard terminal, which one do I choose?**

If you are asked to select *debit* or *credit*, select **credit**, even though it says debit on your Card. Your Card does not require a PIN (personal identification number) for processing.

### **6. Can I use my Consumer Accounts Card to pay for a bill I receive in the mail?**

Yes. If your merchant or provider accepts MasterCard® simply provide the Card number, expiration date, and any other information requested to pay eligible expenses. Be sure the charged amount is correct prior to providing your card number for billed expenses at medical, dental or vision providers.

### **7. Can I use my Card to purchase over-the-counter (OTC) health care items?**

Yes, visit our online pharmacy (drugstore.com) by logging into myuhc.com to purchase eligible over-the-counter items and conveniently pay for them with your FSA Card. You can log-on to www.myuhc.com by entering your social security number, date of birth, and the Carrollton-Farmers Branch ISD Policy number – **710413**.

**8. What if I use my Consumer Accounts Card to pay for a prescription, but I am also purchasing another non-eligible item, such as shampoo, at the same time?**

For a transaction to authorize, we must be able to match a Card transaction amount to the exact amount you owe for a covered prescription at the pharmacy. Therefore, you must pay for other items separately.

Remember, the IRS requires that you use the Card only for qualified expenses covered by your tax-advantaged account(s) and that you keep all of your receipts. Each time you present your FSA Card for a payment you will sign a receipt. Your signature acknowledges that the charges represent qualified FSA expenses.

**9. What do I do if my Consumer Accounts Card is rejected when I use it?**

If your Card doesn't work at the time of purchase or a transaction is declined:

- Choose another payment method, such as cash or check
- Save your receipt and submit your claim manually along with a reimbursement request form. You can download claim forms from myuhc.com or call Customer Service for assistance.

**10. What are some reasons why my Consumer Accounts Card transactions may be declined?**

If your Card is rejected it may be because:

- Your Card has not been activated
- One **business** day has not passed since activation
- The transaction does not match a your specific benefit co-pay amount
- The transaction can not be substantiated real-time at your pharmacy
- There are insufficient funds in your tax-advantaged account(s) to cover the expense
- There is a problem with the merchant's card terminal.
- You are attempting to swipe at an invalid location e.g. a gas station or electronics store.

**11. What if my Consumer Accounts Card is lost or stolen or I suspect that my Card has been used fraudulently?**

If your Card is lost or stolen call us immediately at 1-866-755-2648. If you report the incident to us within four (4) business days you will not be liable for fraudulent use. You may be liable, for a maximum of \$50, if you fail to report the loss within four business days. It is your responsibility to monitor your account activity and report any unusual or fraudulent transactions to UnitedHealthcare and your employer. When you report a lost or stolen Card, it will be deactivated immediately and new Cards will be reissued.

**12. If I currently have a Consumer Accounts Card will I receive a new one for 2010?**

If the end date of your card is still current, you will not receive a new card. New cards will automatically be sent to you if your expiration date is near.

**13. Can I use my Consumer Accounts Card for rollover funds?**

No, submission for reimbursement of rollover funds have to be submitted using a paper claim form. When the card is used, funds from the current year are used even when rollover funds are available.