



RIVERSIDE SCHOOL DISTRICT

THE RIVERSIDE CAFETERIA BENEFITS PLAN

Support Staff

Pre-Tax Deductions, AFLAC Options and Flexible Spending Accounts

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WHAT IS A CAFETERIA BENEFITS PLAN?

Through the collective bargaining agreement (CBA) between the Support Staff and the District, the Riverside School District has adopted benefit options for all eligible Support Staff personnel.

Per your CBA, the District and the Riverside Educational Support Personnel Association negotiated a Pre-Tax arrangement through the District's Payroll Department that will let an Employee deduct an amount to cover an uncovered dependent Health premium costs *before* the District calculates the payroll taxes. The 'bottom line' effect is the Employee will save money, versus an Employee who deducts his/her coverage after the gross pay is fully taxed. See Page 6 and read an example concerning the "Pre-Tax" effect.

ARE THE AFLAC PLANS IN TACT WITH THIS NEW ARRANGEMENT?

As in the past, RSD is extending the "AFLAC

Plans". These plans are optional insurance plans that allows eligible employees to pay their premium through payroll deduction. The Plan Administrator has decided to place any employees' AFLAC premium "After-Tax". The decision is based on the tax rule regarding the effect of a benefit claim. In short, the claim will be not taxable if the premium is taxable.

WHAT IS THIS CAFETERIA PLAN?

A Cafeteria Benefits Plan is a legal menu of benefit options for eligible employees and their families. You have received this document, called a "Summary Plan Description" ("SPD"). The SPD is a description of your Cafeteria Benefits Plan. The SPD has two-fold purpose: (1) to inform you about these optional benefits and the rights and responsibilities of these options and (2) to "qualify" this special benefit plan with the Internal Revenue Service. The IRS is the main regulatory arm that oversees such benefits (Dept. of Labor is the other). The current benefits options, the Pre-Tax payroll deduction for dependent coverages for Dental, Vision and Prescription Drug Plans,

the "Post Tax AFLAC Plans", & the "Flexible Spending Accounts" are the heart of the "The RSD Cafeteria Benefits Plan".

THE THIRD NEW PLAN: FLEXIBLE SPENDING ACCOUNTS

The third part of our RSD Flexible Benefits Plan is our new "Flexible Spending Accounts", or "FSAs". FSAs are optional saving accounts that Employees can establish for the purpose of paying uncovered Medical and Dependent Care expenses. The contribution for an Employee's FSAs are "Pre-Tax". Using FSAs save money, because any dollar into FSAs are federally tax-free. Unlike the AFLAC premium, most claims or benefits through your FSA is tax-free!

FSAs are easy to use. You earmark a set amount from your payroll for the use of any medical and/or dependent care costs that you will not cover with your insurance or other plans through

"The Purpose of the Cafeteria Benefits Plan is to allow an eligible Employee to cover the District-provided Health with the Employee's Dependent(s), plus to use a Pre-Tax, Tax-Saving Flexible Spending Accounts".



**The RSD Flexible Benefits Plan: Pre-Tax Payroll Deductions,
AFLAC Plans and Flexible Spending Accounts
Policy and AFLAC Insurance Plans Options (Continued from Page 1)**



“The *RSD Flexible Benefits Plan* is an excellent tool for save tax money ...”

the Plan Year. By earmarking your dollar amount, your money is placed into a legal trust. More importantly, your money is virtually tax-free; for Medical expenses, tax-free from all federal, state and local taxes; for Dependent Care expenses, tax-free from all federal taxes. To claim your money, you will complete an easy claim form, attach the bill or invoice and you or your service provider will receive the money. You will receive a reimbursement usually within 2 weeks.

WHEN ARE YOU ELIGIBLE?

You are eligible to participate at the same time as you enroll in the Health Insurance Plan or during the Plan's open enrollment period. Participation is totally voluntary.

HOW TO ENROLL

To enroll in the Plan, you must complete an election form included in this SPD (Page 7-8). This

must be submitted no later than the 30-Days timeframe of our open enrollment period, usually before the first day of the new Plan Year. The Flexible Benefits Plan begins July 1, 2019 and terminates June 30, 2020.

Once you enroll into the Cafeteria Benefits Plan program, your participation is irrevocable for the remainder of the year, unless your family status changes or your termination of employment. Examples of changes in family status, for which you are allowed to modify your election, are:

- marriage or divorce;
- death of your spouse or a dependent;
- birth or adoption of a child; and
- termination of your spouse's employment.

If you must reenroll or newly enroll in the District medical plan prior to a full year of disenrollment due to a loss of alternative health coverage or other emergency circumstances, you may do so subject only to limitations imposed by the

medical insurance plan, health plan, or benefit carrier.

If you must reenroll in the District's health plan due to the loss of your alternative medical coverage, you will receive coverage, but only on the date that you will apply to the Plan (Dental, Vision, Rx Plans). The reenrolled Plan will not cover any service received before the date you signed with the reenrolled Plan with the RSD Plan. .

THE “BOTTOM LINE” OF USING A FLEXIBLE BENEFIT PLAN

The *RSD Flexible Benefits Plan* is an excellent tool for save tax money by circumvent taxes, using the Pre-Tax Payroll Contribution and Flexible Spending Accounts. The” RSD Flex Plan” gives you the option to choose the benefit plan(s) which best meets your own family needs.



The RSD Health Plan Options

The Federal Government have provided this opportunity for Riverside School District to offer Health Plan benefit choices with the based-need, dependent-coverage options under our Cafeteria Benefits Plan. Please review this Page with the associated Health Plans' benefits and costs. The **Health Plans'** portion of our RSD Flexible Benefits Plan includes:

BlueCare PPO Plan

This self-insured Plan is offered by the Riverside School District and is a Preferred Provider Organization (PPO) from Highmark Blue Cross Blue Shield. Similar to a HMO, this plan provides preventive benefits; however, BlueCare does not require that you choose a specific primary care physician to provide for basic care or coordinate specialty care. A network of approved participating physicians, specialists, and hospitals is available for individual choice. No referral is necessary for Specialists office visits. A \$10 copayment per visit will cover all primary or \$20 specialist care visit. You must use one of the Participating hospitals in order to be covered at 100%. There is no deductible for inpatient hospitalization, outpatient hospital care/ surgical procedures and X-rays when you use medical providers inside the PPO "Network". Employees who elect this Plan will receive a Three-Tiered Prescription Drug Plan using only participating drug store or mail order outlets. At the drug store (30-day supply), you will pay a \$10 copay for Generic Drug, \$10 copay for Formulary Drug and \$25 copay for non-Formulary Drug at the point of sale. For mail order (90-day supply), refer to the Summary Plan Description for the Medical Plan. Only in special circumstances can the BlueCare PPO Drug Plan pay any cost of a outpatient prescription drug away from the network of participating pharmacies. Refer to the Health Plan's summary plan description for more information regarding the plan's limits.

Met Life Dental Plan

The RSD Medical Plan has a Dental Plan sponsored by the Riverside School District and insured by Met Life. The Dental Plan covers basic and major services, including oral exams, cleanings, fluoride treatments, sealants, extractions, fillings, x-rays, endodontics, periodontics, periodontics, bony-impacted wisdom teeth and major restorations. Each covered individual is covered for all dental services to a ceiling of \$1000 each year. Additionally, each covered individual is covered for orthodontics services for a lifetime amount of \$800.00. Dental services are broken down into 4 categories: Class I, II, III, & Orthodontics. Class I & II services are paid at 100%. Class III & Orthodontic services are paid at 50% (and capped at the \$800 lifetime limit for Orthodontics). Please review the Dental Plan summary of benefits for more information.

Vision Benefits of America Vision Plan

The Vision Plan is sponsored by the Riverside School District and is insured by Vision Benefits of America. This plan will pay for services with any contracted provider from the Plan's network. This Vision plan will cover one (1) annual eye examination paid in full. With the annual examination, the plan will pay up to, but not over, the following service/product: \$130 contact lenses; eye glasses frames; and eye glasses

lenses. The Vision Benefits of America Vision Plan is a stand-alone plan, so enrollment in the Health Plan does not equal enrollment in the Vision Plan. Refer to the Vision Plan's summary of benefits for more information regarding the plan's limits and rules.

Prescription Drug Plan with Highmark

Employees who elect the Prescription Drug Plan and were *hired after June 30, 2000* will now have Prescription Drug Coverage through Highmark. Employees who elect this Plan will receive a Three-Tiered Prescription Drug Plan using only participating drug store or mail order outlets. At the drug store (30-day supply), you will pay a \$10 copay for Generic Drug, \$10 copay for Formulary Drug and \$25 copay for non-Formulary Drug at the point of sale. For mail order (90-day supply), you will pay a \$20 copay for Generic Drug, \$20 copay for Formulary Drug and \$50 copay for non-Formulary Drug. NOTE: Walgreens is not an in-network pharmacy under the Highmark Prescription Drug Plan

A Friendly Reminder...

If you are making a new Medical, Dental or Vision Plan election or you are changing your current election, you must complete the corresponding insurance carrier's Enrollment Form, as well as the proper designation on the included Flexible Benefit Plan Enrollment Form (Pages 7 & 8). If you are adding or removing an individual to any of your policies, you must complete the corresponding carrier's application.



Medical Spending Account

Perhaps you or your family routinely spend money on medical care expenses that not covered by the typical health insurance plan. It may be that the family dentist has prescribed braces for you or your children. Those orthodontic expenses may not be fully covered; as a result, the dentist requires a per Pay payment from you. Or it may be that the cost of prescription drugs or other benefit copays means that you pay several hundred dollars during the course of the year that are not fully covered. Well baby-care, eye glasses, hearing aids and health plan deductibles & copayments require employees to reach into their pockets for payment.



income tax rate and a local income tax rate of 1%, the net effect is that for every \$100 contributed to a Medical FSA, you save \$36.72! Here's how it works:

When you receive a bill or pay for an expense not covered, you merely submit a copy of the bill and an easy-to-complete Medical Spending Reimbursement Form to **DeHEY McANDREW**. You will be reimbursed, usually within 2 weeks. It's that simple. Participation in this Plan is completely optional.

If you incur your annual savings amount as an expense before having set aside the annual amount, have no fear. The annual amount you target will always be available to you, even though you may not have saved the full amount at the time you receive your medical bill.

[Use-It-Or-Lose-It Rule and New Carryover Provision](#)

FSA participants no longer are able to submit claims during the Grace Period against the previous Plan Year.

In place of the Grace Period, Medical FSA Participants can "carryover" up to \$500 of unused Medical FSA funds to the next Plan Year. Any amount over and above the \$500 allowable carryover is forfeited to the Plan.

This \$500 will not affect the \$2,700 annual maximum.

"Be mindful that the FSA has a Plan Year (July 1—June 30) timeframe and not a calendar year... the annual total contribution amount will be prorated through the District's 12-month payroll periods."

Through the RSD Flexible Benefits Plan, the IRS has OK'd a significant tax break for an employee who saves through payroll to pay for these medical expenses. It's called the **Medical Spending Account** (Medical FSA) and here's how it works:

You are allowed to set aside up to \$2,700 per plan year to pay for anticipated medical expenses. The IRS & the Commonwealth of PA say that an employee can do so *before* it taxes his/her paycheck. So, much in the manner of Tax-Sheltered Annuities, the money you set aside for the payment of medical expenses is virtually tax-free.

Contributions to a Medical FSA are exempt from employee's portion of FICA (7.65%), PA state income tax (3.07%), applicable federal income tax (10-39.6%, most common is 25%) and applicable local income tax (usually between 1-3%). Using the 25% federal

FSA PARTICIPANT PORTAL

Participants of the Flexible Spending Account have access to an FSA Participant called DMFLEX where you can view transactions, submit claims and documentation, track the balance of your accounts, and the status of your claims.

Web-Based Address: mywealthcareonline.com/dmflex

Mobile Application: **"DM FLEX"**

To get started you will need to register on the web-based site to create a username and password. After that you can login on the website or download the mobile app and login to access your account information and submit claims securely.

When you first register, you will be asked for an Employee ID and Employer ID. Both IDs are case sensitive and will need to be entered with all capital letters. Your Employees is a combination of your first and last name initials and the last four (4) digits of your social security number. For Example: John Doe, SSN: XXX-XX-1234, would have an Employee ID: **"JD1234"**. Your Employer ID is **"DMCRSD"**.

Please contact DeHEY McANDREW for additional information or assistance in registering your account.



Dependent Care Spending Account

The roles that employees fill are certainly different from those our grandparents filled when they worked. Dependent Care, whether for children or adults, typically was not as great a need as it is today. Dual wage earners, single parents and employees who must provide care to elderly, incapacitated parents or relatives make up a significant percentage of the American workforce.



That's why the "Dependent Care Spending Account" is a part of District's Flexible Benefits Plan. Similar to the District-sponsored Tax-Sheltered Annuity, Riverside School District employees can elect to make payroll contributions into a savings account **before** Federal taxes (but **after** for PA State & Local taxes) are calculated on your paycheck. Contributions to a Dependent Care FSA are exempt from an employee's portion of FICA (7.65%) and your applicable federal income tax (10-39.6%, most common is 25%). With the 25% federal income tax rate, the net effect is that for every \$100 contributed to a Medical FSA, you save \$32.65! Here's how it

works:

An employee is allowed from the IRS regulation to set aside "tax-free" up to \$5,000 per year (or \$2,500 if you are planning to file your IRS Form 1040 as "Married Filing Separately") for expenses to be paid to a Dependent Care Provider. A "Provider" may be a professional organization, a relative (over age 18), a neighbor or any other individual not claimed by you as a dependent. "Providers" will be sent all necessary income tax forms from the Plan Administrators.

Who can you claim as needing dependent care? Children under age 13 or any dependents who are incapable of caring for themselves due to a physical or mental problem are eligible "beneficiaries" of your Dependent Care Savings.

Dependent Care Spending Account (DCSA) expenses will qualify for payment or reimbursement for services rendered by a provider during work and commute times only.

How to program your DCSA? Easy! Look at your expenses in this area last year, or make a reasonable

prediction of what they'll be this year. Then complete the Plan Enrollment Form with the per Pay amount you'll need.

When you receive a bill or pay for a dependent care expense, you merely submit a copy of the bill and an easy-to-complete Dependent Care Spending Form to DeHEY McANDREW. You will be reimbursed or have paid directly to the provider your tax-sheltered savings, usually within 2 weeks. It's that simple.

Use-It-Or-Lose-It Rule and New Carryover Provision

But beware! Uncle Sam says that your savings for dependent care must be "used up" within the Plan Year you sign up. If not, the savings must be surrendered to the Plan. In the past, participants have been able to utilize a 2.5 month Grace Period to submit claims after the Plan Year has ended. **FSA participants can no longer submit claims during the Grace Period against the previous Plan Year. As such, Dependent Care claims must be submitted within the Plan Year they are reimbursed. The "Carryover" does not apply to the Dependent Care FSA.**

Dependent Care Flexible Reimbursement Account Worksheet

DEPENDENT CARE REIMBURSEMENT ACCOUNT

Day Care Provider	\$
Home Care of your Child or Dependent	\$
Pre-School Tuition to Kindergarten (child care portion)	\$
Day Care of your Dependent Parent	
Other Dependent Care Expenses	\$
TOTAL ESTMATED ANNUAL COST (Max. \$5000)	\$
DEDUCTION PER MONTH (TOTAL Divided by 12)	\$

Step 1

Estimate the annual dependent care expenses you will occur within the upcoming plan year. The maximum per plan year is \$5000 if filing jointly, \$2500 if married and filing separately. The minimum amount you may elect is \$200. Note: If your family income is less than \$24,000, it will usually be more advantageous to use the Federal Tax Credit.

Step 2

Complete this worksheet with your estimated Annual Expenses (at the right). Enter this amount and the per Pay amount on your Enrollment Form.



Medical Flexible Reimbursement Account Worksheet

MEDICAL CARE REIMBURSEMENT EXPENSES

Deductibles/Co-payments/Coinsurance	\$
Chiropractor Fees	\$
Childbirth (portion not covered by insurance)	\$
Contraceptives	\$
Hearing Care (exams, hearing aids, batteries)	\$
Immunizations	\$
Medications requiring a Prescription	\$
Psychiatric Therapy/Psychologist Treatment	\$
Transportation to receive Health Care	\$
Well-Baby Care	\$
Qualified Over-the-Counter Medical Expenses	\$
DENTAL	
Deductibles/Co-payments/Coinsurance	\$
Dentures	\$
Exams	\$
Fillings/Bridges/Restoration	\$
Orthodontic expenses (if medically necessary)	\$
X-ray Fees	\$
Other Dental Expenses	\$
VISION	
Deductibles/Co-payments/Coinsurance	\$
Eye Exams	\$
Frames/Lenses/Contacts	\$
Contact Lens Maintenance Items	\$
Other Vision Expenses	\$
TOTAL ESTMATED EXPENSE (July thru June)	\$
DEDUCTION PER MONTH: Total Expenses Divided by 12	\$

To take advantage of the savings of using a Flexible Spending Account, please follow these easy steps:

Step 1

Look through the list on this page and see which services you and your family may have that are not completely covered by insurance for the upcoming plan year.

Step 2

Estimate your annual health related expenses NOT covered under by either your or your spouse's benefit plan. It may help to review what you've paid for eligible services for the past plan year. You can use insurance records, tax receipts, checkbook register and other personal records you have kept. You may elect to defer up to \$2,700 per plan year with a minimum amount of \$200.

Step 3

Complete this worksheet with your estimated Semi-Annual Expenses (at the right). Enter this amount and the per Month amount on your Enrollment Form (Page 7-8).

**RULE CHANGE EASES FLEXIBLE SPENDING ACCOUNT (FSA) "USE-IT-OR-LOSE-IT" **

The IRS has instituted a \$500 Carryover Provision for Medical FSAs in lieu of the Grace Period. Participants will be able to "carryover" up to \$500 of unused Medical FSA funds to the next Plan Year. The amount a participant carries-over into the next Plan Year *will not* effect the maximum allowable contribution of \$2,700 to a Medical FSA. So, a participant can carryover \$500 and also contribute \$2,650 to a Plan Year. The Grace Period is no longer available to participants.

RIVERSIDE SCHOOL DISTRICT
Flexible Benefits Plan Enrollment Form: Support Staff
July 1, 2019 - June 30, 2020

A. Name: _____
(Please Print)

Social Security Number: XXX-XX-_____

Mailing Address (FSA Participants): _____

B. Please check the reason you are completing this form:

Open Enrollment New Employee. Change in Family Status.

C. Optional Dental and Vision Plans' Coverage for Part-Time Employees (to pay Dependent Coverage). Below figures are monthly.

Dental Plan Hired after 07-01-84
 Dependent Coverage: \$43.67

Vision Plan Hired after 07-01-84
 Dependent Coverage: \$7.34

D. AFLAC Benefit Plans(s): Please complete the monthly premium for any new AFLAC Insurance Plan(s) Election(s). The amounts paid through payroll deduction will AFTER-TAX deduction:

I. Disability Income Plan Monthly Premium: \$ _____

II. Hospitalization Plan Monthly Premium: \$ _____

III. ADD I + II = \$ _____

E. FLEXIBLE SPENDING ACCOUNTS (See Pages 4-5):

Enter Per Pay amounts you wish to defer from your payroll on a tax-favored basis and reimbursed to you for qualified Medical and Dependent Care expenses you expect to incur in the plan year:

Flexible Spending Accounts Contributions

Annual Contributions

I. Medical Spending (\$2,700.00 max per Plan Year): \$ _____

II. Dependent Care Spending (\$5,000.00 max per Plan Year): \$ _____

F. SIGNATURE REQUIREMENTS

I understand all of the provisions associated with the choice I have made, as described on this Form and in my Summary Plan Description (SPD), in electing among the Dental, Vision and Prescription Drug Insurance Plans and the Flexible Spending Accounts. Under this agreement, I attest that I understand that any medical expenses I or my family incur as a result of waiving the District's dependent Dental/Vision/Prescription Drug coverage plans will be my and/or my family's sole responsibility. I hereby agree to indemnify and hold my employer harmless from any and all claims, causes of action, suits, demands, costs, expenses, including attorney's fees and litigation-related costs liabilities and losses, however caused, which may result or arise from my elections with these dependent coverages. Furthermore, I understand the information regarding the Flexible Spending Accounts, especially in the "Use-It-Or-Lose-It rule and any rules concerning service dates and the plan year claims.

I authorize the attendant elections and payments for the next 12 months and that I may not change this election but for a qualifying change in my family status, loss of medical coverage, or change in the employment of myself or my spouse.

I attest to the fact that the following information as provided by myself on this form is true and accurate, to the best of my ability and was made of my own volition.

Employee Signature: _____ **Date:** _____



Riverside School District



300 Davis Street
Taylor, PA 18517

Phone (570) 562-2121
Fax (570) 562-3205

Plan Rights Statement

Although the RSD is a government agency and therefore exempt from most ERISA requirements, regulations under IRC Section 125 and salary reduction monies toward a legal Trust have responsibilities similar rights and protections as non-exempt ERISA employers. Therefore, the members of this Plan shall be afforded the following ERISA rights. The Employee Retirement Income Security Act of 1974 (ERISA) was enacted to help assure that all employer-sponsored group benefits programs conform to standards set by Congress. An employee who is a participant in the Benefits Waiver Option Policy is entitled to certain rights and protections under ERISA, which provides that all participants will be entitled to (1) examine, without charge, at the Business Office, all Plan documents and copies of documents filed with the U.S. Dept. of Labor, such as detailed annual reports and Plan descriptions; (2) obtain copies of all Plan documents and other Plan information upon written request to the Business Office, subject to a reasonable charge for the copies; and (3) receive a summary of the Plan's annual financial report. Plan records are kept on a plan year basis.

In addition to creating rights for Plan participants, the Dept. of Labor (DOL) imposes duties upon those responsible for the operation of a Plan who are called "fiduciaries" and who have a duty to operate the Plan prudently and in the interest of participants and beneficiaries. If a claim for a benefit under a Plan is denied in whole or part, the claimant must receive a written explanation of the reason for the denial. The claimant has the right to have the claim reviewed and reconsidered.

Under DOL, there are steps an employee covered under a Plan can take to enforce the above rights. For instance, if the person requests materials and does not receive them, the person may file suit in a Federal court. In such a case, the court may require Riverside School District to provide the materials and pay a fine until the person receives the materials, unless the materials were not sent because of reasons beyond the RSD's control.

If a person has a claim for benefits which is denied or ignored, in whole or in part, the person may file suit in a state or federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if an employee covered under a Plan is discriminated against for asserting his or her rights, the person may seek assistance from the U.S. Dept. of Labor, or may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If the claimant is successful, the court may order the RSD to pay these costs and fees. If the claimant loses, the court may order the claimant to pay these costs and fees, for example, if it finds the claim to be frivolous.

If an employee covered under a Plan has any questions about the Plan, the employee should contact the Business Office. If an employee has any questions about this statement of the employee's rights under ERISA, the employee should contact the nearest Area Office of the U.S. Labor-Management Services Administration, Dept. of Labor.

ADMINISTRATIVE FACTS

The Benefits Waiver Policy is sponsored by Riverside School District which is located at 300 Davis Street, Taylor, PA 18517, (570) 562-2121 and will act as Plan Administrator. The Administrator manages the operations of the Plan and decides all questions that come to it on a fair and equitable basis for participants and their beneficiaries. The District has authorized certain responsibilities to this Plan to a third party administrator (TPA). The District's TPA is DeHey McAndrew of Scranton, PA. The Employer Tax Identification for the Riverside School District is 23-1667981. The Plan Number (PN) assigned to the Cafeteria Benefits Plan and Flexible Spending Accounts by Riverside School District is 510.

DEHEY MCANDREW

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F: (570) 346-3411

DEHEYMCANDREW.COM

FSA Participant Portal:

Mywealthcareonline
.com/dmflex