



Payroll • Benefits • Compliance



FLEXIBLE SPENDING ACCOUNT

**Save Money on your out of
pocket Medical/Dental or Day
Care Expenses!**

peoplelease.com



FLEXIBLE SPENDING BENEFIT PLAN

The Flexible Spending Benefit Plan is a benefit that is permitted by Section 125 of the Internal Revenue Code. The plan allows an individual to pay certain out of pocket medical, dental, and vision expenses or dependent child care costs, using pre-tax dollars. The monies deducted from a participant's paycheck are put into a "Flexible Spending Account" and kept there until the individual is ready to make a claim for reimbursement.

Once you have made your election for the year, it cannot be changed except upon the occurrence of a "Life Change Event", which is defined below:

LIFE CHANGE EVENT

Life Change Events are situations which will arise from time to time that can affect your benefit needs. Since an individual's situation can change during the course of a year, the program allows you to change your election.

Life Change Events can include:

- Getting married, divorced, or legally separated.
- The birth or adoption of a child, change (either the addition or end) in a child's custody or the addition of stepchildren or foster children.
- The death of a dependent.
- A child reaching the disqualifying age for classification as a dependent, or any other events causing a loss of status as a dependent.
- The return to full-time student status by a child age 19 to 23 who is dependent on you for at least half of his or her support.
- A change in your employment status, such as working on a part-time basis.
- The commencement or termination of your spouse's employer provided insurance coverage due to a change in his or her job status.
- Termination of employment.

Please note that a participant only has **30 days** following the occurrence of a "Life Change Event" to make any changes in their coverage. It is important to contact the Benefits Department immediately upon the occurrence of a life change event to get instructions on how to make the necessary changes. If a participant fails to make a change within the 30-day window of opportunity they will be unable to make a change until either another life change event occurs or during Open Enrollment, which occurs in December of every year.

MAKING CLAIMS FROM YOUR FLEXIBLE SPENDING ACCOUNT

During the year, as a participant and their family accumulate expenses, they may apply for reimbursement. Participants are responsible for their Flexible Spending Account claims. If there are questions regarding claim forms or procedure, please contact People Lease at (800) 723-3025 or (601) 987-3025.

A participant may turn in claims for reimbursement no more than once a month. Each monthly submission must be for at least \$25.00. If you submit a claim for medical expenses in an amount larger than the remaining balance of amounts previously withheld and credited to your Flexible Spending Account at the time of the request, those charges will be reimbursed as long as the total reimbursements claimed to date do not exceed the amount allocated for the year. Contributions to a participant's Flexible Spending Account will continue to be made during the remainder of the year, but the participant will only be able to be reimbursed up to the amount allocated for that calendar year.

If a participant submits a claim for dependent child care expenses for an amount that is greater than the balance in their Flexible Spending Account, they will receive a reimbursement for the amount currently in the account. The remainder of the claim will be automatically reimbursed when additional deposits are made into the Flexible Spending Account.

Claims will be paid the Friday of the week of submission.

If at the end of the calendar year a participant has a balance remaining in their Flexible Spending Account, they will receive a letter informing them of the balance remaining to be claimed and the deadline to collect it. The participant has 74 days following the end of the plan year to incur expenses for the 2019 plan year and to submit claims. By law, after March 15, any money remaining in the Flexible Spending Account will be forfeited. For the 2019 benefit year, you have until March 15, 2020, to submit claims. This rule applies to all persons who terminate, retire or go on a leave of absence.

ADDITIONAL INFORMATION

Claims for Dependent Care: -Reimbursement cannot be provided until services are rendered. -You may use the provider's receipt.

Claims for Health Care for You and Your Dependents:

1. **Provider Bills** -Each bill that you submit for consideration must include:
 - A. Name of patient and date of service.
 - B. Detailed itemization of services and fees.
 - C. Provider name, address, degree and telephone number.
 - D. Prescription drug receipts must include name of doctor, date filled, Rx number and drug name.

2. **Other Bills** -For other services, each bill must include the following information:
 - A. Your spouse's group medical/dental premiums, or individual medical/dental premiums (including HMO's). -Group: A payroll statement which includes the name of the spouse and clearly shows group insurance premiums as an item; or a letter from the employee giving the amount of premium in name of spouse and dates covered. -Individual: A premium statement showing date covered and name of individual covered.

 - B. Medical transportation charges: -Name and relationship of person who needs the medical care. -Name and address of facility or doctor being visited. -Copies of common carrier tickets clearly showing the routes and dates. -For auto transportation, a statement of mileage (which can be claimed at 23¢ a mile), or records of actual expenses for gas, parking and tolls.

 - C. Bills for miscellaneous items such as an air cleaner/purifier, battery for an electric wheelchair, insurance for contact lenses, etc.: -Name and relationship of individual for whom purchased.
-Date of purchase.
-Exact usage.

3. **Other Insurance Forms**
 - A. Explanation of Benefits Form (EOB) -Health expenses covered by any source of insurance must be submitted to those sources before they can be considered under the reimbursement account. This rule applies even to those expenses that would normally be applied to the insurance coverage deductible amount. The People Lease Flexible Benefit Group does not have access to your insurance claim records but must have proof that the expenses were applied to the deductible. Also, if you have a family deductible in your plan, all charges must be submitted to the insurance company as the charges are incurred.

 - B. Rejection Letters -Health expenses not specifically excluded by any insurance plan must be submitted to that plan before application is made to the reimbursement account. However, if there is specific exclusion in the plan, there is no need to submit to the insurance company. A copy of the plan's specific exclusion will be accepted in lieu of a Rejection Letter.



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2019 FLEXIBLE SPENDING PLAN ELECTION

EMPLOYER NAME: _____

PEOPLE LEASE PLAN YEAR: JANUARY 1, 2019 THROUGH DECEMBER 31, 2019

Employee Name: _____ Date of Birth: _____

Address: _____

Marital Status: _____ Sex: _____ Contact Phone: _____

I decline to participate in the employer sponsored Flex Plan. I have been given the opportunity to participate, and the benefits of the Plan have been explained to me. I understand that I may only participate at the beginning of the next Plan Year.

I elect to participate in the employer sponsored Flex Plan. I agree to and understand that:

Elections cannot be changed during the Plan Year unless there is a change in the family status (marriage, divorce, death of a spouse or child, birth or adoption of a child or a change in spouse's condition of employment: i.e., becomes employed, unemployed, or changes employers).

Salary reduction for the Medical and Dependent Care Expense Reimbursement programs will be credited to my "Flexible Spending Account" and the employer will reimburse me during the Plan Year as I submit paid documentation for incurred expenses, for approved un-reimbursed medical and/or dependent care expenses. I further understand that any amount remaining in my "benefit bank" as of March 2019 will be forfeited to the employer.

The opportunity to change my benefit elections for the following Plan Year will be given to me prior to each Plan Year. Benefit selections will continue from one Plan Year to the next without completing a new election form. However, if I wish to make a change or decline further participation for the next Plan Year, a new election form is required.

The employer may have to reduce or cancel the amount of my salary reduction or otherwise modify this agreement to satisfy new provisions of the Internal Revenue Code as they may occur during the plan year. Should I terminate my employment and the reimbursements I have received are greater than the amount that has been deposited into my Flexible Spending Account, I agree to reimburse the difference to People Lease.

Having selected the benefits checked below, I hereby elect to be reimbursed for the indicated expenditures and authorize my employer to reduce my gross compensation per pay period in the total amount stated below in conformity with Section 125 of the Internal Revenue Code.

Un-reimbursed Medical/Dental/Vision Expenses (Not to exceed \$2,500 for the 2019 Plan Year) \$ _____

Dependent Child Care Expenses (Not to exceed \$5,000 for the 2019 Plan Year) \$ _____

Employee Signature: _____ Date: _____

*****FOR OFFICE USE ONLY*****

Total number of pay periods remaining in 2019 (12, 24 or 48)

Divide the Total Annual Eligible Expenses amount by the number of pay periods in 2019 to get your pay period election.

\$ _____ (Deducted per period/Medical)

\$ _____ (Deducted per period/Dependent care)