



CHRISTIAN SCHOOLS
INTERNATIONAL

CSI Flexible Benefits Plan

UPDATE

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To: CSI Member Schools

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- Reduce Your Health Care Expenses
- Schools Save an Average of \$1,800 Each Year
- The CSI Flexible Benefits Plan
- Features of the Plan
- Cash-in-Lieu of Benefits
- Enrolling for the Plan Year Beginning September 1, 2004

Reduce Your Health Care Expenses

The CSI Flexible Benefits Plan (a Section 125 plan) gives schools and employees the opportunity to reduce health care expenses. Employees save by paying benefit-related expenses with pre-tax dollars. Schools save because every dollar contributed to a flexible spending account plan is exempt from FICA taxes. The more employees contribute to the plan, the more money your school saves in payroll taxes. In fact, many schools have realized more in tax savings than it costs to administer the plan.

Schools Save an Average of \$1,800 Each Year

Schools save an average of \$1,800 after expenses each year through reduced FICA taxes. Participants save an average of over \$395 each year by using the CSI Flexible Benefits Plan. This creates a win-win situation for your school and employees.

The CSI Flexible Benefits Plan

It is our goal to provide member schools with a high quality benefits package that is administered in an efficient manner. CSI's partnership with BASIC Human Resources Connection, our claims processor, meets that goal. Participants have the choice of using the premium account, medical reimbursement account, dependent care account, any two accounts or all three.

Features of the Plan

The features of the CSI Flexible Benefits Plan are quite attractive to make participation easy and hassle-free. The features of the Plan are:

1. **Administrative Fee:** There is no set-up fee or installation charge to join the plan. There is no charge for participants using only the premium account. The fee for the medical reimbursement account and dependent care account is \$4.50 per participant per month. The monthly minimum fee for a school is \$25.00.

2. Monthly Statement: Schools self-report deductions each pay period and forward contributions for only that pay period. Premium dollars are reported by the school but are not forwarded to CSI; only medical reimbursement and dependent care amounts are forwarded. A monthly invoice will be sent but it will bill only for the administrative fee.

3. No Pre-Funding of Health Care FSA Claims: Schools are not required to pre-fund medical expense claims when a participant submits a claim for more than their account balance. As long as funds are available in the group account, participant's medical expense claims will be paid up to their annual maximum immediately. Schools know exactly what the cost will be each month—no surprises. Dependent care claims will continue to be paid to the extent that funds are available in the individual participant's account.

4. Over-the-Counter Items: Over-the-counter items purchased to alleviate or treat personal injury or illness are now eligible for reimbursement through the CSI Flexible Benefits Plan. These include Tylenol, Advil, aspirin, contact lens supplies, cold and flu medication and more.

5. Direct Deposit: Participants can choose to have reimbursements deposited electronically into their bank account. This time saving direct deposit feature is optional and the participant will receive a deposit advice in lieu of a check.

6. Fax Claims: Participants may fax claims to BASIC to reduce the time required to receive reimbursement.

7. Claim Processing: Claims are processed and payments are issued daily and BASIC guarantees that all claims will be processed within 24 hours of receipt.

8. Web Site: A web site is available for participants to access their accounts online to check claims, reimbursements, and account balances.

9. Forms: You will be able to print claim forms and other forms from the CSI web site.

Cash in Lieu of Benefits

Do you offer payment for opting out of your health insurance plan to employees who are eligible for coverage elsewhere? The IRS requires that this "cash in lieu of benefits" option be used only within a Section 125 plan like the CSI Flexible Benefits Plan. Call CSI for details.

Enrolling for the Plan Year Beginning September 1, 2004

The enrollment materials for the Plan Year beginning September 1, 2004, are available now. Attached is the booklet, "Guide to Basic Flex" that describes the plan and is distributed to employees of participating schools. If you would like more information about the CSI Flexible Benefits Plan or would like to take advantage of its tax-saving features, contact Brian at (800) 635-8288, ext. 267 or Sharon at ext. 228.