CHRISTIAN SCHOOLS
INTERNATIONAL

CSI Flexible Benefits Plan

UPDATE

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To: Schools and Employees Eligible to Participate in the Flexible Benefits Plan

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- The CSI Flexible Benefits Plan – Average Savings of over $500
- All Reimbursements by Direct Deposit
- Features of the Plan
- Using the FSA with HSA Plans
- Enrolling for the Plan Year Beginning September 1, 2008
- Deadline for Submitting Claims
- CSI Contact Information

The CSI Flexible Benefits Plan – Average Savings of over $500

The CSI Flexible Benefits Plan can reduce your health care expenses. By setting aside pre-tax dollars to pay for eligible expenses like medical, dental, vision and dependent care expenses, our participants are saving an average of over $500 in taxes this year. You have the option of using the premium account, medical reimbursement account, and the dependent care account to pay for eligible expenses. Arcadia Benefits Group provides administrative services for the CSI Flexible Benefits Plan by processing claims and tracking account balances.

All Reimbursements by Direct Deposit

Beginning September 1, all reimbursements will be made by direct deposit. By eliminating checks, you avoid lost checks, mail delays, and that extra stop at the bank. It is also more cost-efficient for the Plan. Be sure to complete the direct deposit section on the enrollment form to set up your direct deposit. If you have a change in your bank account during the year, you can update your information by completing the direct deposit section on any claim form you submit. You can verify your reimbursement online and will receive a deposit advice by e-mail in lieu of a check.

Features of the Plan

The CSI Flexible Benefits Plan contains these attractive features:

1. **Tax Advantages:** You are reducing your taxable income and saving tax-free money for health care and/or dependent care expenses. Without participating, you would still pay for these expenses but you would use money remaining in your paycheck after taxes are withheld.
2. **Access to Your Contributions:** Your contributions to the Health Flexible Spending Account are deducted by payroll deduction in equal amounts from your paycheck throughout the year. However, the full amount that you elect is available from the first day of the plan year. Dependent care claims are paid to the extent that funds are available in your account.
3. **Fax Claims:** You have the option to fax claims to Arcadia Benefits Group to reduce the time required to receive reimbursement.
4. **Claim Processing:** Claims are processed and payments are issued daily and Arcadia guarantees that all claims will be processed within 2 business days of receipt.
5. **Web Site:** You are able to print claim forms from the CSI web site and access your account online to check claims, reimbursements, and your account balance.

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Using the FSA with HSA Plans

A Section 125 plan like the CSI Flexible Benefits Plan can be used to pay for premiums and dependent care expenses on a pre-tax basis for all of CSI's health plans, including the High Deductible Health Plan used with a Health Savings Account (HSA).

The Health FSA may be used for expenses *not reimbursed* through another plan. For the High Deductible Health Plan with the HSA component, however, reimbursement is limited to dental and vision expenses. **There is a significant issue for participants in the High Deductible Health Plan with an HSA: even if the expense applies to the deductible, unless it is a dental or vision expense, is not eligible for reimbursement from the Health FSA.**

The CSI Flexible Benefits Plan may also be used for pre-tax employee contributions to the Health Savings Account associated with a High Deductible Health Plan. Even if your school is contributing funds to your HSA, you are permitted to contribute additional amounts using one of these two methods: you may contribute on a pre-tax basis through the CSI Flexible Benefits Plan, or contribute post-tax and claim the credit on your federal income tax return.

Enrolling for the Plan Year Beginning September 1, 2008

Employees working half-time or more are eligible to participate in the CSI Flexible Benefits Plan. To enroll:

1. Carefully read the brochure to learn about the features of the Plan.
2. Use the worksheet to assist with estimating predictable expenses.
3. Complete the enrollment form. Beginning September 1, you will be automatically enrolled in the premium account if you have a payroll deduction for premium. For the Health Flexible Spending Account (Line B on the form), use the "Limited Purpose" line ONLY if you are covered for health by a Health Savings Account (HSA).
4. Complete the Direct Deposit section of the enrollment form. Beginning September 1, all reimbursements will be made by direct deposit.
5. Submit the completed enrollment form to your school office. Each eligible employee must complete an enrollment form to either participate in the Plan or to decline participation. If you have questions, contact Sharon by phone at 800-635-8288, ext. 228 or by e-mail at sfeikema@CSIonline.org.

Deadline for Submitting Claims

The CSI Flexible Benefits Plan allows a 2 ½ month grace period for claims. Any claims incurred during the grace period from September 1 – November 15 will first be applied to your prior year account balance (to avoid forfeitures). In addition, you have until November 30 to submit claims incurred during the current plan year and the grace period. After November 30, unused funds are forfeited and returned to your school. Now is a good time to check your account balance and make plans to use any remaining balance to avoid forfeiting your money. Contact Arcadia Benefits Group at 866-329-4333 for information on your account balance.

CSI Contact Information

To print a claim form, go to CSIonline.org/benefits and select Forms, and Flexible Benefits Plan. To access your account information online, select Links, and Flexible Benefit Plans.

If you have not yet registered for an online account, contact Sharon for your school code (one-time code needed for setting up online access).

If you have questions about the CSI Flexible Benefits Plan, call Sharon at 800-635-8288 or 616-957-1070, extension 228.