



## Flexible Benefits Plan (Section 125)

**Date:** April 29, 2021

**To:** Participating Boards and Eligible Employees

**From:** Howard Van Mersbergen, Vice President of Employee Benefits

IN BRIEF

**Flexible Benefits Plan** — Participant election options

**Key Features of the Plan** — Designed for savings and speed

**Eligibility** – Must match eligibility for health coverage

**Enrolling for Plan Year Beginning September 1, 2021** — Enrollment form available online

**Navia Participant Portal** – Navia benefit solutions participant portal access

**Benefits Debit Card** – You have easier access to funds through a debit card

**Using the Health FSA with HSA Plans** — Federal regulations limit the use of FSAs with HSAs

**\$500 Carry Over** - \$500 of unused contributions can be carried over to following plan year

**Deadline for Submitting Claims** — Submit claims before November 30

**COBRA for the Flexible Benefits Plan** – COBRA Administration is provided by CSI

**Plan Document, SPD, Non-Discrimination Testing and 5500's** – Federal regulations

**Employer Contributions to the FSA** – Limits on employer contributions to FSAs

**Contacting Us for Support** — Contact us if you have questions or need assistance

### Flexible Benefits Plan

Participants may elect to:

1. Have your health, dental and other insurance premiums taken out of your paychecks pre-tax (premium-only feature).
2. Contribute up to \$2,750 per year on a pre-tax basis to pay for medical expenses not covered by insurance (otherwise known as the Health Flexible Spending Account or FSA).
3. Contribute up to \$5,000 per calendar year on a pre-tax basis to pay dependent care expenses (e.g. child care, pre-school, and before/after school care expenses fall into this category). As a result of COVID you may contribute up to \$10,500 for calendar year 2021.
4. Have employee contributions to an HSA bank account taken pre-tax from their paychecks if your school offers a qualifying high deductible health plan.

Any monies contributed to the above accounts are not subject to Federal income taxes, Social Security, and in most cases, State and Local income taxes. Therefore, by setting aside pre-tax dollars to pay for eligible expenses like medical, dental, vision, dependent care expenses, co-pays, and deductibles, participants are saving an average of over \$300 in taxes per year.

Participating schools also benefit as payroll taxes are reduced for every dollar participants put in the Flex Plan. For every dollar that is contributed to the Plan, the school does not pay payroll taxes on these monies.

## **Key Features of the Plan**

The Flexible Benefits Plan contains these attractive features:

1. **Tax Advantages:** You are reducing your taxable income and utilizing pre-tax money to pay for health care and/or dependent care expenses. Without participating, you would still pay for these expenses but you would use after-tax monies.
2. **Premium-Only Accounts:** The Flexible Benefits Plan is a Section 125 plan. Therefore, the Plan can be used to have your health, dental and other insurance premiums deducted pre-tax from your paycheck to pay for your portion of the premium. Again, more money in your pocket.
3. **Access to Your Contributions:**
  - **Health Flexible Spending Account:** Your contributions to the Health Flexible Spending Account (FSA) are deducted pre-tax via 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.
  - **Limited-Purpose Health FSA:** If you or your spouse is contributing to a Health Savings Account (HSA), you cannot enroll in a traditional (general-purpose) Health FSA. Instead, you can enroll in a Limited-Purpose Health FSA but you are limited to reimbursement of dental and vision expenses. This is a great option if you have predictable vision or dental expenses (like a crown or orthodontia) thus saving money in your Health Savings Account for future medical expenses or deductible expenses.
  - **Dependent Care Spending Account:** Your contributions to the Dependent Care Spending Account (DCS) are deducted pre-tax via payroll deduction in equal amounts from your paycheck throughout the year. Claims are paid to the extent that funds are available in your account and you have eligible dependent care expenses.
4. **On-line, E-mail or Fax Claims:** You have the option to go on-line, to e-mail or fax your claims to Navia. To e-mail claims, send a copy of your provider's itemized statement or insurance carrier's Explanation of Benefits (EOB) to Navia at [www.claims@naviabenefits.com](mailto:www.claims@naviabenefits.com) (Please don't include your social security number on the claim form if submitting by email.) Submit on-line claims through the Participant Portal at <https://app.naviabenefits.com/app/#/login>. First time users will need to register to create a User Name, name, and password.
5. **Claim Processing / Direct Deposit:** Claims are processed and payments are issued daily and claims will generally be processed within two (2) business days of receipt. All claims are direct deposited to your account.
6. **WebSite Access:** You may also print claim forms from our website. Click the following link to access the [Navia Claim Form](#) . In addition, you may access your account on-line to check claims, reimbursements, and view your account balance at the Navia website: <https://app.naviabenefits.com/app/#/login>

## **Eligibility**

Eligibility for the Health Flexible Spending Account (Health FSA) must match the eligibility for your health coverage. For the Dependent Care FSA and/or the Premium Only Plan, you must work at least 50% of full time.

## **Enrolling for Plan Year Beginning September 1, 2021**

Employees eligible for your school's health coverage are eligible to participate in the Health FSA.

To enroll:

1. Carefully read the FSA FAQ brochure. Please go to our website to access the FAQ brochure and learn about the features of the Plan. You may also use the worksheet to assist with estimating predictable expenses. The FAQ and worksheet can be found by clicking on the following links: [FAQ](#) [Worksheet](#).
2. For "Premium Only Plans" no enrollment form is required.

3. For schools offering full flexible benefits (Health FSA or Dependent Care FSA):
  - a. Complete the online enrollment form. You will find the enrollment form on the CSI website at the following link [Enrollment Form](#) . Enrollment forms are required if you are electing to use a Health FSA, Limited-Purpose FSA or a Dependent Care FSA. If you are only using the pre-tax premium component, no form is required.
  - b. Print the completed online enrollment form and give a copy to your school office.
  - c. Email the completed form to CSI. Email the completed form to CSI at [vavink@csionline.org](mailto:vavink@csionline.org) . You may also print and mail the form to CSI.

### **Navia Participant Portal**

The Participant Portal offers simple navigation features, allows you to quickly and easily manage your account, submit claims, and provides the tools and resources you need to get the most value from your benefit account.

1. The URL is <https://www.naviabenefits.com/participants/>
2. Once you register for the Participant Portal you can download Navia's Mobile App to submit claims or debit card documentation via the Portal or App by taking a picture with your phone or tablet.
3. You will need the Company Code for your school in order to register for the Portal.

If you have not yet registered for an online account and do not have the Company Code for your school, contact Jennifer Slayton at Navia/Arcadia for your school code (one-time code needed for setting up your account).

### **Benefits Debit Card**

You can have easier access to the funds set aside in your general-purpose or limited-purpose Health FSA simply by swiping the benefits debit card at the point of sale. Anyone who is enrolled in the Health Care FSA (General or Limited Purpose) will automatically receive a Navia Benefits Debit Card. There is no card issued for a Dependent Care Account.

### **Using the Health FSA with HSA Plans**

As mentioned earlier, the Health FSA may be used for eligible expenses not reimbursed through another plan. However, for a high-deductible health plan with an HSA component, FSA reimbursement is limited to dental and vision expenses only.

### **\$500 Carry Over**

You may carry over up to \$500 of your unspent balance remaining at the end of a plan year into the following plan year. Any amount over \$500 remaining in your Health FSA as of the end of the plan year will be permanently forfeited as required under federal law and cannot be refunded to you. To benefit from the carry over feature, you must participate in the Health FSA program in the following year.

The amount carried over to the following plan year, if any, will be determined once the deadline has passed for submitting claims for the prior plan year (November 30). Carry over funds will not be available before then, but once they are available you may use them to reimburse your eligible medical expenses incurred at any time during the following plan year.

### **Deadline for Submitting Claims – November 30**

You have a 90 day grace period from September 1 until November 30 to submit claims that were incurred during the current plan year. After November 30, unused funds over \$500 are forfeited. **Federal law requires that all monies contributed to the spending accounts be “spent” on expenses incurred during the plan year, with the exception of the \$500 annual carry over,**

**otherwise the contributed monies are forfeited.** For this reason, it's important to plan carefully and set aside money for predictable expenses.

Now is a good time to check your account balance and make plans to use any remaining balance to avoid forfeiting your money. Contact Navia Benefit Solutions at 1-800-669-3539 for information on your account balance or access the Navia Participant Portal or Mobile App.

### **COBRA for the Flexible Benefit Plan**

As a reminder, if you leave employment you may elect COBRA if you have a positive balance in the Health Flexible Spending Account at the time of termination. This election can be done via our Insurance Office. If you are interested or want more details on COBRA benefits, please contact Amy Slachter, U.S. Insurance Specialist, at 616-284-3233 or at [ASlachter@csionline.org](mailto:ASlachter@csionline.org).

### **Plan Document, SPD, Non-Discrimination Testing and 5500's**

Every school that offers a Section 125 Plan is required to have (1) a plan document, (2) summary plan description (SPD), except for premium-only plans, and (3) an annual non-discrimination test completed. In addition, for schools with more than 100 participants an annual 5500 report must be filed with the IRS. Through our Plan, we provide all of the above items as part of our annual servicing of the Plan. Navia Benefit Solutions, our third-party administrator, completes the annual non-discrimination testing.

Each school will want to have a copy of the plan document, SPD and the annual non-discrimination testing on file. **In addition, every eligible employee should receive a copy of the SPD when they are first eligible for the plan** (premium-only plans do not have this requirement).

If the school is missing the plan document, please feel free to print a copy using the following link [Plan Document](#) . Any questions, please contact Val Avink at [vavink@csionline.org](mailto:vavink@csionline.org) or 877-274-8796 ext. 228; direct 616-284-3228.

### **Employer Contributions to the FSA**

If your school makes contributions to the FSA for employees:

1. There can be no more than a dollar for dollar match of employee contributions; or
2. Do not exceed \$500 in contributions to the employee account.

**CONTACT**

### **Contacting Us for Support**

If you have not yet registered for an online account, contact Jennifer Slayton at Navia/Arcadia for your school code (one-time code needed for setting up online access). Jennifer can be reached at 269-381-5734.

As always, if you have questions about the Flexible Benefits Plan or any previous *Update*, please visit our website at <https://us.csibenefits.org/my-resources> and choose Flexible Benefits Resources – or contact Brian Meekhof by phone at 616-284-3237 or 877-274-8796 x237, or by email at [bmeekhof@csionline.org](mailto:bmeekhof@csionline.org).