

Town of Duxbury, Massachusetts

OFFICE OF HUMAN RESOURCES



DATE: November 1, 2011
TO: All Benefit Eligible Employees
FROM: Jeannie Horne, Human Resources Officer
SUBJ: Medical & Dependent Flexible Spending Account Annual Enrollment, Delta Dental Update and Fitness Reimbursement Reminder

Medical and Dependent Care Flexible Spending Accounts; Most employees pay for expenses such as dependent care, out-of-pocket medical/dental items, prescription drug co-payments etc, on an after tax-basis. Cafeteria Plan Advisors, Inc. "CPA" administers our Medical and Dependent Care Flexible Spending Account/Section 125 programs allowing employees to set aside a portion of their pay tax free for eligible Medical and/or Dependent Care expenses, reducing Federal and State taxes by 28-34%, for just \$2.31 a pay period. *Reduce your taxable earnings by enrolling in a Medical and/or Dependent Care Flexible Spending Account between November 1 – November 30, 2011 for the next plan year; January 1 – December 31, 2012.*

Kim Moore, a representative from Cafeteria Plan Advisors will give a presentation on November 10, 2011 in; *Town Hall's Mural Room at 12PM and 12:30PM, Alden's School Committee Room #104 at 2PM, and in Chandler's Canty Wing at 3:30PM.* These sessions will outline the benefits of medical and/or dependent care flexible spending accounts. Your attendance is voluntary, unpaid, and (if it occurs during your work day) requires advance approval from your Department Head/Supervisor to ensure adequate coverage of your work area.

If you cannot attend these presentations, please follow the procedures below before 11/30/11:

1. Call CPA, Inc. at 1-800-544-2340 for more info on the plans
2. Down load a generic authorization form for payroll deduction from www.cpa125.com
3. Mail or fax your completed form to CPA, Inc. using the instructions on the form

MEDICAL FLEXIBLE SPENDING ACCOUNT (FSA)

The Medical FSA allows you to set aside up to \$5,000 pre-tax from your paycheck to pay for expenses not covered by insurance. Some examples of these reimburseable out-of-pocket expenses include:

Dental: Orthodontia/Crowns/Fillings/Cleanings/X-Rays/Dentures
Medical: Chiropractor/Psychologist Fees/Orthotics/Hearing Aides
Co-pays: Doctor Visits/Rx's/Deductibles/Emergency Rooms
Vision Care: Contact Lenses/Contact Solution/Eye Glasses/Laser Eye Surgery/Eye Exam
Over-the-Counter Medications: Available with prescription only, due to Health Care Reform

DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT (FSA)

The Dependent Care FSA is a great tax savings for people who have children in daycare or parents who require elder care. The IRS allows you to set aside up to \$5,000 pre-tax from your paycheck to pay for these expenses. In most instances participation in the Dependent Care FSA results in a greater tax savings than the Dependent Care Tax Credit (we recommend you speak with your tax advisor to determine which would provide the greatest tax benefit for you). Some examples of eligible Dependent Care Expenses include: daycare, before/after school care, pre-school, and summer day camp.

IMPORTANT: Forms received after November 30, 2011 cannot be included in the plan

Delta Dental Update – Delta Dental is changing their Coordination of Benefits (COB), effective 10/31/11. This change limits the amount Delta will pay as the secondary plan to an amount that, when added to the amount paid by the primary plan, will not exceed the lesser of the provider's charge or Delta Dental's allowable fee. Under the current COB provision the total amounts paid by the primary plan and Delta may be limited only by the providers charge.

Fitness Benefit Reimbursement Requests – Participants of the Town/School Blue Cross Blue Shield PPO or HMO health plans can request a reimbursement of up to \$300 per calendar year for qualified health club membership fees. For copies of the Fitness Benefit Form visit the Town of Duxbury's website, choose Human Resources Department, click employee notices, or stop by the Human Resources Office at Old Town Hall.