

Section 125 – Medical Spending

Section 125 – Medical Spending Account

This Plan is administered by San Joaquin Health Administrators. Please submit claims:

Via mail: San Joaquin Health Administrators, P.O. Box 31570, Stockton, CA 95213.

Via interoffice mail: SJHA – FSA Admin

Via fax: (209) 942-6382 *Contact phone #:* (209) 942-6381

How Do I Enroll in the Plan?

In order to participate in the 2013-14 plan year, you must complete the Section 125 portion of the enclosed Enrollment Form OR enroll Online and submit it to Human Resources by 5 p.m. June 7, 2013. You must enroll each year in order to participate in the Plan.

How Much Can I Contribute?

You may set aside a minimum of \$260 (\$10 per pay period) and a maximum of \$2,080 (\$80 per pay period) for the 2013-14 plan year (July through June).

How Does the Plan Work?

When you elect to participate in a medical spending account, a specified amount of pretax dollars are deducted from your paycheck each pay period for the plan year (which runs from July 1, 2013 through June 30, 2014). These funds are deducted from your gross earnings before taxes and placed in a reimbursement account.

Funds may be used for out-of-pocket healthcare expenses for yourself and any dependents you may claim as dependents on your federal income tax. Funds may only be used for expenses incurred during the plan year (July 1, 2013 – June 30, 2014) and during the time you are participating in the Plan. Funds may not be used for expenses that are paid under any insurance plan or program or to reimburse you for insurance premiums.

When you submit a claim for a qualified medical expense, you will be reimbursed from this account. Claims for reimbursement must be submitted to San Joaquin Health Administrators within one year of the end of the plan year.

What Expenses Are Eligible for Reimbursement?

A medical reimbursement plan may be used to pay many types of healthcare expenses not covered under any other plan. Qualified expenses include:

- Deductibles, co-payments and other payments you must make under your medical, dental and vision plans.

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- Charges not covered under your medical, dental and vision plans other than cosmetic procedures.
- Over-the-counter medications and drugs are NOT eligible for reimbursement unless they are purchased with a prescription.

When Must Charges Be Incurred?

Eligible expenses must be incurred during the plan year (July 1, 2013 – June 30, 2014) and during the participant's coverage under the Plan. Expenses are incurred when the participant is provided with the healthcare, not when the participant is billed or charged for or pays for the service or treatment.

What Is the “Use It Or Lose It” Rule?

Because of the tax advantages of a medical spending account, the IRS has established strict guidelines for funds not used by the end of the year. If you contribute funds to a reimbursement account and do not use all of the monies you deposit, you will lose any remaining balance in the account at the end of the plan year. For this reason, plan carefully when you determine how much to place in the account.

May I Change My Election During The Year?

You may not change your election during the plan year unless you experience a qualifying status change, such as:

- The birth, death or adoption of a family member, marriage or divorce
- Covered child reaching age 26
- Employee or spouse becoming employed, losing a job or retiring
- Family member losing group health or dental coverage

Note: Your requested election change must be consistent with and on account of your qualifying status change. You must make the enrollment change within 60 days of the qualifying event.

Contact Human Resources regarding a qualifying event; (209) 468-3279/468-3379.

Where Can I Get More Information?

Come to one of the Open Enrollment Meetings and speak with a Benefits staff member who will assist you. Bring your personalized Benefits Enrollment Form with you to the meeting.