

BTA Health Benefits Newsletter 12-20-11

Flexible Spending Accounts

A flexible spending account (FSA) is a valuable benefit provided to us by Bedford Central as part of our POMCO health plan as agreed upon in our negotiated BTA contract. Although the District's enrollment period for next year just passed (November 15th-December 15th), it is an excellent benefit to consider in the future. Most of us have no problem using up all of our elected funds.

If you have an existing FSA it is **important to make sure you use up your funds. Any funds not used are forfeited** (see the next page for some ideas). If you attempt a claim after December 31st you must file a grace period form which will cover you until March 15th.

An FSA allows you to set aside a pre-elected amount of your salary that is deducted from your paycheck in equal amounts over your pay periods. Because your contributions are taken pretax you pay lower federal taxes, Social Security taxes, FICA and state taxes. That increases your disposable income. You determine an amount to be withheld during the enrollment period. This is placed in an account from which you are reimbursed for IRS qualified dependent care or health related expenses not already paid by your health coverage.

You may make changes to this pre-elected amount only if you have a major life-changing event such as a change in marital status, a change in your or your spouse's employment status, a loss, or the addition of a new dependent.

This year, for the first time, if you participate, you will be issued a POMCO Group "Take Care" VISA Debit Card for easy reimbursement of funds. You can use it wherever VISA is accepted and it will immediately deduct the cost of the qualified expense from your elected funds. Of course, you can still do it the old way by submitting receipts and a claim form for reimbursement by mail or fax.

There are two types of Flexible Spending accounts:

- 1) Health-You may elect to set aside up to \$3,000 for expenses that include co-pays, uncovered dental charges, orthodontics, medical supplies, contact lenses, glasses, eye exams, and uncovered prescription expenses. **Beginning 2011 you are no longer able to be reimbursed for over-the-counter drugs not prescribed by a doctor.**
- 2) Dependent Care-You may elect up to \$5000 (if filing married, joint, or single) or \$2500 (if filing married, separate) for qualified nursery school, day care, pre-kindergarten, before and after school expenses for dependent children up to age 12 and adult day care services.

Some tips to use up your Flex Plan account

- 1) Review your receipts- Make sure you have filed a claim for all co-pays, uncovered dental and eye care bills and many of your drugstore purchases. A lot of little things really add up.
- 2) Ask your doctor for prescriptions for over the counter medications you take regularly such as a pain reliever for arthritis. Stock up for the future.
- 3) If you take a prescription medication for a chronic illness or condition, ask your doctor to write a prescription for next year's supply. Refill the prescription before the deadline using flex account money to pay your share of the cost.
- 4) Restock the first aid kit with bandages. Even those Hello Kitty Band-Aids qualify.
- 5) Invest in a blood pressure monitor or other medical screening device.
- 6) Buy extra eyeglasses, contact lenses, or hearing aid batteries.
- 7) See the dentist. Cosmetic dentistry is **not** covered. But replacing old fillings and routine teeth cleaning are.
- 8) Get a flu shot for yourself and covered family members.
- 9) If you have a doctor's prescription citing medical necessity for such things as a smoking cessation program, massage, acupuncture, or home exercise equipment etc.
- 10) Consider transportation costs. The miles you drive to and from qualifying medical and dental appointments, and drug stores for prescribed medications is reimbursable according to IRS mileage deduction rates. In 2011, the rates from January-June are 19 cents/mile; from July-December the rate is 23.5 cents/mile. You can also be reimbursed for parking for qualified appointments.

For more information and to confirm this information:

www.MyPOMCO.com or 800-836-1878

Submitted by Michael Hardiman 12/20/11