



Flexible Spending Account Enrollment Form

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Client TASC ID: 4600-0871-2898

Every line must be completed. Please enter zero (0) on the lines where no amount is being deducted. Make sure to sign and date the enrollment form. Return the completed and signed form to your employer.

Please select your payroll group: TOWN SCHOOL

Participant Information: Full Name _____
Address _____
City _____ State _____ Zip _____
Email _____

Benefit	Maximum Allowed	Plan Year Election Amount
Medical (Out-of-Pocket) Expenses	\$ 2,500.00	\$ _____
Dependent Care Expenses	\$ 5,000.00	\$ _____

AUTHORIZATION: I certify the above information to be true to the best of my knowledge and that the children for whom I will be claiming dependent or child care expenses either reside with me in a parent-child relationship or are legally dependent on me for their support. I agree to have my compensation reduced by the deductible amount(s) stated above. I understand that any amounts remaining in my account(s) not used for qualified expenses incurred during the plan year will be forfeited in accordance with current plan provisions and tax laws. I further understand that the Flexible Spending Amount will be in effect for the entire plan year and cannot be revoked except as permitted by federal law. I understand that my share of eligible group premium(s) automatically will be deducted before taxes. I also understand, that if I do not wish to take advantage of having my eligible insurance contributions deducted pre-tax and prefer to be taxed on these dollars, I will contact my payroll department.

Authorized Signature: _____ Date: _____

Enrollment Form Instructions

Medical (Out-of-Pocket) Expenses: This amount is usually paid toward deductible and co-insurance portions of health insurance, dental expenses, orthodontic expenses, eye care and other miscellaneous health care expenses per year. After determining the per payroll amount, multiply that number by the number of payrolls to determine your annual election.

Dependent Care Expenses: Amount paid for day care expenses per year. The maximum allowable amount under IRS regulations is \$5,000 per calendar year per family; \$2,500 per calendar year for married individuals filing single. This limit is regardless of the number of dependents you may have.

Enrollment Form Instructions

Medical (Out-of-Pocket) Expenses: This amount is usually paid per year toward deductible and co-insurance portions of health insurance, dental expenses, orthodontic expenses, eye care, and other miscellaneous healthcare expenses. Per IRS regulations, a Participant may salary reduce the maximum of \$2,550 per Plan Year (indexed annually for inflation). Your employer may have a Plan Year maximum less than the IRS allowed amount. Review your Summary Plan Description (SPD) or check with your employer for your Plan's maximum amount.

Dependent Care Expenses: Amount paid for day care expenses per year. The maximum allowable amount under IRS regulations is \$5,000 per calendar year per family; \$2,500 per calendar year for married individuals filing single.

Questions Frequently Asked by Employees

1. What does FlexSystem offer? FlexSystem offers you a choice to pay for certain qualified benefits on a pre-tax basis. Paying for certain benefits with pre-tax dollars reduces the amount you pay in taxes and increases your take-home pay. Every dollar paid on a pre-tax basis results in a savings to you. (See example in box.)

2. Any cost or fee to me? No

3. Must I participate in my employer's health insurance? FlexSystem is not tied to any insurance plan or company. You may participate in FlexSystem regardless of your particular insurance provider.

4. What are qualified medical expenses? These expenses include dental care, prescriptions, eyeglasses, and out-of-pocket medical expenses not covered by insurance. However, vitamins and other dietary supplements taken for general health purposes are not eligible. Purchases of over-the-counter (OTC) medicines and drugs (with the exception of insulin) are only reimbursable if accompanied by a prescription or Prescription Order Form from your medical practitioner. Below are some examples of eligible OTC health related expenses:

OTC items that require a prescription or Prescription Order Form: Acid Controllers, Allergy and Sinus, Antibiotic Products, Cough, Cold and Flu, Digestive Aids, Pain Relief, Respiratory Treatments, Sedatives, and Stomach Remedies.

OTC items that are eligible and need no physician authorization: Bandages, Blood Pressure Kits, Contact Lenses, Contact Lens Solution, Diabetes Testing Supplies, Durable Medical Equipment, Hearing Aid Batteries, Heating Pads, Insulin, Nebulizers, Thermometers, Walkers and Wheelchairs.

5. How does the Dependent Care Account compare with the tax credit available on the individual Form 1040? The circumstances that determine which option offers greater savings vary from family to family, as such, the decision to choose the tax credit or the dependent care deduction may be made on a case by case basis only. Participation in FlexSystem results in an immediate savings on Federal, State, and Social Security tax, whereas the Federal credit will affect Federal Income Tax only and will be taken at year-end.

6. How does a Cafeteria Plan affect Social Security benefits? Reduction of your Social Security benefits will be minimal and is offset by the tax savings and lower health care costs available under FlexSystem. To compensate for this minimal reduction, you may consider increasing your retirement plan funding.

7. Under what circumstances can the annual election be changed? The elections may be changed only if there is a change in family or employment status. See the Change of Elections Form for more detail.

8. What is the Use-or-Lose Rule? To avoid an account balance at year-end, be conservative when making elections. Any funds left unused at the end of the Plan Year are forfeited, unless your employer offers a Carryover (for Medical Out-of-Pocket Expenses Benefit only).

9. What is the Medical (Out-of-Pocket) Expenses Carryover? An employer may allow Participants in the Medical (Out-of-Pocket) Expenses Benefit to carryover to next year's Medical Expense Benefit a portion of their unused balance. The Carryover amount applies to the following year's benefit after close of the prior Plan Year Runout, at which time it may be used to reimburse expenses incurred in the new Plan Year. While the IRS Carryover maximum is \$500, your employer may establish a lower amount. Refer to your Summary Plan Description for details specific to your Plan.

10. Who determines the rules and regulations of FlexSystem? Flexible Spending Accounts are regulated by the IRS. Our documentation guidelines are intended as a means to ensure eligibility of your requests for reimbursement. It is the Participant's responsibility to comply with these guidelines and to avoid duplication of requests or submission of ineligible charges. Failure to adhere to the above requirements could lead to payment delays or denial of expenses. In the event of an error or omission in the course of administering the Plan on behalf of the employer and participating employees, TASC will notify and remedy the error or omission. The employer and employees agree to TASC's procedures for making any corrections, including but not limited to payroll reduction. An error by the employer or TASC does not constitute an assumption of liability for the amount of the error.

Pre-Tax Example

	Without FlexSystem	With FlexSystem
Gross Pay	\$3,500/mo	\$3,500/mo
Pre-Tax Benefits		
-Medical/Dental Premiums	0	300
-Medical Expenses	0	100
-Dependent Care Expenses	0	400
TOTAL	0	800
Wages subject to tax	3,500	2,700
Federal Tax	525	405
FICA Tax (Social Security)	268	207
State Tax	175	135
Out-of-Pocket expenses	800	0
Spendable Income	1,732	1,953

Net Increase in Take-Home Pay = \$221/mo

This is an illustration only and actual numbers may vary. Paying certain qualified expenses before tax increases your take-home pay.