

UNIVERSITY OF ARKANSAS

Flexible Benefit Plan

Premium Conversion
Health Care Reimbursement
Dependent Care Reimbursement

INTRODUCTION

A Flexible Benefit Plan reduces your taxes and could enhance your benefits package. How? By allowing you to pay for certain benefits such as:

- ◆ Employee contributions toward health insurance premiums.
- ◆ Amounts for medical expenses that are not covered by your other insurance (such as deductibles or co-payments).
- ◆ Daycare for a dependent child, disabled spouse or dependent parent.

You can set aside certain amounts of your salary, before taxes, to pay for these benefits, reducing your taxable income, therefore, reducing your taxes. In most situations, this will increase your take home pay, due to the reduction in payroll taxes. Your gross income amount reported on your W-2 will show this reduced taxable amount.

THE FLEXIBLE BENEFIT PLAN ADVANTAGE - SAMPLE PAY COMPARISONS

FOR ILLUSTRATIVE PURPOSES ONLY

Annual Salary: \$21,000	Marital Status: Single		Total Annual Salaries: \$48,000	Marital Status: Married	
	Without Flexible Plan	With Flexible Plan		Without Flexible Plan	With Flexible Plan
Monthly Salary	\$1,750.00	\$1,750.00	Monthly Salary	\$4,000.00	\$4,000.00
Salary Redirections			Salary Redirections		
Health Dental & Cancer Premiums	0.00	120.00	Health Dental & Cancer Premiums	0.00	260.00
Child Care Expenses	0.00	0.00	Child Care Expenses	0.00	330.00
Unreimbursed Medical Expense	<u>0.00</u>	50.00	Unreimbursed Medical Expense	<u>0.00</u>	125.00
Taxable Income	\$1,750.00	\$1,580.00	Taxable Income	\$4,000.00	\$3,285.00
Payroll Taxes			Payroll Taxes		
7.65% FICA	133.88	120.87	7.65% FICA	306.00	251.30
15% Federal Tax	262.50	237.00	15% Federal Tax	600.00	492.75
3% State Tax***	<u>52.50</u>	47.40	3% State Tax	<u>120.00</u>	98.55
Total Taxes	448.88	405.27	Total Taxes	1,026.00	842.60
After-Tax Pay	\$1,301.13	\$1,174.73	After-Tax Pay	\$2,974.00	\$2,442.20
After-Tax Expenses			After-Tax Expenses		
Health Dental & Cancer Premiums	120.00	0.00	Health Dental & Cancer Premiums	260.00	0.00
Child Care Expenses	0.00	0.00	Child Care Expenses	330.00	0.00
Unreimbursed Medical Expense	<u>50.00</u>	0.00	Unreimbursed Medical Expense	<u>125.00</u>	0.00
Total Expenses	170.00	0.00	Total Expenses	715.00	0.00
Actual Spendable Income	\$1,131.13	\$1,174.73	Actual Spendable Income	\$2,259.00	\$2,442.20
<u>Monthly Increase In Spendable Income: \$43.61</u>			<u>Monthly Increase In Spendable Income: \$183.40</u>		

CONEXIS

CUSTOMER SERVICE NUMBER: (866)-279-8385
REIMBURSEMENT REQUEST FAX NUMBER: (888)-866-3312

(January 1, 2005)

GENERAL INFORMATION

WHAT TYPES OF EXPENSES MAY INCLUDE IN THE FLEXIBLE BENEFIT PLAN?

There are three categories of expenses you may pay with pre-tax dollars.

I. PREMIUM CONVERSION OPTION

The employee portion of the UA Medical, Dental, Cancer and Vision insurance premiums that you pay can be paid with pre-tax dollars through your UA paycheck. (**Do not** include these premiums on your reimbursement accounts worksheet, as they will automatically be deducted on a pre-tax basis from your paycheck.)

II. DEPENDENT CARE REIMBURSEMENT ACCOUNT

You may be reimbursed with pre-tax dollars for day care or after-school care expenses for a child under age 13 or an elderly person or a person with disabilities as long as they are claimed as a dependent for federal tax purposes. The amount that you elect to set aside in this account will be held until you submit receipts for eligible expenses to be reimbursed. Expenses must be work-related. Both spouses must be employed.

The maximum contribution is the *least* of \$5,000, \$2,500 if married, filing separate tax returns; your salary; your spouse's salary; or your expenses. The Dependent Care Account will often provide greater tax savings than the Child Care Tax Credit if your adjusted gross income exceeds \$18,000 if single, or \$26,000 if married, filing jointly.

III. HEALTH CARE REIMBURSEMENT ACCOUNT

Certain out-of-pocket health care expenses can be reimbursed with pre-tax dollars when you elect to make deposits to this account. You may elect to contribute between \$120 and \$4,000 annually. The amount that you elect to set aside in this account will be held until you submit receipts for eligible expenses to be reimbursed.

Eligible expenses include any eligible out-of-pocket health care expenses (incurred during the eligible period of coverage) of the employee, spouse (if filing a joint return), and dependents (if claimed by the employee for federal tax purposes) which are not reimbursed by an insurance plan, such as:

Co-payments, deductibles, and coinsurances for all medical, dental, and vision benefit plans
Other eligible medical expenses not fully covered by insurance.

IMPORTANT GENERAL LIMITATIONS ABOUT THE REIMBURSEMENT ACCOUNTS

- A. There can be no transfer of funds between the accounts. For example, the dependent care funds **cannot** be used for reimbursement of health care expenses.
- B. Expenses must be incurred from the first day of the plan year, or participant's eligibility date, through the end of the plan year, or the participant's employment termination date, whichever comes first, regardless of when the expense is billed or paid.
- C. You must re-enroll in the Dependent Care and/or Health Care Reimbursement Accounts, during the designated enrollment period, prior to each plan year anniversary.
- D. Any amounts not used by the end of the plan year are forfeited to the University.
- E. When your employment with the University ceases, you will have 90 days from the end of the plan year (March 31st) to submit request for reimbursement. *NOTE: You will only be able to submit claims for eligible expenses incurred from the first day of the plan year (January 1st) or your effective date in the Reimbursement Account(s), through your employment termination date.*

SPECIFIC NON-QUALIFYING ITEMS FOR HEALTH CARE REIMBURSEMENT

Behavioral and Marriage Counseling	Lamaze classes
Elective Cosmetic Surgery and Procedures	Long-term care expenses
Elective Cosmetic Prescription Drugs	Non-employer sponsored insurance premiums
Health club dues	

HOW DO I PARTICIPATE?

If you wish to participate in the Dependent Care and/or Health Care Reimbursement Accounts, you **must** complete the enrollment form and return it to your Human Resources Benefits Office by the designated deadline at your campus. *Note: the effective date for a new employee is the later of the employee's eligibility date or the date the enrollment (election) form is signed.*

WHEN CAN I MAKE CHANGES?

Elections for Premium Conversion, Dependent Care Reimbursement and Health Care Reimbursement may begin, change or end during the plan year only if one of the following events occur and the requested change is consistent with the event. NOTE: You must complete and submit the required forms within 31 days of the following events:

EVENTS THAT ALLOW CHANGES TO YOUR FLEXIBLE BENEFIT PLAN	*Allows Changes To:		
	P	D	H
*P = Premium Conversion, D = Dependent Care Reimbursement, H = Health Care Reimbursement			
Change in Status			
a. Change in the employee's legal marital status: marriage, divorce death of spouse, legal separation, and annulment.	X	X	X
b. Change in the employee's number of tax dependents: birth, death, adoption and placement for adoption.	X	X	X
c. Change in the employment status of the employee, spouse or dependent: commencement or termination of employment; a strike or lock out; commencement or return from an unpaid leave of absence; full time to part time/part time to full time.	X	X	
d. Dependent satisfies (or ceases to satisfy) dependent eligibility requirements: due to age, student status, marriage or similar circumstances.	X	X	
e. Change in residence of the employee, spouse or dependent: when move results in loss of eligibility for coverage.	X	X	
Automatic Cost Changes If the cost of a qualified benefit increases (or decreases) during the plan year, the employee's affected contributions will be adjusted accordingly.	X		
Significant Cost Changes If the cost of a qualified benefit increases (or decreases) significantly during the plan year, the plan may permit affected employees to either keep existing coverage with an election increase for cost changes or make a new election for coverage under another benefit package option that provides similar coverage.	X	X	
Significant Increases or Decreases in the Cost of Dependent Care You may change your Dependent Care election if an independent, third party provider of dependent care benefits significantly increases or decreases the cost of dependent care.		X	
Significant Curtailment of Coverage If coverage under a qualified benefit is significantly curtailed or ceases, the affected employee may make a new election for coverage under another benefit package option providing similar coverage. Coverage is significantly curtailed only if there is overall reductions in coverage for plan participants.	X		
Addition or Elimination of Benefit Package Option	X		
Change in Coverage of Spouse or Dependent Under Other Employer's Plan An employee is able to make a corresponding election change when coverage is elected under a spouse's plan during open enrollment. The first time offering of family coverage under a spouse's employer's plan would enable an employee to make a corresponding change (coverage must be elected under spouse's employer's plan).	X	X	
Separation from Services	X	X	
Family Medical Leave Act (FMLA) leave This exception applies to employees taking or returning from FMLA.	X	X	
HIPAA Special Enrollment Rights			
a. Loss of Coverage: a change may be made to elect coverage for an employee, spouse or dependent who has lost other group health coverage.	X		
b. Acquisition of new dependent: through birth, marriage, adoption or placement for adoption.	X		
COBRA Qualifying Event An employee may change his/her pre-tax contributions for coverage under a current employer's plan if a COBRA event occurs with respect to the employee, the employee's spouse or dependent. For example, loss of eligibility due to a reduction in work hours or dependent status. <i>NOTE: Does not apply to contributions for COBRA coverage under another employer's plan.</i>	X		
Judgments, Decrees, or Orders An employee may add or drop coverage consistent with a judgment, decree or order resulting from a divorce, legal separation, annulment or change in legal custody (including a qualified medical child support order).	X		
The Entitlement TO or LOSS of Medicare or Medicaid Entitlement to Medicare or Medicaid would allow a corresponding prospective election change. Loss of Medicare or Medicaid would also allow a corresponding prospective election change.	X		

REIMBURSEMENT ACCOUNTS WORKSHEET

Include all of your family's expenses, yourself, spouse and dependents. Estimated expenses should be based on your Cafeteria Plan Year

OUT OF POCKET MEDICAL EXPENSES NOT COVERED BY INSURANCE

Your Estimated Expense Items (not covered by insurance):	Pay Period Amount	Monthly Amount	Annual Amount
Major Medical Deductibles	_____	_____	_____
Co-Pay	_____	_____	_____
Doctor Visits Co-Pay	_____	_____	_____
Chiropractor	_____	_____	_____
Prescription Drugs (birth control)	_____	_____	_____
Prescription Drugs Co-Pay	_____	_____	_____
Eye Care – Glasses	_____	_____	_____
Contacts	_____	_____	_____
Exams	_____	_____	_____
Contact Solution	_____	_____	_____
Orthodontia	_____	_____	_____
Dental	_____	_____	_____
Hearing Aids (also batteries for hearing aid)	_____	_____	_____
Tests/Exams (x-rays, mammogram, etc)	_____	_____	_____
Therapy (physical, speech, etc.)	_____	_____	_____
Transportation (to and from medical facilities)	_____	_____	_____
Health Care Equipment (wheelchairs, walkers, crutches, etc.)	_____	_____	_____
Totals for Medical Expenses	(_____)	(_____)	(_____)

DEPENDENT CARE EXPENSES

Dependent Care (dependents of any age)	_____	_____	_____
Child Care (children to age 13)	_____	_____	_____
Totals for Dependent Care (maximum of \$5,000, \$2,500 if married filing separately)	(_____)	(_____)	(_____)

EXAMPLES OF ELIGIBLE MEDICAL EXPENSES

Acupuncture Alcoholism Ambulance hire Anesthesiologists Artificial limbs Artificial teeth Birth control pills (prescribed) Birth prevention surgery Braces (restrictions apply)* Braille - books and magazines Care for mentally disabled child Chiropractors Christian Science practitioners' fees Co-Insurance Contact Lenses /supplies Co-Payments Confinement for physical or mental illness Cosmetic surgery (resulting From birth defects or illness/injury) Cost of operations and related treatments Costs for physical or mental illness confinement Crutches Deductible Dental fees (non-cosmetic) Dentures Dermatologists	Diagnostic fees Drug addiction payments to Treatment center Eyeglasses, including examination fee Gynecologists Hearing devices and batteries Home Improvements (for disability) Hospital services Insulin/ Syringes/ Test Strips Laboratory fees Learning disability Lead base paint removal, upon diagnosis Life fee to retirement Home for medical care Nurses' fees Obesity Diet Drugs and Weight Loss Programs with a patient diagnosis of Obesity (restrictions apply)* Obstetrical Expenses Operations Ophthalmologists Orthodontia (restrictions apply)* Orthopedic shoes Osteopaths	Over- the-Counter Medication (restrictions apply)* Oxygen Pediatricians Physician fees Prescribed medicine (restrictions apply)* Prescription Smoking Cessation Aides Psychiatric care (restrictions apply)* Psychologist fees (restrictions apply)* Radial Keratotomy Retarded persons cost for special home Routine physical and non diagnostic services "Seeing-eye" dog and its upkeep Special communication equipment for deaf Special education for blind Special plumbing for the disabled Sterilization fees Surgical fees Therapeutic care for drug and alcohol addiction Transportation expenses for med. Services	* Contact CONEXIS Customer Service where restrictions apply NOTE: The preceding list, while not intended to be complete, illustrates examples of medical or medical- related expenses which may be claimed through Health Care Reimbursement. NOTE: Specific Documentation is required for the reimbursement of eligible expenses, please refer to the CONEXIS Reimbursement Request Form or contact CONEXIS Customer Service for an explanation of the required documentation.
--	--	--	--

UNIVERSITY OF ARKANSAS FLEXIBLE BENEFIT PLAN SUMMARY PLAN DESCRIPTION

1. Employer: For purposes of this document, the Employer is:
THE UNIVERSITY OF ARKANSAS,
consisting of all its campuses, units and
divisions
EIN 71-6003252
2. Plan Name: UNIVERSITY OF ARKANSAS FLEXIBLE BENEFIT PLAN
3. Plan Sponsor: UNIVERSITY OF ARKANSAS BOARD OF TRUSTEES
2404 North University Avenue
Little Rock, Arkansas 72207
(501) 686-2500
4. Plan Sponsor's Employer Identification Number and the
Plan Number: 71-6003252/501
5. Plan Year: January 1 to December 31
6. Fiscal Year End: June 30
7. Effective Date: January 1, 1992
8. Plan Administrator: UNIVERSITY OF ARKANSAS
9. Agent for Service of Legal Process:

UNIVERSITY OF ARKANSAS
2404 North University Avenue
Little Rock, Arkansas 72207
(501) 686-2500
10. Benefit Administrative Services Provider (Third Party Administrator):

CONEXIS
106 Decker Court
Suite 200
Irving, TX 75062
Participant Service Number: 1-866-279-8385
Fax Number: 1-888-866-3312

GENERAL INFORMATION

This document was prepared so that you might better understand your benefits under the University of Arkansas Flexible Benefit Plan. This document describes only the most important features of the Plan and the provisions are greatly simplified; therefore, the Plan Document, and not this document will determine each employee's rights under the Plan.

SUMMARY PLAN DESCRIPTION

1. **WHAT IS THE UNIVERSITY OF ARKANSAS FLEXIBLE BENEFIT PLAN?** *The UNIVERSITY OF ARKANSAS FLEXIBLE BENEFIT PLAN is a voluntary employee benefit plan established by the University under Section 125 of the Internal Revenue Code which permits employees to pay for certain eligible expenses with pre-tax dollars.*
2. **WHO IS ELIGIBLE TO PARTICIPATE?** *To participate in the Flexible Benefit Plan, you must be an active, regular, full-time or part-time, appointed employee of the University who works twenty or more hours a week.*
3. **WHEN AM I ELIGIBLE TO PARTICIPATE?** *You are eligible to participate on the date you satisfy the eligibility requirements outlined above. You have thirty-one (31) days from your date of employment to complete and submit your enrollment (election) form. **Note:** the effective date for a new employee is the later of the employee's eligibility date or the date the enrollment (election) form is signed. However, once enrolled, you must have a Change in Status Qualified Event to change your annual election. Refer to section 10 : **MAY I CHANGE MY ELECTION AT ANY TIME?** You may also enroll within 31 days of a Qualified Event (QE). **NOTE:** Reductions will begin no later than the date of the QE or written election or the date of the pay period following the QE or written election.*
4. **HOW DOES THE PLAN WORK?** *Each employee may elect to contribute a specified amount of his pre-tax salary to the Plan. These contributions are then used to pay for eligible expenses on your behalf. Eligible expenses include:*

*Employee portion of the UA medical, dental, cancer and/or vision premiums deducted pre-tax
Work-related dependent care expenses
Out-of-pocket health care expenses*

When you pay for these expenses with pre-tax dollars, you pay no Social Security or state or federal income tax on your contributions. Your taxable income and your taxes are reduced. When you pay for your expenses with pre-tax dollars, your net income is increased. You can use all or part of this increase to improve your personal or family welfare.

(Spendable income is comprised of your regular paycheck and your reimbursement check from CONEXIS)

5. **WHAT ARE THE TYPES OF EXPENSES THAT I MAY PLAN TO PAY FOR THROUGH THE UNIVERSITY OF ARKANSAS FLEXIBLE BENEFIT PLAN?** *The expenses for which you may pay with pre-tax dollars are described in more detail below:*

- A. **Pre-taxed UA Medical, Dental, Cancer and Vision Insurance Premiums (Premium Conversion Option):** *The employee portion of these premiums that you pay can be paid with pre-tax dollars through your UA paycheck.*
- B. **Health Care Reimbursement Account:** *Certain out of pocket health care expenses can be paid with pre-tax dollars when you elect to deposit some of those dollars into the account established in your name. You may elect to contribute between \$120 and \$4,000 annually. The amount that you elect to set aside in this account will be held until you submit receipts for eligible expenses to be reimbursed. Expenses must be incurred during the period of coverage. Expenses eligible for reimbursement are: Deductibles and other payments you must make under your medical plan, including: co-insurance, co-payments and most Physician charges that exceed medical plan limits or "reasonable and customary" fees. Charges not covered by your medical plan, such as: surgical fees (elective cosmetic surgery excluded), routine lab exams and x-rays, the cost difference between semi-private and private hospital rooms, dental work not covered by a plan (cosmetic dentistry excluded), eye exams, glasses, and contact lens, hearing exams and hearing aids, miscellaneous expenses and other health care services that qualify as medical deductions under IRS rules, such as: crutches, eyeglasses, including examination fee, orthopedic shoes, "seeing eye" dog and its upkeep, special communication equipment for the deaf, and tuition for special school for disabled.*

One Important Note: *If you are reimbursed for these expenses through the Health Care Reimbursement Account, you cannot claim them as a deduction on your income tax return. Eligible expenses must be incurred from the first day of the plan year, or participant's eligibility date, through the end of the plan year, or the participant's employment termination date, whichever comes first, regardless of when the expense is billed or paid*

- C. **Dependent Care Reimbursement Account:** *Work-related dependent care expenses can ordinarily be used as a credit against your annual federal income tax. However, you can elect to pay for your dependent care expenses with your pre-tax dollars through the plan. If you pay your dependent care expenses through the plan, then you may **not** take the tax credit for these same expenses. Since each individual's tax circumstances vary, we urge consultation with personal financial advisors before deciding upon participation in the plan or upon the extent of participation. **Note:** Dependent Care Participants must continue to complete IRS Form 2441 as required for filing personal taxes. The Dependent Care Reimbursement Account can be used to pay those costs of dependent care that enable the employee (and spouse, if married) to work. Day care or after-school care expenses for a child under age 13, or care for a spouse or adult dependent incapable of self-care are eligible for reimbursement. The maximum amount you may use to pay for dependent care expenses through the plan is \$5,000 per calendar year. If you are married and will file your income tax return separately from your spouse, the maximum amount is \$2,500 for the year. You must submit a Dependent Care Request for Reimbursement form and Dependent Care receipt to CONEXIS to receive reimbursement.*

6. **HOW ARE MY EXPENSES PAID?** To receive payment for a Health Care and/or Dependent Care expense, you must submit a Reimbursement Request Form to CONEXIS. You should accumulate your receipts, for Health Care or Dependent Care expenses, until the total amount of reimbursable expenses exceeds \$ 5.00. If a request is made for reimbursement of expenses totaling less than \$ 5.00, or if the balance available is less than \$ 5.00, the expenses will be held until additional claims are submitted. The \$ 5.00 minimum requirement is waived after receipt of the last contribution for the plan year.

You must submit an Explanation of Benefits from your insurance company or Health Maintenance Organization showing the amount of expenses which were paid by the insurance company or HMO, and the amount of remaining expenses or a receipt for uninsured expenses showing the date of service, type of service rendered, amount charged, and service provider.

All expenses must be incurred from the first day of the plan year, or participant eligibility date, through the end of the plan year, or the participant's employment termination date, whichever comes first, regardless of when the expense is billed or paid. CONEXIS, Inc. must receive requests for reimbursement by **March 31st** of the following year (or 90 days from the end of the plan year) in order to avoid forfeitures from your account. Reimbursement request forms are available from your Campus Human Resources /Benefits/Personnel Office.

7. **HOW DO I PLAN MY ELECTIONS?** You may want to review your past health care and dependent care expenses in order to conservatively estimate your future costs. A thorough review of your eligible expenses for the past year will provide a good measure to estimate your expenses for the coming year, so you may best avoid any possible forfeiture.
8. **WHAT IS FORFEITURE?** In exchange for the tax benefits you receive under the Plan, the Internal Revenue Service requires that any unused funds in your account at year-end be forfeited and returned to the University. However, with careful planning by you, forfeitures should not occur.
9. **WHEN DO I SIGN UP?** You must sign an election form describing the amount and type of contributions that you plan to put into the Plan. This election must be made before the date you enter the plan and is effective for the entire plan year. The IRS requires that you cannot change the basis of your contribution during the plan year except in the event of a Change in Status. See Section 10 below.

You will have the opportunity to make a new election prior to the beginning of each plan year.

10. **MAY I CHANGE MY ELECTION AT ANY TIME?** Once made, your election must stay the same for the full plan year, unless a Qualified Event occasions the change

Changes in Status affecting Health Care Reimbursement ONLY are as follows:

- A change in marital status (such as marriage, divorce or death of your Spouse)
- A change in the number of your Dependents (such as birth or adoption of a child, or death of a Dependent)

Changes in Status affecting Dependent Care Reimbursement ONLY are as follows:

- A change in marital status (such as marriage, divorce or death of your Spouse)
- A change in the number of your Dependents (such as birth or adoption of a child, or death of a Dependent)
- Termination or commencement of employment by you, your Spouse, or your Dependent
- A change in your or your Spouse's work hours (including a switch between full-time and part-time status)
- Your Dependent satisfying or ceasing to satisfy an eligibility requirement for a particular benefit
- A change in your, your Spouse's or your Dependent's place of residence or work location

NOTE: You may also change your Dependent Care election if an independent, third party provider of dependent care benefits significantly increases or decreases the cost of dependent care. You may also reduce your annual election for Dependent Care if your child begins kindergarten. Keep in mind that the change in election must correspond with the actual life status change.

And, if you experience such a change, you have 31 days to enroll in the plan, change your prior election, or terminate the plan. You must complete and submit the appropriate forms to your Human Resources Department within thirty-one (31) days of the date of the change.

11. **WHAT HAPPENS IF I TERMINATE?** When your income from the University ceases, you may stop making contributions to this Plan, and you will have 90 days from the end of the plan year (March 31st) to submit your request for reimbursement. However, you will only be able to submit request for reimbursement for eligible expenses incurred from the first day of the plan year, or participant's eligibility date, through the end of the plan year, or participant's employment termination date. Under Federal law, you, your spouse and your dependents may be eligible to continuation of the Medical Reimbursement Plan. If you are eligible, you may elect to continue to contribute to your Health Care Reimbursement Account contributions per pay period on an after-tax basis, and the University will inform you of these rights and the cost thereof. If you are eligible, you may also have the choice to elect to have your remaining annual contributions taken from your final paycheck, on a pre-tax basis; however, you must contact your Human Resources/Benefits/Personnel Office.

FREQUENTLY ASKED QUESTIONS

- 1. Do we send claims that apply to the deductible to the group insurance carrier first?** Yes, CONEXIS will reimburse you based on the Explanation of Benefits (EOB) sent to you by your insurance company or the doctor's receipt if the reimbursable expense is a co-payment.
- 2. How does participation in the Flexible Benefit Plan affect my retirement plan contributions?** Your contribution to the Flexible Benefit Plan does not affect the maximum amount of retirement plan contributions you can tax-shelter.
- 3. Do I have to be a participant in the University sponsored health plan in order to participate in the Flexible Benefit Plan?** No, you may participate in the Health Care Reimbursement Account and the Dependent Care Reimbursement Account, even if you and/or your dependents are covered elsewhere or have no coverage at all. You can include expenses for yourself, your spouse (joint tax return) and any of your dependents regardless of your insurance elections.
- 4. How does participation in the Flexible Benefit Plan affect my W-2?** Your gross income will be reduced by the amount of your contribution. For example, if you made \$24,000 per year and you put \$1,000 into the Flexible Benefit Plan, your W-2 would show \$23,000 and you would only be taxed on the \$23,000.
- 5. How do I file a claim on my Health Care Reimbursement account?** Complete the CONEXIS Reimbursement Request Form and attach a copy of either the receipt for the expense (if not covered by insurance or if it is a co-payment) or the Explanation of Benefits (EOB) from the insurance company. Send or fax both to CONEXIS at the address shown on the form. There is a \$5 minimum on reimbursement checks.
- 6. What happens if I have a \$200 medical expense in March and I have contributed \$50 to my Health Care Reimbursement Account?** In this account, your payment is limited to the amount you elected for the plan year. If you elected \$200, CONEXIS could reimburse you up to the \$200 at any time during your period of coverage.
- 7. If I planned \$200 for dental care, can I use the money on other types of medical expenses?** You can use the money in your Health Care Reimbursement Account for any eligible medical expense regardless of how you planned to use it.
- 8. Can I transfer money from my Dependent Care Reimbursement Account to my Health Care Reimbursement Account?** No, any money elected for the Dependent Care Reimbursement Account must be used for dependent care. Any money elected for the Health Care Reimbursement Account can only be used for eligible medical expenses, not for dependent care.
- 9. What happens to any money remaining in my account(s) at the end of the year?** You have until March 31 to submit claims for expenses incurred during the prior plan year. Any money remaining at that time will be forfeited and returned to the University. NOTE: If you terminate, you have 90 days from the end of the plan year to submit claims for expenses incurred during your period of coverage.
- 10. Who pays CONEXIS?** The University of Arkansas pays for this service.
- 11. Does participation in the Flexible Benefit Plan affect my insurance?** No, participation in the Flexible Benefit Plan does not affect your coverage or the benefits you receive under the University's insurance programs.
- 12. Is this plan considered insurance?** No, the Flexible Benefit Plan is not an insurance plan. It is a tax savings plan authorized by the Internal Revenue Service.
- 13. What are the maximum amounts I can elect to contribute to the Dependent Care Reimbursement Account?** The maximum election for the Dependent Care Reimbursement Account is the least of: your salary, your spouse's salary, \$5,000 annually (if married filing a joint return or single filing head of household); \$2,500 annually (if married filing separate returns), or your expenses.
- 14. What is the maximum amount I can elect to contribute to my Health Care Reimbursement Account?** The maximum contribution for the Health Care Reimbursement Account is \$4,000 per plan year. The minimum contribution is \$120 per plan year.
- 15. May I change my Flexible Benefit Plan elections during the year?** You can enroll in the plan, change your elections or terminate your participation in the plan during the year if you have a Qualified Event.
- 16. What happens if my insurance premiums change during the year?** If your insurance premium changes during the plan year, the Flexible Benefit Plan will automatically adjust to the new amount; you will not need to take any action.
- 17. What happens if my child changes day care centers during the year?** You will need to submit receipts from the new day care center, along with a Dependent Care Reimbursement Request Form, to CONEXIS to receive reimbursement. (Remember, you may change the amount of your dependent care election if you have a Qualified Event.... Refer to page 3, Section 10, of the UA Flexible Benefit Plan Summary Plan Description).
- 18. How will I know what the balance is in my account(s)?** You will receive quarterly statements and a summary with each check. You may also call CONEXIS Customer Service at 1-866-279-8385.
- 19. May I include over-the-counter medication in my health expenses?** YES, most over-the-counter medication expenses are eligible; however, some exclusions apply.
- 20. Can I carry forward expenses over from year to year?** No, all of the reimbursements made by the Flexible Benefit Plan can only be applied to expenses incurred during the period of coverage.
- 21. What is the difference between dependent care and dependent coverage?** Dependent care refers to work-related day care for a child under age 13, elderly person or person with disabilities and whom the participant is entitled to claim as a dependent for federal tax purposes. Dependent coverage refers to a type of insurance coverage.
- 22. Can I route items such as my individual cancer policy or my spouse's employer sponsored coverage through my 125 account?** NO, the only insurance premiums allowable are those offered by the University, which are Medical, Dental, Cancer and Vision premiums.