



PRE-TAX PROGRAMS

Open Enrollment Action Items:

- CIS is changing administrators for the pre-tax plans. Effective 8/1/07, ASIFlex takes over as the new administrator.
- If electing to enroll in the Premium Only Plan, the Healthcare FSA, or the Dependent Care FSA, you must submit a completed enrollment form to your employer **no later than July 6, 2007**. If you miss that due date, you will have to wait until next year to enroll.
- Plan year expenses must be incurred between August 1, 2007 - July 31, 2008.

New Administrator

CIS has chosen ASIFlex as the new administrator for the pre-tax plans, replacing Conexis. ASIFlex has been administering pre-tax plans for public sector employers for over 15 years. More importantly, they are rated very high in customer service by current clients.

Details about the pre-tax plan offerings are attached and an enrollment form is included in this packet.

Once enrolled, ASIFlex will provide you with a welcome packet that provides program information, information on how to access their web site and the resources available, and contact information for their customer service staff. You will also be given a direct deposit form that allows you to have reimbursements deposited directly into your checking or savings account rather than receiving a check via mail.

Current Plan Year Expenses (August 1, 2006-July 31, 2007)

Claims for expenses incurred during the current plan year must be submitted to Conexis for reimbursement. Claims can be submitted through October 31, 2007. After that date, monies remaining in your account will be forfeited.

If you submit current plan year expenses to ASIFlex, the claim will be denied. If you mail the claim to ASIFlex, it will be returned to you to send to Conexis. If you fax the claim to ASIFlex, you will only receive notification stating you should resubmit the claim to Conexis (you should have a copy of the claim since you submitted it via fax). This will obviously delay your reimbursement. Timing could also cause you to end up forfeiting money because the claim did not make it to Conexis before the October 31st deadline.

New Plan Year Expenses (August 1, 2007 - July 31, 2008)

The welcome packet you receive from ASIFlex will provide you with details on how to submit claims that are incurred during the new plan year.

Plan Options

Premium Only Plan

This option allows you to pay for your share of medical/dental premiums with pre-tax dollars. There are no risks (use it or lose it) with this option. If you pay for any share of the medical/dental premiums, your employer may already be deducting those on a pre-tax basis for your benefit.

Healthcare FSA

This option allows you to pay for non-reimbursed medical expenses with pre-tax dollars. Examples of eligible expenses are:

- Deductible/coinsurance amounts
- Prescription drug copays/coinsurance
- Benefits exceeding plan maximums (e.g., dental - \$1,500 per calendar year; vision – once every 24 months)
- Over-the-counter (OTC) medications (e.g., antihistamines, cough syrup, first aid supplies, etc.). Purchase receipt must have the name of the OTC medication on it.
- Weight loss programs require a letter from the physician prescribing the weight loss as treatment for a medical condition (e.g., diabetes, joint problems, etc.).

Healthcare FSAs include a “Use It or Lose It” provision. Because of this provision, you should base your FSA contributions on expenses you know will be incurred, not something you might incur. Examples would be ongoing expenses for prescription drugs, or medical conditions that always result in the employee meeting the deductible. And, almost everyone can take advantage of purchasing over-the-counter medications with pre-tax dollars. Non-eligible expenses include cosmetic and non-medical treatment related expenses.

Dependent Care Assistance Plan

This option allows employees to pay pre-tax for dependent care (day care) expenses for children under 13, or for care of an elderly family member who lives in the employee’s home and who qualifies as a dependent for tax purposes. Since many employees also qualify for the dependent care tax credit on their federal taxes, individuals have to decide which benefit offers them the greatest tax advantage.

Dependent Care Assistance Plans also include the same “Use It or Lose It” provision. As a result, employees should carefully consider changes in day care expenses due to vacations, summer, etc.

Plan Year

Remember, the plan year for all three plan options is August 1, 2007 through July 31, 2008. Expenses must be incurred during this time in order to be eligible for reimbursement. While expenses must be incurred during this time, participants have an additional 90 days to file claims for reimbursement. If claims are not filed within 90 days (by October 31), monies left in an employee’s account are forfeited - as required by the IRS.



What is a Flexible Spending Account?

A Flexible Spending Account (FSA) is a tax-free account that allows you to save money to pay for your out-of-pocket healthcare expenses, including prescription drug costs, medical, dental, vision and hearing expenses and/or your child or dependent care expenses, including day care, baby sitting, in-home care for older dependents and before & after school care expenses.

When you enroll in an FSA, you decide how much to contribute to each account for the entire 2007-08 Plan Year (August 1, 2007 – July 31, 2008). For the Healthcare FSA you can set aside up to \$5,000 per plan year. For the Dependent Care FSA the calendar year maximum is \$5,000 (\$2,500 if you are a married individual and file a separate tax return from your spouse) per household. The money is deducted from your paycheck pre-tax (before Federal & State income taxes and FICA taxes are deducted) in equal amounts, over the course of the plan year. After you incur expenses that qualify for reimbursement, you submit claims (reimbursement requests) to ASIFlex to request tax-free withdrawals from your FSA to reimburse yourself for these expenses.

What healthcare expenses can I use my Healthcare FSA for?

Partial list of qualified medical expenses:

- ✓ Deductibles
- ✓ Copays
- ✓ Doctor's fees
- ✓ Dental expenses
- ✓ Prescription glasses
- ✓ LASIK surgery
- ✓ Prescription drugs & insulin
- ✓ Chiropractor's fees
- ✓ Over-the-counter meds (used to treat a medical condition)
- ✓ Orthodontia (See specific requirements)

Your FSA cannot be used for:

- ✓ Insurance premiums
- ✓ Cosmetic procedures (such as face lifts, teeth whitening, veneers, hair replacement, etc.)
- ✓ Clip-on or nonprescription sunglasses
- ✓ Toiletries
- ✓ Long-term care expenses
- ✓ Drugs, herbs, or vitamins for general health and not used to treat a medical condition
- ✓ Warranties

Check out www.asiflex.com for more expenses

How do I determine how much to contribute?

Estimate your qualified healthcare expenses that will not be reimbursed by your medical or dental plans during the 2007-08 Plan Year (August 1, 2007 – July 31, 2008). **Remember that expenses for your tax dependents qualify for reimbursement through your Healthcare FSA program, even if they are not covered on your health insurance through your employer.**

Tax-free Medical Expense Worksheet

Your out-of-pocket medical and dental expenses for August 1, 2007 – July 31, 2008

Estimated out-of-pocket costs

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total	\$ _____

Divide by the number of paychecks you expect to receive during the plan year.

Your per paycheck contribution

\$ _____

Dependent Care FSA

Dependent Care FSAs create a tax break for dependent care expenses (typically child care or day care expenses) that enable you to work. If you are married, your spouse must be working, looking for work or be a full-time student. **If you have a stay-at-home spouse, you should not enroll in the Dependent Care FSA.** The IRS allows no more than \$5,000 per household (\$2,500 if you are married and file a separate tax return) be set-aside in the Dependent Care FSA in a calendar year.

Please note that IRS regulations disallow reimbursement for services that have not yet been provided, so even if you pay in advance for your expenses, you can only claim service periods that have already occurred. **Eligible expenses** include day care, baby-sitting, & general purpose day camps. **Ineligible expenses** include overnight camps, care provided by a dependent, your spouse or your child under the age of 19 & care provided while you are not at work.

Use It Or Lose It – Important Note

Claims incurred for either the Healthcare FSA or Dependent Care FSA must be incurred during the plan year AND submitted to ASIFlex no later than October 31 each year. If not postmarked by October 31, the IRS requires that the unclaimed dollars remaining in your account be forfeited.

How do I enroll?

You enroll by completing the Enrollment Form included in your open enrollment packet and returning it to the individual responsible for employee benefits for your employer no later than July 6. **Remember you must re-enroll in the FSA program each year (even if you don't want the deduction amount to change).**

When can I start requesting reimbursement?

You can start submitting requests as soon as services are provided, but eligible expenses can only be incurred on, or after, August 1, 2007. For the Healthcare FSA, the full annual contribution amount is available on the date your enrollment begins. For the Dependent Care FSA, you are allowed to be reimbursed only up to what you have had deducted from your paycheck at that point, but requests in excess of this amount will be reimbursed as additional deductions are taken from your paycheck. You may submit reimbursement requests for either account as frequently, or infrequently, as you prefer.

To request reimbursement from your FSA, you must fax or mail a completed Flex Claim Form (found online at www.asiflex.com) and supporting documentation to ASIFlex at:

Toll-free fax: 1-866-381-9682 **OR** Mail to: ASIFlex
P.O. Box 6044
Columbia, MO 65205-6044

How will I receive reimbursement?

The default reimbursement method for ASIFlex will be to mail you a check. However, you also have the option to sign up to receive reimbursements by direct deposit to a checking or savings account. A direct deposit sign up form will be included with your welcome packet that you receive shortly after enrolling. You can also find this form online at www.asiflex.com. ASIFlex will issue your reimbursement within one business day of receipt of your claim, as long as acceptable documentation is also provided. You may change your bank account for reimbursement or request to receive reimbursement by check at any time by completing the [Direct Deposit/E-mail Form](#) that is available on www.asiflex.com. Your direct deposit information will stay the same until you tell ASIFlex you would prefer deposits to a different bank.

When is the last day I can file a claim?

Claims with dates of service between August 1, 2007-July 31, 2008 must be submitted to ASIFlex no later than October 31, 2008. After that date, monies remaining in your account will be forfeited.

Whom do I contact if I have questions?

ASIFlex Customer Service 1-800-659-3035
Monday – Friday, 5 a.m. – 5 p.m. Pacific Time
Saturday, 7 a.m. – 11 a.m. Pacific Time

E-mail asi@asiflex.com

ASIFlex's Web site www.asiflex.com





FLEXIBLE BENEFITS ENROLLMENT FORM

8/1/07 - 7/31/08 Plan Year

COMPLETE THIS FORM AND RETURN TO YOUR BENEFITS REPRESENTATIVE



Entity Name: _____

PART 1 – EMPLOYEE DATA

EMPLOYEE NAME (LAST, FIRST, MI.)		SOCIAL SECURITY NUMBER
HOME ADDRESS (INCLUDE APARTMENT NUMBER)		
CITY	STATE	ZIP
DATE OF BIRTH	DATE OF HIRE	SEX (M or F)

PART 2 – ELECTIONS

Premium Only Plan

- I elect to participate – I have enrolled for certain insurance coverages and have been provided with information identifying my portion of the premiums for such coverages. These premiums will be taken on a pre-tax basis.
- I elect to waive all pre-tax benefits under the Premium Only Plan.

Healthcare Flexible Spending Account

(Annual maximum allowable is \$5,000)

- I elect to contribute \$ _____ per pay period x _____ remaining pay periods = \$ _____ Plan Year Total
- I elect to waive coverage

Dependent Care Flexible Spending Account

(Calendar year maximum is \$5,000 for married filing jointly or single, or \$2,500 if married filing separately)

- I elect to contribute \$ _____ per pay period x _____ remaining pay periods = \$ _____ Plan Year Total
- I elect to waive coverage

PART 3 – AUTHORIZATION

I have reviewed the terms of my employer's Flexible Benefits Plan. I understand that I may elect coverage under any or all of the above components. I understand that contributions will be deducted from my compensation on a pre-tax basis and the deductions cannot be changed until the next plan year unless there is a change in status. I have read and agree to the terms of participation.

EMPLOYEE'S SIGNATURE _____

DATE _____

FOR EMPLOYER USE ONLY:

COMPANY NAME	DIVISION	EFFECTIVE DATE	PAY CYCLE	ENTERED IN PAYROLL	INITIAL:
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