



Presented by:

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What is a Cafeteria Plan?

- A way for you to save money that otherwise goes towards taxes on medical expenses, daycare, and some insurance premiums
- An easy way for you to increase your take home pay

How does it work?

- If you elect to participate, deductions are taken from each paycheck pre-tax, resulting in minimum tax savings of 25%. These dollars are exempt from Social Security, Medicare, and Federal and State taxes
- You send in receipts, and get reimbursed in full. Even a small annual election of \$400 gives you a savings of \$100!

What can I deduct pre-tax?

- Insurance Premiums
- Out of Pocket Medical Costs (FSA Medical)
 - Copays and Prescriptions
 - Office Visits
 - Over the counter items
- Child Care (DCAP)

Out of Pocket Medical Costs

- Unreimbursed Health Care Expenses are eligible under your Medical FSA. These are items you pay for directly.
 - **Doctor office co-pays**
 - **Eyeglasses, contacts, and supplies**
 - **Prescriptions**
 - **Orthodontia**
 - **Dental work**
 - **Chiropractic care**
 - **Acupuncture**
 - **And Much More...**

Over the Counter Products

Acceptable Items

- Allergy
- Antacids
- Cold Remedies
- Nicotine Gum and Patches
- Eye Care
- First Aid Products
- Sunscreen over 30 SPF
- Contraceptives

Unacceptable Items

- Dietary Supplements
- Face Creams and Moisturizers
- Herbs
- Medicated Shampoos
- Toothpaste/brushes
- Vitamins not prescribed by a doctor
- Cosmetic Procedures

Dependant Care Expenses

- Children under 13 or with special needs
- Elderly dependants for whom 50% of care is provided by you
- \$5000 yearly maximum, or \$2500 maximum if married, filing separately

Dependant Care Guidelines

Acceptable

- Before/after school programs
- Traditional daycare
- At-home daycare if payment is reported as income by care provider
- Unlicensed providers

Unacceptable

- Sleepover camp
- Non-reported daycare
- Care provided by another dependant under age 19
- Educational tuition starting at kindergarten

Here's an Example:

- 6 office visits per year at \$20.00
- 2 specialist visits
- 2 monthly maintenance prescriptions, 3 other prescriptions
- 3 boxes Claritin
- Band-Aids and Ace Bandage
- Humidifier
- 2 bottles Advil
- Thera Flu
- Glasses/Contacts
- Saline Solution

Here's an Example:

• 6 office visits per year at \$20.00	120.00
• 2 specialist visits	60.00
• 2 monthly maintenance prescriptions, 3 other prescriptions	360.00
• 3 boxes Claritin	54.00
• Band-Aids and Ace Bandage	10.00
• Humidifier	30.00
• 2 bottles Advil	21.00
• Thera Flu	7.00
• Glasses/Contacts	150.00
• Saline Solution/Eye Care	<u>38.00</u>

Grand Total: **\$ 850.00**

Potential Health FSA Savings: **\$ 212.50**

How much should I contribute?

- Use the Confidential Employee Survey to estimate your monthly expenses
- Consider how many pay periods you have in each year
- Understand the Grace Period and Forfeiture
- Remember that you can only change your election amount under certain circumstances

How Do I Change My Plan?

- You can change your plan during annual re-enrollment by changing the amount or declining the plan entirely
- Or, you may change your election (within 30 days of the change) if you have an IRS-approved “Change in Status” including:

- Birth

- Marriage

- Divorce

- Adoption

- A move that affects insurance coverage

- Change in PT or FT status

- Dependant age increase

- Change in Vendor (DCAP only)

How do I get paid?

- After your elected amount is deducted, submit receipts and a reimbursement form to The Cafeteria Plan. Receipt must include:
 - Date of transaction
 - Cost of product or service
 - Name of product or service provider
- For manual claims, payment is made to you based on a schedule set by your employer.

Keep in Mind:

- Your full medical election is available from day one of eligibility
- Dependant care is only paid out at the same rate you contribute
- Employer cannot deduct from the final paycheck of terminated employees
- Expenses are all reviewed by your Plan Administrator at the Cafeteria Plan Company
- Your privacy is protected, as employer never sees your detailed claims
- You must re-elect each year. Your election does not roll over.

Questions?

You may contact your plan administrator personally and confidentially.

Contact information is on your packet.

Thank you!