

**DELAWARE-CHENANGO-MADISON-OTSEGO BOCES
FLEXIBLE SPENDING ACCOUNTS
ENROLLMENT APPLICATION**

Name _____ Social Security # _____
(please print)
Address _____
City _____ State _____ Zip Code _____

PART 1 Insurance Premium Plan (check one of the following)

- I elect to enroll in the BOCES' Insurance Premium Plan and to have my portion of insurance premiums paid on a pre-tax and pre-FICA basis. I understand that this will not affect my coverage, timing of payment, or any other benefit offered by my employer.
- I elect not to participate in the BOCES' Insurance Premium Plan. My portion of family insurance premiums will be paid with after tax dollars.
- Not applicable, I am not currently covered by the medical plan offered by BOCES.

PART 2 Medical Insurance Coverage-if Opt Out Provision Applies (check one of the following)

- I elect to be covered by BOCES' Medical Insurance Plan.
- I elect not to be covered by BOCES' Medical Insurance Plan and, if eligible, I elect to participate in Opt Out Provision. I understand that in lieu of such coverage I will be eligible to receive a cash amount as taxable income. I understand that my election will be in effect for the plan year.
- I elect not to be covered by BOCES' Medical Insurance Plan, and am not eligible for or elect not to participate in the Opt Out Provision. I understand that my election will be in effect for the plan year.

PART 3 Flexible Spending Plan

- I elect the following amounts to be withheld from my paycheck each payday. I have separately identified the amount to be set aside to the Health Expenses Account and the amount to be set aside to the Dependent Care Account. I understand that I will not pay federal or state income taxes or FICA taxes on the amounts withheld.
- \$ _____ per paycheck for the Health Expenses Account (up to \$1,500 per year)
\$ _____ per paycheck for the Dependent Care Account (\$100 to \$2,500 filing single, \$100 to \$5,000 filing joint return)
\$ _____ Total withheld per paycheck
- I elect not to participate in the Flexible Spending Account at this time. I understand that I will continue to pay for these expenses on an after-tax basis.

PART 4 Employee Signature

I have read the materials pertaining to BOCES' Flexible Spending Account. I understand that I cannot change any of my elections during the Plan Year (unless I have a change in family status), and that any money left in my account at the end of the Plan Year will be forfeited. I understand and authorize my employer to withhold from my final paycheck any monies that may be owed to my Flexible Spending Account as of the date of my termination, or bill me for same.

SIGNATURE

DATE

OR

I elect NOT to participate in any part of BOCES' Flexible Spending Account at this time.

SIGNATURE

DATE

The Plan Document is available for review in the BOCES' Personnel Office.

**FLEXIBLE SPENDING ACCOUNTS
PLAN SAVES YOU MONEY**

Delaware-Chenango-Madison-Otsego BOCES is proud to sponsor the Flexible Spending Accounts Plan, an innovative benefit for our employees. This plan is an exciting way for you to pay for your unreimbursed medical expenses and dependent care (babysitting) expenses while reducing your taxes and increasing your spendable pay!

The plan is designed so that you may use it to reflect and respond to your own changing needs. You determine the amount of your pay that you wish to contribute to your Flexible Spending Account. Contributions are made on a pre-tax basis, and you use your own account to reimburse your eligible medical and dependent care expenses. This results in lower taxes and more spendable pay.

Since the amount contributed to your Flexible Spending Account is done so on a pre-tax basis, your contribution is excluded for purposes of calculating federal, state and Social Security taxes, which increases your take-home pay. The Flexible Spending Plan allows you the opportunity to pay for these expenses and decrease your taxes. To better understand the plan follow this example:

TAX SAVINGS EXAMPLE:

An employee earning \$20,000 has the following annual expenses:

- Day-care expenses of \$2,500
- Medical premiums of \$500
- Uninsured medical expenses of \$700

	“With” Flexible Spending Accounts	“Without” Flexible Spending Accounts
Adjusted Gross Income	\$20,000	\$20,000
Health Expenses Acct.	(700)	0
Dependent Care Acct.	(2,500)	<u>0</u>
Insurance Premiums Plan	<u>(500)</u>	\$ 0
Total Expenses Paid Tax-Free	<u>\$(3,700)</u>	<u>\$ 0</u>
Taxable Income	\$16,300	\$20,000
Social Security Tax	\$(1,247)	\$(1,530)
Federal and State Income Tax	(2,925)	(3,750)
Dependent Care Tax Credit	0	500
After-tax Premiums, Health Care and other dependent care expenses	<u>0</u>	<u>(3,700)</u>
Net Take Home Earnings	\$12,128	\$11,520
TAX SAVINGS	\$608	

The employee in this example will increase spendable income by \$608 per year by using the Flexible Spending Accounts!

Examples of eligible expenses for the Flexible Spending Account include:

- insurance deductibles
- coinsurance (the portion of covered expenses that you pay)
- dental care expenses not covered by insurance
- vision care, eye exams, glasses, contact lenses, and other similar expenses not covered by insurance
- amounts in excess of insurance limits
- preschools, day care centers, individuals who care for your dependent children (up to age 13)
- home care, nonmedical nursing or nursing aide services for dependent parents and mentally or physically handicapped dependent children.

The next plan year for the Flexible Spending Plan will begin on January 1, 2005. All you have to do is fill out the Enrollment Form from the Personnel Office.

We encourage you to take part in the Flexible Spending Accounts Plan and increase your spendable pay!