IMPORTANT ACCOUNT INFORMATION

Please read the following important information before you sign up for a Reimbursement Account.

Tax Information: Reimbursement accounts offer Brunswick School Department employees attractive tax savings on allowed expenses. But remember, you cannot claim expenses reimbursed through these accounts as income tax credits or deductions. **Also, if you participate in or have a Health Savings Account (HSA),**

Changing Contributions: Once you elect to put a certain amount into your Reimbursement Account(s), you cannot change that contribution until you make your election for the next Plan Year, unless you experience a family status change. The status changes that most plans allow are:

- Marriage, divorce, death of a spouse, legal separation or annulment;
- Birth, adoption or placement for adoption of a child, or death of a child;
- Change in employment status of the employee, spouse or dependent that affects benefits eligibility;
- A change in residence of the employee, spouse or dependent that affects eligibility coverage;
- Dependent satisfies or ceases to satisfy dependent eligibility requirements.

In any of these cases, you may change your account contribution as long as you apply within 30 days of the event and the change in contribution is on account of and corresponds with the allowable status change. Each year you will receive a new election form to confirm or change your contribution amount, or to decline participation for that Plan Year.

Reimbursement Account Withdrawals: You may withdraw money from your Reimbursement Account(s) for eligible expenses you have already incurred. Simply fill out a Reimbursement Request Form and attach a copy of your bill, paid receipt, or insurance explanation of benefits showing date, type of service, provider, and amount. **Cancelled checks nor credit card receipts can be accepted as proof of date of service.**

H R Support & Consulting Services makes payments weekly, or as often as your employer funds the account for dependent/elder care. Participants whose eligible reimbursement requests are received by noon Friday will be mailed checks by the end of the day the following Thursday. You will receive payment for eligible dependent/elder care expenses up to your current account balance. Unpaid balances will be held and paid during the following weeks until the full amount has been paid to you (up to the amount of your contributions). Reimbursement for medical expenses will be made up to the amount of your annual election. At the end of the Plan Year you will have 90 days to submit claim requests for services incurred during the ended Plan Year. The 90 days applies to both the Dependent Care account and to the Medical Reimbursement Account, even if your employer has implemented the "Grace Period" for the Medical Reimbursement Account which allows foro up to 2 months, 15 days beyond the end of your Plan Year to submit for incurred expenses to be paid from the previous Plan Year, should you have a remaining balance on the last day of the previously ended Plan Year.

Forfeiture of Benefits: You must plan carefully to avoid putting more money into your account(s) than needed. **Any balance you leave unspent at the end of the Plan Year will be forfeited, according to Internal Revenue Service rules. This also means that for those participants whose employer has implemented the 2 month, 15 day "Grace Period" for services incurred for the Medical Reimbursement Account, you will forfeit any remaining balance for the previously ended Plan Year if you have not submitted for reimbursement for services incurred during the "Grace Period" extension.**

Terminating Employment: Your contributions to your Reimbursement Account(s) will stop when you terminate employment. You will have 90 days after the end of the Plan Year to submit requests for expenses as follows:

- For dependent care expenses *that are incurred during the Plan Year* (as long as you and your spouse, if applicable, continue to work, seek employment, or attend school full time);
- For medical expenses that are incurred while you are a participant in the Plan. If applicable, COBRA continuing coverage will be made available to you if you wish to make after-tax contributions to your Medical Reimbursement Account after you end your employment. For participants who terminate their employment who had a positive balance at the time of termination, you must elect COBRA in order to take advantage of the "Grace Period" extension following the end of the Plan Year in which you terminated your employment.

Social Security: Since contributions to your Reimbursement Account(s) are made with pre-tax dollars, you do not pay Social Security taxes on those dollars. You may incur some erosion of your wagebase for retirement purposes. Since Social Security benefits are now determined primarily by your thirty-five years' average earnings, unless your annual cafeteria plan deductions are significant, any reduction will be minimal. When compared to the tax savings, in most situations, the tax savings realized while using the pre-tax benefit outweigh any decrease in social security earnings in later years.