

It's Flex Time Again!

It's time to enroll in the Vestal Central School District Flexible Benefit Plan for the new plan year, October 1, 2023, through September 30, 2024.

What does Flex mean to you?

- 1) If you are making a contribution to your health or dental plan, the deduction is and will be taken from your paycheck on a pre-tax basis. That means that you are saving federal, NYS, and FICA taxes. If you DO NOT want your premium taken from your pay on a pre-tax basis, you need to sign the premium conversion waiver which you can obtain from the personnel office.
- 2) If you have unreimbursed health expenses, such as medical or dental deductibles, co-pays, and vision expenses, the amount of salary you elect to have withheld for these expenses is not subject to taxes. A comprehensive list of eligible expenses can be found on the back of the enrollment form.
- 3) If you require dependent care (day care), you can use the flex plan for up to \$5,000 of these expenses when you file jointly or are a single head-of-household. The provider of these services must be declaring their income and provide you with their taxpayer ID#. The same qualifications apply if you were to take a deduction at the end of the year on your income tax. Again, by using the flex plan, the funds you elect to have withheld for these expenses are not subject to taxes.

What do you need to be aware of and take into consideration?

- 1) The Flex plan year is October 1, 2023, through September 30, 2024. Eligible expenses qualify for reimbursement only if incurred during the plan year, not when a bill is received or paid.
- 2) Redirected salary that remains in your account at the end of December 2024 may be forfeited. **If you do not use the elected amount you may lose it.** Please refer to your collective bargaining agreement and/or the Personnel Office for specific details of your plan.
- 3) The amount of salary that you redirect for unreimbursed health expenses is available to you on day one of the plan year. Claims can be paid regardless of the amount of your salary that has actually been withheld.
- 4) The amount of salary redirected for dependent care expenses is only available for claims if it has actually been withheld from your pay.

- 5) You must make an election now for the Flexible Benefit Plan. If you do not elect to participate in the unreimbursed health account or the dependent care account by September 29, 2023, you may not enroll until the next plan year.
- 6) You may not change your election during the plan year for any reason except a change in family circumstance such as a birth, adoption, death of a dependent, marriage or divorce or change in the job status of you or your spouse. New elections must be made within 30 days of the change in family status and be consistent with the change. You may not change your election simply because you redirected too much or too little salary to meet your needs.
- 7) Since you and your employer are not making FICA contributions on any redirected salary, your Social Security Account could be decreased at the time of Social Security benefit eligibility. Research indicates that in most all cases the benefit of saving taxes now will far outweigh the minimal loss of Social Security benefit later.
- 8) Please refer to the "Benny Chart" you will receive with your first EOB after the new Plan Year begins that verifies your election for important information regarding the use of your Benny Card.

What is the next step?

- 1) Determine if the flexible benefit plan can be useful to you. If you have guaranteed out-of-pocket eligible expenses, you have nothing to lose. If you are in a 28% tax bracket, you can figure that you will be saving \$40.00 on every \$100.00 that you redirect. If you are in a lower tax bracket you will save a little less, if you are in a higher tax bracket, you will save a little more.
- 2) If you want to participate in the unreimbursed medical or dependent care accounts, complete an enrollment form.
- 3) **Turn in all forms to Stacy Wickham no later than September 29, 2023.**
- 4) If you have additional questions, please speak with Stacy Wickham, Benefits Office, at 757-2228.

Remember, Flex can play an important role in budgeting for your family's medical and dependent care expenses and in keeping the cost of those expenses down! Take advantage of this valuable benefit next year by enrolling today.