

2015

Flex^{flex}Elect^{Elect} Handbook

2015 FlexElect Plan Year
January through December

Reimbursement Accounts

A great way to save money for some of life's important expenses and lower your taxes.

Cash Option

For employees who have other health/dental coverage.



CALIFORNIA DEPARTMENT OF HUMAN RESOURCES
Benefits & Training Division

additional information located at

www.calhr.ca.gov

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Introduction to FlexElect

The State of California's FlexElect program offers two types of employee benefits:

- ✓ Pre-tax reimbursement accounts for out-of-pocket medical and dependent care expenses, and
- ✓ Cash Options in lieu of your state-sponsored health and/or dental benefits.

You may enroll in either benefit, or both. This handbook explains both benefits for the 2015 plan year (January 1-December 31, 2015). Please read it carefully before you make an enrollment decision to be sure you understand the program requirements, including any changes that may have occurred since you received the last handbook.

FlexElect is governed by Federal Internal Revenue Service rules based on Internal Revenue Code section 125, which can change at any time. If there is any discrepancy between the information in this handbook and IRS rules, the IRS rules supersede this handbook.

Changes for 2015

- ✓ More frequent payment dates! Reimbursement Account claims will be paid twice a week. See page 13 for more details.
- ✓ Direct deposit will be available starting in January 2015 for Reimbursement Accounts! See page 13 for more details.

Open Enrollment Period: September 15-October 10, 2014

If you want to enroll in these benefit programs, or make a change to your current enrollment, contact your personnel office for the necessary forms.

Open Enrollment forms must be signed and submitted to your personnel office no later than October 10, 2014. All open enrollment actions will be effective January 1, 2015.

Reimbursement Accounts

- ✓ If you are currently enrolled in a FlexElect Reimbursement Account and want to participate again next year, you must re-enroll.

- ✓ If you enroll or re-enroll into a FlexElect Reimbursement Account during open enrollment, you have until December 31, 2014, to cancel or change your election.

Cash Options

- ✓ If you are currently enrolled in a Cash Option and want to continue next year, you do not need to do anything unless you are a Permanent-Intermittent employee. If you are a Permanent-Intermittent employee and you want to continue receiving the Cash Option next year, you must re-enroll. See page 14 for more details.
- ✓ If you enroll or are automatically re-enrolled into the Cash Option, you have until December 31, 2014, to cancel or change your election.

Mid-Year Enrollments

If you're newly eligible for FlexElect, you may enroll within 60 days of becoming eligible. Please see page 3 for more details.

For More Information

If you need more information or enrollment forms, check with your personnel office or visit the Department of Human Resources' (CalHR) website at www.calhr.ca.gov (click on Employees, then Benefits, and then Reimbursement Accounts). The CalHR website also includes links to IRS publications that contain more details about the kinds of expenses you can pay for with a Reimbursement Account.

Application Software Inc. (ASI) is the state's FlexElect program's record keeper. ASI processes claims and provides customer service for FlexElect Reimbursement Accounts. If you're already enrolled in a FlexElect Reimbursement Account and have questions, call 1-800-659-3035 to speak with a customer service representative. You can also email ASI at asi@asiflex.com, visit their website at www.asiflex.com, or access its 24-hour automated phone system at 1-800-366-4827.

What's a Reimbursement Account?

A Reimbursement Account allows you to set aside some of your income to pay certain kinds of expenses. FlexElect offers two kinds of Reimbursement Accounts: a medical account and a dependent care account.

A medical account is for paying out-of-pocket health-related expenses for you and your dependents. A dependent care account is for paying someone to take care of your dependents so you can go to work. These accounts are covered in more detail in separate sections of this handbook.

When you enroll in a Reimbursement Account, you designate an amount to be deducted each month from your wages. That money is automatically deposited in your FlexElect account for one plan year. After you receive health-related or dependent care services during that year, you submit a claim for reimbursement from your FlexElect account. Your reimbursement check is mailed to you.

Tax advantage: Money deducted from your paycheck for a reimbursement account is not

taxable, nor are the reimbursement payments. That lowers the amount of taxes you owe.

Examples of the Tax Benefits

The examples below show the monthly tax savings available by enrolling in a Medical or Dependent Care Reimbursement Account. These are only examples. Actual tax savings vary from one individual to another, depending on deduction amount, salary, marital status, exemptions, and participation in other tax savings programs such as Savings Plus. Calculations are based on information from the Paycheck Calculator on the State Controller's Office (SCO) website for the 2014 Tax Table.

While everyone benefits more by participating in the state's Medical Reimbursement Account, some people are better off claiming their dependent care expenses on their tax return. This issue is explained further in the dependent care account section. Before you make a final decision to enroll in a reimbursement account, it's a good idea to check with a tax advisor if you're unsure which option offers you the best tax advantage.

Singles with two exemptions ((\$200 monthly contribution to a reimbursement account))			Married with two exemptions ((\$200 monthly contribution to a reimbursement account))		
	Your paycheck w/o FlexElect	With FlexElect enrollment		Your paycheck w/o FlexElect	With FlexElect enrollment
Gross salary	\$4,000.00	\$4,000.00	Gross salary	\$4,000.00	\$4,000.00
Reimbursement account election for dependent care or medical expenses	—	200.00	Reimbursement account election for dependent care or medical expenses	—	200.00
Federal tax	387.31	357.31 ◀	Federal tax	272.00	242.00 ◀
State tax	131.07	116.28 ◀	State tax	67.79	58.99 ◀
Retirement	320.00	320.00	Retirement	320.00	320.00
Social Security	248.00	235.60 ◀	Social Security	248.00	248.00 ◀
Medicare	58.00	55.10 ◀	Medicare	58.00	58.00 ◀
Dependent care or medical expenses*	200.00	—	Dependent care or medical expenses*	200.00	—
FlexElect admin. fee	—	1.00	FlexElect admin. fee	—	1.00
Your take home pay	\$2,655.62	\$2,714.71 ◀	Your take home pay	\$2,834.21	\$2,872.01 ◀
Monthly Tax Savings: \$60.09 (federal \$30.00, state \$14.79, Social Security \$12.40, Medicare \$2.90)			Monthly Tax Savings: \$38.80 (federal \$30.00, state \$8.80, Social Security \$8.40, Medicare \$2.90)		
* Monthly medical or dependent care expense for an employee NOT enrolled in the FlexElect Program.					

Reimbursement Account Eligibility

You're eligible to enroll in a FlexElect Reimbursement Account if you have a permanent position that is half-time or more. If you have a limited term (LT) or temporary (TAU) position, you're eligible if you have a mandatory right of return to a permanent position that is half-time or more unless you are in the CoBen Program. CoBen employees are eligible even if they are in a LT or TAU appointment.

If you're a permanent-intermittent employee, you are **not** eligible to enroll in a reimbursement account.

What's a Cash Option?

FlexElect offers an "option" for state employees who want to receive cash in lieu of their state-sponsored health and/or dental benefits. To be eligible for a Cash Option, you must have health and/or dental coverage through another source such as a spouse, domestic partner, or parent.

Cash Option Eligibility

The same eligibility criteria described for the reimbursement accounts apply to enrollment in a Cash Option, with the following differences:

If you're a permanent-intermittent employee, you may enroll in the FlexElect Cash Option.

If you're in Bargaining Unit 6, you may **not** enroll in the Cash Option for dental benefits. This restriction is set by the union's benefit trust. However, you may enroll in the Cash Option for health benefits.

If you're covered by Consolidated Benefits (CoBen) your Cash Option is available through CoBen, not FlexElect. CoBen covers excluded employees and bargaining units 2, 7, 8, 16, 17, 18, and 19. Contact your personnel office for information and forms to enroll in a CoBen Cash Option. More information on Cash Options can be found on page 14.

Mid-Year Enrollments

Your first opportunity to enroll in a Reimbursement Account and/or Cash Option is within 60 days after becoming "newly eligible" for these benefits.

You're newly eligible if you meet the following criteria:

- ✓ You are a new state employee hired after the open enrollment period.
- ✓ You were on an approved leave of absence during the entire open enrollment period.
- ✓ You experience a change in status described on pages 16-17 that permits you to enroll as newly eligible. If your change in status results in a concurrent approved leave of absence (e.g., birth of child followed by a maternity leave), you may enroll by the deadlines specified below after you return to work.
- ✓ Your time base/employee designation changes from one that was ineligible to one that is eligible, or you change from a permanent-intermittent position to a permanent position with a time base of half-time or more. If you're a permanent-intermittent employee, refer to page 14, "Cash Option for Permanent-Intermittent Employees," for more details.

Once your election is made (after your newly eligible permitting event), you must experience another permitting event to change your election, even if you are still within the 60-day time period. However, for many employees the typical time to enroll is during the annual fall open enrollment period.

Deadline for newly eligible employees to enroll: If you're newly eligible and want to enroll in a FlexElect benefit, you must submit enrollment forms to your personnel office within 60 days after becoming newly eligible. **Correctly completed forms received at the State Controller's Office by the tenth of the month are effective the first of the following month** (except when the tenth is on a weekend or holiday, in which case the cut-off date will be on the next regular workday). If you're newly eligible, your last possible effective date of participation in the 2015 plan year is December 1, 2015.

For your enrollment to be effective December 1, 2015, the State Controller's Office must receive your enrollment form by November 10, 2015. Forms

received after that date will be processed for the 2015 plan year.

If you enroll in a Reimbursement Account as a newly eligible employee, you may only claim expenses incurred from the effective date of your participation through March 15, 2015. (See Extension of Benefits).

Can I Change My Enrollment?

You can't change or cancel your enrollment during the plan year unless there is a change in your status, called a "permitting event." See pages 16-17 for a list of "permitting events."

Extension of Benefits

If your Reimbursement Account is active on December 31st, the IRS rule allows payment for medical and dependent care expenses incurred up to two and one half months after the end of the plan year. In other words, you may use money deducted in 2015 to pay for medical and dependent care expenses incurred up to **March 15, 2016**. Claims will be paid in the order which they are received. If you have an account balance in your prior plan year account, and submit a claim for service during the grace period (up to March 15 of the following year), the expense will automatically be paid from your prior plan year's account.

Because of this, it is important that you file claims in the order that your expenses are incurred. This will help to assure that you maximize the use of your accounts for both plan years.

If you experience a permitting event that allows you to cancel your dependent care or Medical Reimbursement Account during the plan year, or if you leave state service or retire and do not continue your Medical Reimbursement Account deduction via Consolidated Omnibus Budget Reconciliation Act(COBRA), you are not eligible to receive payment for services during the Grace Period (through March 15 of the following year).

Deadline to Claim Funds

To ensure you get back all the funds in your Reimbursement Account, you must submit claims for services provided in 2015 by **June 30, 2016**.

Use It or Lose It

Any funds left in your account after the **June 30, 2016** deadline are forfeited.

Administrative Fee

If you enroll in a FlexElect Reimbursement Account and/or Cash Option, a \$1.00 fee is deducted from your after-tax salary each month. This fee covers administrative costs of the FlexElect Program.

Medical Reimbursement Account

Even with the best of health care plans, there are certain expenses the plans don't cover. With a FlexElect Medical Reimbursement Account, you can set aside money from your paycheck to pay for those expenses. The money you set aside is exempt from taxation, so you end up owing less tax on your income.

For most employees with out-of-pocket medical expenses (i.e., the expenses have not been reimbursed and reimbursement will not be sought from any other source), a Reimbursement Account offers a better tax break than claiming a deduction for those expenses on your tax return. That's because federal tax law currently allows you to deduct health care premiums and expenses on your income tax form only if your medical expenses for the year exceed 7.5 percent of your adjusted gross income. You would need to have very high out-of-pocket medical expenses and a low taxable income to reach that 7.5 percent level.

This part of the handbook explains the kind of expenses you can pay for with a Medical Reimbursement Account and other important rules of the program. Please read it carefully. Although a Reimbursement Account is a great way to lower your taxes and save money for certain expenses, you will forfeit any funds left in your account if you don't claim them by the deadline. You can avoid this by following these simple steps:

- ✓ **Be sure expenses qualify.** You can only be reimbursed funds if you or an eligible dependent incur a medical, dental, or vision expense that is reimbursable under the FlexElect program. An expense is incurred on the date the service is provided, not when it is billed or paid.
- ✓ **Estimate expenses conservatively.** It's better to underestimate costs than overestimate. If you overestimate how much you expect to spend on eligible medical expenses, you'll end up with more money in your account than you can claim for reimbursement. Leftover funds cannot be carried over to the following year.

- ✓ **Meet the deadline for claims.** The deadline to submit claims for expenses incurred in 2015 is June 30, 2016.

Payment of Claims

Your annual amount is available to you from your first date of eligibility. In other words, the funds do not have to be in the account before the annual amount can be paid.

Eligible Dependents

A person is considered your dependent if both the following conditions exist:

- ✓ He or she is your spouse.
- ✓ He or she is your child, stepchild, or adopted or foster child and is under age 27 (for Reimbursement Account purposes only, not health/dental insurance).

The federal law does not recognize domestic partners unless he or she otherwise qualifies as a dependent under IRC section 152.

There are also special rules defining dependents in cases of multiple support arrangements where no single person provides more than half the dependent's support, children of divorced parents, and persons living outside the United States. Consult a tax advisor for more information. For an individual other than your spouse and/or dependent children, you may be required to certify in writing that he or she is your dependent according to criteria mentioned above.

Reimbursable Medical Expenses

You may claim reimbursement for out-of-pocket medical services and/or supplies provided to you, your spouse, and your eligible dependents if the services/supplies are related to the following:

- ✓ The diagnosis, cure, prevention, or treatment of a disease affecting any part or function of the body.
- ✓ Transportation primarily for and essential to this medical care.

If you participated in a medical account in the past, you should still review the IRS rules regarding reimbursable expenses. These rules change periodically causing some expenses that once were reimbursable to now be ineligible, and expenses that were not eligible to become eligible.

If you enroll for the 2015 plan year, you can only claim reimbursement for medical services and/or supplies that are provided from the effective date of your enrollment through March 15, 2016, regardless of when you were billed for or paid the expense.

The chart on the right lists examples of reimbursable expenses. Contact ASI at 1-800-659-3035 if you have questions about reimbursable expenses.

Letter of Medical Necessity

The IRS requires Medical Reimbursement Account funds to be used for the cure, prevention, or treatment of a disease or condition. The funds cannot be used for general health or cosmetic purposes. When an expense or medication can be deemed as cosmetic, ASI requires that a healthcare provider (doctor, dentist, etc.) define the treatment as prescribed for a specific medical condition.

A Letter of Medical Necessity can be found on the CalHR website at www.calhr.ca.gov (click on Employees, then Benefits, and then Reimbursement Accounts). Have your healthcare provider complete the letter and submit this along with the expense to which it refers. In lieu of a Letter of Medical Necessity, ASI will accept a letter from provider. The letter must be signed and dated by the healthcare provider.

Examples of Reimbursable Medical Expenses

Acupuncture	Lead-based paint removal (only costs associated with removal of lead-based paint)
Alcoholism treatment	Learning disability tuition
Ambulance service	Medical conferences (concerning chronic illness for yourself, spouse, or dependent)
Artificial limbs and teeth	Nursing services
Birth control pills	Optometrist fees
Braille books and magazines	Orthodontic treatment
Car (special medical equipment within)	Orthopedic shoes
Chiropractic care	Oxygen equipment
Contact lenses	Prosthetic devices
Contact lens solution	Psychiatric care
Crutches	Psychoanalysis
Dental fees	Smoking-cessation program (with prescription)
Dental implants	Special schools for the handicapped
Diagnostic tests	Surgery
Doctors' fees	Telephone for hearing impairment
Drug addiction treatment	Transplants of organs
Drugs and medicines treating a medical condition	Transportation for medical care
Exercise equipment, if prescribed for a specific medical condition	Vaccinations
Eyeglasses	Weight Loss Program (if determined by physician to treat a specific illness)
Eye surgery	Wheelchair
Guide dogs or other animal	Wigs, if prescribed due to loss of hair from disease or treatment
Hearing aids and exams	X-ray fees
Hospital services	
In-patient therapy for mental or nervous disorders	
Insulin	
Lab fees	

Related Expenses that are Reimbursable

Meals and lodging: The cost of meals and lodging is reimbursable if the expense is incurred while an eligible individual is away from home and receiving health care treatment. Meals are reimbursable only if the expense is incurred in a medical facility.

Orthodontia: Initial requests for reimbursement of orthodontic treatment must include a contract or statement from the orthodontist. This documentation must reflect the beginning date of the treatment plan, total cost of treatment, and estimated length of treatment. Reimbursement of the full or initial payment amount may only occur during the plan year in which the braces are first installed. Reimbursements for monthly payments are made on or after the payment is due and paid.

Prescription drugs: Requests for reimbursement for prescriptions must include the date the prescription was filled, the prescription number, and the name of the medication. The prescription name is required to allow ASI to identify that the prescription cannot be used for cosmetic purposes. If the prescription is one that is prescribed for cosmetic purposes as well as to treat specific medical conditions, a Letter of Medical Necessity will be required.

Transportation: You may claim up to 23.5 cents per mile for transportation required for health care.* Indicate the number of round trip miles on your reimbursement claim form and your receipt for prescription drugs, doctor's visit, etc. You can also claim parking and/or toll expenses if you provide a receipt. Public transportation also requires a receipt. Submit claims for travel expenses at the same time you are filing a claim for the medical expense.

* The mileage rate for 2015 was not released at the time this publication was prepared. Check CalHR's or ASI's website for any changes in mileage rate.

Non-Reimbursable Medical Expenses

Insurance plan premiums are not reimbursable (even though mentioned in IRS Publication 502). For example, any out-of-pocket premiums for health insurance, dental insurance, long-term care insurance, and life insurance are not reimbursable.

Expenses that only benefit general health are not reimbursable. For example, health club expenses for general good health purposes are not reimbursable.

Expenses that are solely for cosmetic reasons are not reimbursable. For example, dental procedures to whiten or cap teeth and orthodontic procedures primarily cosmetic in nature are not reimbursable.

Facelifts, hair transplants, prescription drugs for hair growth, electrolysis (hair removal), and massage therapy generally are not reimbursable. However, surgery or procedures to alleviate, treat, mitigate, or prevent a medical condition are eligible for reimbursement. Therefore, if you claim reimbursement for something that also could be considered cosmetic, you must submit a Letter of Medical Necessity.

Over-the-Counter (OTC) medicines and drugs (not prescribed by a physician) are not allowed as a reimbursable expense through a Flexible Spending Account. In order to be reimbursed for such items as allergy medications, smoking cessation medications, aspirin, cold medications, vitamins and nutritional supplements, etc., you must have a prescription from a physician.

Annual Limits on Medical Reimbursement Account Deductions

If you enroll in a Medical Reimbursement Account, your contributions to it must be as follows:

- ✓ At least \$10 per month.
- ✓ No more than \$2,500 per participant per year.

In other words, over a 12-month period you may contribute a minimum of \$10 per month up to a maximum of \$208.33 per month. If you enroll mid-year, you may contribute more than \$208.33 per month as long as you don't exceed the \$2,500 annual maximum.

Once the 2015 plan year starts (January 1, 2015), you cannot change your monthly deduction amount except in limited circumstances. These circumstances, called "permitting events," are listed on pages 16-17.

Estimating Your Medical Deduction Amount

To determine a monthly deduction amount that's appropriate for you, it helps to review out-of-

pocket medical expenses that you, your spouse, and eligible dependents incurred over the past year on a routine basis and expect to continue incurring in 2015. Be sure you only include medical expenses covered by FlexElect. Add those costs to any new covered expenses you, your spouse, and eligible dependents expect to incur in 2015. This will give you a rough estimate of your total covered medical expenses for 2015. To calculate an appropriate monthly deduction, divide that total by the number of months you'll be enrolled. If you enroll during open enrollment, you would divide by 12. If you enroll mid-year as a newly eligible employee, count the number of months from your effective date of enrollment through December 31. Keep in mind the amount you calculate must fall within the annual limits described on the previous page.

Worksheet

We have included a worksheet at the end of this handbook to help you determine your annual health expenses for the 2015 FlexElect plan year.

If Your Status Changes

Once you enroll in a Reimbursement Account, you can't cancel or change your enrollment during the plan year unless you experience a change in status, called a "permitting event." See pages 16-17 for a list of permitting events.

If you increase your deduction amount because of a permitting event during the plan year, you may only claim the increased amount for expenses incurred from the effective date of your change (not the permitting event date) through December 31.

If you experience a permitting event that allows you to cancel your Medical Reimbursement Account, your eligibility into the account is terminated on the effective date of the cancellation. In other words, if you cancel your account effective April 1, you will only be eligible for reimbursement of claims for services rendered through March 30.

Consolidated Omnibus Budget Reconciliation Act (COBRA)

If you retire, leave state service, take an unpaid leave of absence, or experience a reduction in your work hours to an ineligible time base (i.e., less than half time), you can still contribute to your Medical Reimbursement Account through the end of the plan year. To do so, you must enroll in COBRA within 60 days after the date of one of these events (retirement, etc). There are no tax savings on contributions you make under COBRA. Contact your personnel office for more details.

Medical expenses incurred after you leave active pay status are reimbursable only if you continue contributing to your medical account under COBRA. If you choose not to continue your contributions, you may only claim reimbursement for eligible expenses incurred before you left active pay status.

Dependent Care Reimbursement Account

A dependent care account is similar to a medical account except it's for paying daycare expenses. The money you contribute to a dependent care account is not taxable, which means you'll pay less taxes than you would if this money is counted as taxable income.

This section explains the kind of expenses that are reimbursable with a dependent care account and other important rules of the program. Please read it carefully. Although a Reimbursement Account is a great way to lower your taxes and save money for certain expenses, you will forfeit any funds left in your account if you don't claim them by the deadline. You can avoid this by following these simple steps:

- ✓ **Be sure expenses qualify.** Once funds have been deducted from your paycheck and credited to your FlexElect account, you can only claim them if you incur an eligible dependent care expense. An expense is incurred on the date the service is provided, not when billed or paid.
- ✓ **Estimate expenses conservatively.** It's better to underestimate costs than overestimate. If you overestimate how much you expect to spend on eligible dependent care expenses, you'll end up with more money in your account than you can claim for reimbursement. Leftover funds cannot be carried over to the following year.
- ✓ **Meet the deadline for claims.** The deadline to submit claims for expenses incurred in 2015 is June 30, 2016.

NOTE: Unlike the Medical Reimbursement Account, your funds must be deposited in your account and the service period has to have passed before your Dependent Care Reimbursement Account claims can be paid.

Reimbursable Dependent Care Expenses

Expenses for child care, elder care, and care for a disabled dependent are reimbursable if the care is necessary for you to work. If you're married, your

spouse must also work or be looking for work, unless he or she is a full-time student or physically or mentally incapable of caring for himself or herself.

Child Care

For child care expenses to qualify, your child must be a dependent under the age of 13 when the child care is provided. There is no age limit if your child is disabled. You must be able to claim an exemption for this child on your federal tax return. However, if you are divorced or separated, your expenses may qualify if you are the custodial parent (have more than 50% custody) even if you can't claim the child's exemption (see IRS Publication 503 for details).

Elder Care and Disabled Dependent Care

PLEASE NOTE: The Working Families Tax Relief Act of 2004 provides the definition of tax dependents (IRC 152). If you have used the Dependent Care Reimbursement Account to pay for elder care expenses, you may want to consult a tax advisor to determine if your dependent meets the qualifying dependent rules under Working Families Tax Relief Act.

If the care is for a spouse, parent, or other dependent who is disabled, that person must live in your home at least 8 hours a day, be unable to care for himself or herself, and be someone you can claim an exemption for on your federal tax return (even if you don't claim the exemption because the person's income exceeds the allowable limit).

A person who's unrelated to you but lives with you and is a member of your household may be considered your dependent if you provide over half of his or her support and the person qualifies as a dependent under IRC section 152.

Domestic partners are not recognized by the federal government unless he or she otherwise qualifies as a dependent under IRC section 152.

Dependent care services may be provided in your home or someplace else, including family day care homes and day care centers that comply with all

applicable state and local laws. Day camp expenses qualify as eligible expenses, but overnight camp expenses do not.

To be reimbursable, the care must be provided sometime from the effective date of your enrollment through December 31, 2015. This is different than if you claim a tax credit on your 2015 federal tax return, which bases eligibility on the year when you paid for the dependent care rather than when the care was provided.

If you need help determining whether your expenses qualify for reimbursement, check IRS Publication 503 and/or consult a tax advisor. The CalHR website provides a link to this publication at www.calhr.ca.gov, (click on Employees, then Benefits, and then Reimbursement Accounts).

Related Expenses that are Reimbursable

Services required for the maintenance of your household such as cleaning and cooking are eligible for reimbursement if the primary function of the provider of this service is to care for your dependent.

If your child care provider includes other services that are incidental to and can't be separated from the child care expense, the full amount is reimbursable. For example, if your child is enrolled in a nursery school, and the school provides lunch and education along with providing child care, the full amount you pay the school is reimbursable (within the annual limits of a FlexElect dependent care account).

Non-Reimbursable Dependent Care Expenses

Dependent care services provided by one of your kids who is under the age of 19 at the close of 2015 are not eligible for reimbursement. For example, if you pay your 18-year-old to take care of your 9-year old or a parent, the expense is not reimbursable.

- ✓ Food and clothing costs are not reimbursable.

- ✓ Transportation for your dependent between your home and the place where care is provided is not reimbursable.
- ✓ Medical care is not covered by a dependent care account. Refer to the section on Medical Reimbursement Accounts for coverage of such expenses.
- ✓ School registration fees and expenses for overnight camp and/or camps primarily for educational purposes (e.g. science camp) are not reimbursable.
- ✓ Education expenses for a child in the first grade or higher level are not reimbursable.
- ✓ Since tuition for a child in kindergarten or higher grade may not be reimbursable, it's important that receipts submitted from your dependent care provider distinguish daycare costs from tuition costs. Kindergarten tuition cost may not be reimbursable unless it is incidental to and can't be separated from the cost of care.

Annual Limits on Dependent Care Deductions

If you enroll in a dependent care Reimbursement Account, your contributions to it must be as follows:

- ✓ At least \$20 per month.
- ✓ No more than \$5,000 per year per household (\$2,500 for a married individual filing a separate tax return).

In other words, over a 12-month period, you may contribute a minimum of \$20 per month up to a maximum of \$416.66 per month (or \$208.33 if you're married and filing a separate tax return). If you enroll mid-year, you may contribute more than \$416.66 per month (up to the applicable annual household limit).

If you earn more than \$115,000 in 2014, you're considered a "highly compensated employee" under IRS rules and may be subject to a lower maximum

contribution than listed above. The FlexElect program can't determine your maximum contribution until all enrollment documents have been processed (typically February or March). We will notify you if we determine that you must reduce your contribution amount.

Under no circumstances may your annual contribution exceed the applicable maximum annual contribution, your annual earned income, or your spouse's annual earned income, whichever is less.

If your spouse is a full-time student, or a dependent who is physically or mentally incapable of caring for himself or herself, for the purpose of determining your annual contribution your spouse will be considered to have earned income as follows:

- ✓ Not less than \$250 per month, if you only have one dependent for the plan year.
- ✓ Not less than \$500 per month, if you have two or more dependents for the plan year.

Estimating Your Dependent Care Deduction Amount

To determine a monthly deduction amount that's appropriate for you, start by reviewing your dependent care expenses over the past year. Consider factors that may cause the cost to fluctuate such as your child returning to or entering school, reaching age 13, vacations, school breaks, care provider's vacation, etc.

To estimate a monthly contribution, divide your total estimated costs for the year by 12 (if you're enrolling during open enrollment). If you're enrolling mid-year as "newly eligible," divide the total by the number of months you will be enrolled (beginning with the effective date of your enrollment through December 31).

If Your Status Changes

Once you enroll in a Reimbursement Account, you can't cancel or change your enrollment during the plan year unless you experience a change in status, called a "permitting event." See pages 16-17 for a list of permitting events.

If you retire or go on an unpaid leave, your payroll deductions for a dependent care account will stop automatically. Unlike a medical account, you may not continue contributions to your dependent care account under COBRA. However, you can submit claims for reimbursement for eligible dependent care expenses that occur after you retire or separate up to the amount deposited in your account for that plan year.

Tax Issues

Tax credit vs. Reimbursement Account: If you have dependent care expenses, you may already be familiar with the dependent care tax credit you can claim on your federal tax return. Depending on your income level, amount of dependent care expenses, and other factors, you may find that a Reimbursement Account provides a lesser tax advantage than claiming the tax credit on your federal tax return. Before enrolling in a Reimbursement Account, consult a tax advisor and/or review IRS Publication 503 if you're not certain which method works best for you. (The CalHR website provides a link to IRS Publication 503.)

Filing IRS Form 2441: If you are enrolled in a FlexElect dependent care account for 2015, you will need to complete Part 3 of IRS Form 2441 "(Child and Dependent Care Expenses)" and attach this form to your 2015 federal tax return. If you use Form 1040A, attach Schedule 2 instead.

How to Claim Reimbursement

This section describes how to claim reimbursement from your account. Remember, the medical service, supply, and/or dependent care must be provided before you can submit the claim. You also need to provide verification of the expense, described below:

1. Fill out Reimbursement Claim Form. (You'll receive a supply of claim forms in the mail before the plan year starts).
2. Attach documentation.

Medical accounts: If claiming reimbursement from a medical account, attach doctor's statement, itemized bill, evidence of benefits statement, etc. A cancelled check is not acceptable documentation. The statement must have the date of service, type of service, and amount you are responsible for paying.

Dependent care accounts: If claiming reimbursement from a dependent care account, attach a statement signed by your provider or have your provider sign in the space provided on the claim form. If you attach a statement, it must show the provider's name, beginning and ending dates of the dependent care service that was provided, the amount, and the provider's tax I.D. or Social Security Number. (If your provider signs the statement on the form, that information is requested on the form).

3. Mail your completed form and required documentation to Application Software Inc. (ASI), the recordkeeper for FlexElect. The address is:

**ASIflex
P.O. Box 6044
Columbia, MO 65205-6044**

You may also fax your claim form and supporting documentation toll-free to ASI at (877) 879-9038.

4. Once your claim form is processed, a tax-free reimbursement check is mailed to your home.

The address the State Controller's Office (SCO) has on file for you is the address where your check is mailed. For that reason, it's important that you verify with your personnel office that the SCO has your correct address on file. If the address is incorrect, or you moved while enrolled in FlexElect, you need to complete an Employee Action Request (STD. 686) so the SCO can update its records.

You may submit claims as often as you like. If you pay your provider in advance, such as paying a daycare provider on the first of the month for that month's daycare, you may prefer to submit your claims every week or two rather than waiting until the end of the month. Make extra copies of your original statement if you plan to submit claims more frequently. You can also break down your monthly payment into weekly or biweekly service periods, and pro-rate the expense on your claim form.

Claim Rejection Procedure: If your claim is rejected (partially or in full), you will be sent a rejection letter (letters are mailed daily). If your claim is received during the run-out period (January through June of the following plan year), and additional documentation is required, you have 15 calendar days from the date listed on the rejection letter to resubmit. You should include the rejection letter along with the documentation being resubmitted.

Additional Forms and Information

Additional claim forms (CalHR Form 351) are available from CalHR's website at www.calhr.ca.gov. If you have questions about how to fill out the form, what documentation to attach, or the status of a claim you already have submitted, call ASI at 1-800-659-3035. You can also e-mail ASI at asi@asiflex.com, or visit their website at www.asiflex.com. ASI also has a 24-hour InfoLine at 1-800-366-4827.

Website Assistance

General account information is available on the ASI website at www.asiflex.com using your PIN. Your PIN is a randomly assigned alpha numeric identifier that was included with your quarterly account statements. If you do not have access to your PIN, please contact ASI's customer service center at 1-800-659-3035 for assistance.

New Payment Dates!

Beginning on January 1, 2015, Reimbursement Account claims will be paid twice a week. The average turnaround time between submission of a claim and the issuance of the check is two weeks. Payments for the Dependent Care Reimbursement Account claims will still require that the funds be available in your account and the service period has passed.

The minimum reimbursement amount that will be paid from your account is \$10. If you submit a claim for less than \$10, the payment will be held until your total reimbursement claims equal \$10 or

more. If you have less than \$10 in your account, ASI will run a report twice a year in June and December to identify and pay those claims.

Direct Deposit Now Available!

Also beginning January 1, 2015, you will be able to elect to be paid for Reimbursement Account claims by direct deposit into your checking or savings account. You can enroll into direct deposit by going to ASI's website at www.asiflex.com, then click on "Forms" and then click on "Direct Deposit/Email Notification Form." The State Controller's Office will send you a direct deposit advice notice after your check is deposited into your checking or savings account. Direct deposit payments will save the mailing time needed for paper warrants.

Even though direct deposits won't start until January 1, 2015, you can enroll into direct deposit now!

Cash Options

If you have health and/or dental insurance through a parent, spouse, domestic partner, or another source, you have the option to receive cash in lieu of your state-sponsored health and/or dental benefits.

Depending on which Cash Option you enroll in, you'll receive the following:

- ✓ \$128/month in lieu of health benefits.
- ✓ \$12/month in lieu of dental benefits.
- ✓ \$140/month in lieu of health and dental benefits.

This money is treated as taxable income and is reported on your W-2 statement for the tax year when you receive payment. Cash Option payments are not considered compensation for retirement purposes.

Before Enrolling in a Cash Option

The Cash Option is designed to expand your benefit options, not limit or decrease important medical and/or dental coverage for you and your family. Accordingly, it's important to make sure your health and dental needs are met before you enroll in a Cash Option. Here are some factors to consider when making your enrollment decision.

Three-Year Commitment: If you enroll in the Cash Option in lieu of dental benefits, you may not reenroll in a state-sponsored dental plan for three plan years. Plan years run from January 1 through December 31. After completing the three-year commitment, you may enroll in a dental plan during the open enrollment period. The only exception is if you lose your other dental coverage. In this instance, you would be allowed to re-enroll in a state-sponsored dental plan within 60 days.

If you are eligible to receive survivor health and dental benefits after the death of a spouse or domestic partner, you can continue to receive the FlexElect Cash.

If you're a state employee eligible for state-sponsored health/dental benefits, you can enroll in a Cash Option by being listed as a dependent on your parent's state-sponsored health and/or dental plan.

How to Change or Cancel Your Cash Option

If you currently are enrolled in a Cash Option and want to make a change or discontinue it for 2015 you must complete a Cash Option Enrollment Authorization (STD. 701C) and submit it to your personnel office during open enrollment (September 15-October 10, 2014).

Cash Option for Unit 6 Employees

If you're in Bargaining Unit 6, you may not enroll in the Cash Option for dental benefits. This restriction is set by the union's Benefit Trust. However, you may enroll in the Cash Option for health benefits.

Cash Option for CoBen Employees

If you're covered by Consolidated Benefits (CoBen), your Cash Option is available through CoBen, not FlexElect. CoBen covers excluded employees and bargaining units 2, 7, 8, 16, 17, 18, and 19. Contact your personnel office for information and forms to enroll in a CoBen Cash Option. You may access the CoBen Cash Option Enrollment Authorization form (STD. 702) on CalHR's website at www.calhr.ca.gov or at the end of this handbook.

Cash Option for Permanent-Intermittent Employees

If you're a permanent-intermittent (PI) employee and want to receive cash in lieu of your health and/or dental benefits, you must enroll each plan year you want to participate. You must complete the enrollment form (STD. 701C) during open enrollment, or if you're newly eligible after open enrollment but prior to January 1.

In order to receive the cash payment, you also must meet all of the following criteria:

- ✓ Be eligible to enroll in health and/or dental insurance as of January 1, 2015 (i.e., you qualified in the July 1– December 31, 2014 control period).
- ✓ Have a PI appointment from January 1 through June 30, 2015.
- ✓ Be paid for at least 480 hours worked from January through June 2015.

Lump sum payment: If you enroll in a Cash Option for health and/or dental benefits as a PI employee, you will receive your payment in a lump sum. The amount is for the period of January through June; you are not eligible for the Cash Option for the July through December period. After June 30, 2015, once your Personnel Office certifies your eligibility based on the criteria listed above, you will receive your Cash Option payment as follows:

- ✓ \$768 in lieu of health benefits.
- ✓ \$72 in lieu of dental benefits.
- ✓ \$840 in lieu of health and dental benefits.

These payments are made within 60 days after the State Controller's Office receives the certification from your personnel office. The \$1.00 monthly administrative fee (\$12 total for the plan year) is deducted from your lump sum payment.

Impact of Time Base Changes

If you're appointed to a permanent position with a time base of half-time or more, you lose eligibility for the PI cash payment. If you want to enroll as a newly eligible permanent employee, you must complete a new STD. 701C within 60 days after your appointment.

This appointment makes you newly eligible for a Reimbursement Account; if you want to enroll in a

Medical and/or Dependent Care Reimbursement Account, you must complete a STD. 701R within 60 days after the date of your appointment. Conversely, if you change from permanent status to PI, you lose eligibility for the Reimbursement Account, unless you choose to continue your Medical Reimbursement Account deductions through COBRA.

If Your Status Changes

Once you enroll in a Cash Option, you can't cancel or change your enrollment during the plan year (January 1 through December 31) unless you experience a change in status, called a "permitting event." See pages 16-17 for a list of status changes that permit you to cancel or change your enrollment.

If You Retire

If you're enrolled in a Cash Option when you retire, your Cash Option will stop automatically. You need to take the following actions to protect your benefits:

- ✓ **If enrolled in Cash Option for health benefits:** You have 30 days prior to or 60 days following the date of your retirement to enroll in a California Public Employees' Retirement System (CalPERS) health plan. If you don't enroll within this time period, you must wait until the next health open enrollment. Your enrollment at that point would be handled through CalPERS.
- ✓ **If enrolled in Cash Option for dental benefits:** You have 30 days prior to or 60 days following the date of your retirement to enroll in a dental plan. If you don't enroll within this time period, you must wait until the next dental open enrollment. If you enroll prior to retirement, your dental enrollment will be processed through your personnel office. If you enroll following retirement, your enrollment is handled through CalPERS.

Changes in Status “Permitting Events”

If you experience a change in status that’s listed on the following chart, you’re permitted to take the action that’s listed next to that change. You have 60 days following the date of your status change to take the corresponding action.

Your completed form(s) must be received at the State Controller’s Office by the tenth of the month to be effective on the first of the following month.

Status Change	Action Permitted
Initial appointment to state service (includes reinstatement following a permanent break in service).	May enroll in Cash Option and/or Reimbursement Account(s) as newly eligible.
Marriage.	May enroll in Cash Option and/or Reimbursement Account(s) as newly eligible or, if currently enrolled, may cancel/change Cash Options and/or Reimbursement Accounts.
Divorce (date of final divorce), legal separation, or annulment.	May enroll in Cash Option and/or Reimbursement Account(s) as newly eligible or, if currently enrolled, may cancel/change Cash Options and/or Reimbursement Accounts.
Birth, adoption, or child placed for adoption.	May enroll in Reimbursement Account(s) as newly eligible or, if currently enrolled in a Reimbursement Account, may increase payroll deduction.
Change of physical custody of child.	May enroll in dependent care account as newly eligible or, if currently enrolled in a dependent care account, may cancel/change enrollment.
Death of spouse or domestic partner.	May enroll in Reimbursement Account(s) or Cash Option as newly eligible or, if currently enrolled, may cancel/change FlexElect elections.
Loss or commencement of spouse’s or domestic partner’s employment.	May enroll in Reimbursement Account(s) as newly eligible or, if currently enrolled, may cancel/change Cash Options and/or Reimbursement Accounts. New enrollment into cash not allowed.
Loss of medical and/or dental coverage provided through spouse, domestic partner, or other source, due to an employment status change.	If currently enrolled in Cash Option, may cancel/change Cash Option. New enrollments not allowed.
Commencement of medical and/or dental coverage provided through spouse, domestic partner, survivor benefits, or other source, due to an employment status change.	May enroll in Cash Option as newly eligible or, if currently enrolled, may cancel/change Cash Option.
Child enters military service.	If currently enrolled in a Medical Reimbursement Account, may cancel/decrease payroll deduction based on this status change. New enrollments not allowed.
Marriage of child.	If currently enrolled in a Medical Reimbursement Account, may cancel/decrease payroll deduction. New enrollments not allowed.

Status Change	Action Permitted
Death of dependent (other than spouse).	If currently enrolled in Reimbursement Account(s), may cancel/decrease payroll deduction. New enrollments not allowed.
Child attains age 13.	If currently enrolled in Dependent Care Account, may cancel/decrease payroll deduction. New enrollments not allowed.
Child attains age 26.	If currently enrolled in a Medical Reimbursement Account, may cancel/decrease payroll deduction. New enrollments not allowed.
Move out of group practice plan's service area.	May enroll in a new plan if your plan is no longer available. May not change Reimbursement Account(s). New enrollments not allowed.
New health and/or dental plan(s) in area where none was previously available or health/dental plan no longer available.	If currently enrolled in health and/or dental plan, may change coverage. May not change Reimbursement Account(s). New enrollments not allowed.
Change in bargaining unit or employee designation (e.g., transfer, promotion) that results in a loss or gain of eligibility for Cash Option.	If currently enrolled in health and/or dental plan, may change coverage or cancel/change Cash Option per union requirements. May not change Reimbursement Account(s). New enrollments not allowed.
Change in employee's or spouse's work schedule (e.g., FMLA, NDI, SDI, IDL, time base change, reduction of hours, separation, commencement or return from an unpaid leave of absence) or work site that results in a loss of eligibility.	If currently enrolled in Dependent Care Account may cancel/change enrollment. New enrollments not allowed.
Change in dependent care provider.	May enroll in Dependent Care Account as newly eligible or, if currently enrolled, may cancel/change enrollment.
Change in provider dependent care cost.	May enroll in Dependent Care Account as newly eligible or, if currently enrolled, may cancel/change enrollment. Action allowed only if the provider is not a relative.

Payroll Status Changes

In addition to the permitting events listed on the chart on pages 16-17, here are some other payroll status changes and how they affect your FlexElect enrollment:

Non-Industrial Disability Insurance (NDI):

If you go on NDI while enrolled in a Reimbursement Account and/or Cash Option, your monthly deductions and/or Cash Option payment remains in effect and will be reflected on your NDI check.

Industrial Disability Leave (IDL) and Temporary Disability (TD):

If you go on IDL or TD while enrolled in a FlexElect Cash Option, your enrollment remains in effect. You will receive a separate check for your Cash Option, issued about a week after your IDL or TD check.

If you're enrolled in either Reimbursement Account, your account deductions will stop for as long as you're on IDL or TD.* If you return to regular pay within the FlexElect plan year, your deductions will resume. However, if you go on IDL or TD with supplementation (TD/S), your Reimbursement Account deduction will continue, provided the amount of your supplementation income is large enough to cover the full amount of your account deductions.

State Disability Insurance (SDI) for employees in Bargaining Units 1, 3, 4, 11, 14, 15, 17, 20 & 21: If you go on SDI while enrolled in a Reimbursement Account and/or Cash Option, your enrollment will stop while you are on leave. If you return to pay status in the same FlexElect plan year, your enrollment will resume. If you are enrolled in the

Medical Reimbursement Account and wish to continue to submit claims for services provided during your unpaid leave of absence, you may elect to continue to make contributions through COBRA. Contact your personnel office for more details.

Unpaid Leave of Absence: If you are on an unpaid leave of absence while enrolled in a Reimbursement Account and/or Cash Option, your enrollment will stop while you are on leave. If you return to pay status in the same FlexElect plan year, your enrollment will resume. Keep in mind that if you are enrolled in the Medical Reimbursement Account and wish to continue to submit claims for services provided during your unpaid leave of absence, you may elect to continue to make contributions through COBRA. Contact your personnel office for details.

Military Leave: If you are called to active military duty for the War on Terrorism, you are eligible to retain your state benefits for up to 365 calendar days above the 180 calendar days as provided by Government Code section 19775.17. If you are currently receiving FlexElect Cash in lieu of health and/or dental benefits, you may continue to receive the cash for the duration of your military leave, not to exceed the time limits mentioned above. Military leave is not a permitting event to be considered "newly eligible" to enroll into the FlexElect Cash Option program.

*If you are enrolled in the Medical Reimbursement Account you may elect to continue your coverage under COBRA, or your deductions will stop for the duration of your leave.

Instructions for Completing Forms

Forms to enroll in the FlexElect Reimbursement Account(s) and/or Cash Option are included at the back of this handbook. Refer to the following instructions when completing these forms. Please type or print using a ball point pen.

Reimbursement Account Enrollment Authorization (STD. 701R)

If you want to enroll or reenroll in a FlexElect medical account and/or a dependent care account, you must complete a Reimbursement Account Enrollment Authorization form.

Section 1 — Enrollment:

If you're enrolling during the annual open enrollment period, check Item A.

If you're newly eligible and enrolling outside the open enrollment period due to a permitting event (see pages 16-17), check Item B.

If you're changing your enrollment due to a permitting event (see pages 16-17), check Item C.

If you're canceling your enrollment, check Item D.

Section 2 — Social Security Number:

Enter your Social Security number.

Section 3 — Name:

Print your first name, middle initial, and last name.

Section 4 — SCO Use Only:

SCO will complete.

Section 5 — Total Monthly Amount to be Deducted:

If you're enrolling in a FlexElect medical account, enter the total amount you want deducted from your paycheck each month and deposited in your medical account in Item 5A. If you're enrolling in a FlexElect dependent care account, enter the total amount you want deducted from your paycheck each month and deposited in your dependent care account in Item 5B.

Section 6 — SCO Use Only:

SCO will complete.

Section 7 — Employee Signature:

Read this section carefully, then sign and date the form on the line marked. This section contains important information you should be aware of when enrolling in FlexElect. Your signature certifies you have read the information and agree to the terms and conditions of the FlexElect Program as outlined on the STD. 701R and in this handbook.

Sections 8 – 20:

Your personnel office must complete these sections. If you use the enrollment form in this handbook, we recommend you make a copy of your completed form before you send it to your personnel office. Once your personnel office has completed the "Agency Use Only" sections, the original copy is forwarded to the SCO, along with any other necessary forms (e.g., HBD-12, STD. 692). Your personnel office has been instructed to keep a copy in your personnel file and send you a copy.

Cash Option Enrollment Authorization (STD. 701C) and (STD. 702)

If you want to enroll for the first time, cancel, or make changes to your current Cash Option, you must complete a Cash Option Enrollment Authorization form.

In addition to the Cash Option Enrollment form, you must complete the CalPERS Health Benefits Enrollment form (HBD-12) if any of the following events occur:

- ✓ A change or cancellation to your current health coverage.
- ✓ A covered dependent has a change in eligibility or you want to add an eligible dependent.

You also must complete the Dental Enrollment form (STD. 692) if any of the following events occur:

- ✓ A change or cancellation to your current dental coverage.
- ✓ A covered dependent has a change in eligibility or you want to add an eligible dependent.

The health and dental forms must be submitted to your personnel office along with your Cash Option Enrollment Authorization form (if you're making the changes indicated above). Both forms are available from your personnel office.

When husband and wife or domestic partners both work for the state:

If you're a FlexElect enrollee canceling your health and/or dental coverage to go on your spouse's or domestic partner's plan, who also is a state employee, you and your department's personnel staff must coordinate submission of the health, dental, and FlexElect Cash Option Enrollment Authorization for you and your spouse/domestic partner. The effective date for canceling your coverage, and the date for your spouse or domestic partner to add you as a dependent, should be the same. The health and/or dental enrollment forms for you and your spouse/domestic partner must be submitted as a package with your Cash Option Enrollment Authorization form.

Section 1 - Enrollment:

If you're enrolling during the annual open enrollment period, check Item A.

If you're newly eligible and enrolling outside the open enrollment period due to a permitting event, check Item B.

If you're changing your enrollment due to a permitting event, check Item C.

If you're canceling your enrollment, check Item D.

Section 2 - Social Security Number:

Enter your Social Security number.

Section 3 - Name:

Print your first name, middle initial, and last name.

Section 4 - Cash Option:

Medical Coverage: If choosing to receive the Cash Option in lieu of your health benefits, enter \$128 in

Item A. If you don't want to receive the cash and wish to keep your state-sponsored health plan, enter N/A in Item A. Dental Coverage: If choosing to receive the Cash Option in lieu of your dental coverage, enter \$12 in Item B. If you don't want to receive the cash and wish to keep your state-sponsored dental plan, enter N/A in Item B. Total Cash: Enter the total Cash Option amount (sum of Items A and B) in Item C.

Section 5 - SCO Use Only:

SCO will complete.

Section 6 - Statement of Other Medical and/or Dental Coverage:

If choosing the Cash Option in lieu of health and/or dental benefits, you must complete Item 6. In Item A and/or B, list the carrier for your other health and/or dental insurance. In Item C, check the box showing who you have your other coverage through. If your coverage is through your parent, spouse or domestic partner, you also must complete Item D.

Section 7 - Employee Signature:

Read this section carefully, then sign and date the form on the line marked. This section contains important information you should be aware of when enrolling in FlexElect. Your signature certifies you have other health and/or dental coverage and that you have read the information and agree to the terms and conditions of the FlexElect program as outlined on the STD. 701C and 702 and in this handbook.

Sections 8 - 21:

Your personnel office must complete these sections.

If you use the enrollment form in this handbook, we recommend you make a copy of your completed form before you send it to your personnel office. Once your personnel office completes the "Agency Use Only" sections, the original copy is forwarded to the SCO, along with any other necessary forms (e.g., HBD-12, STD. 692). Your personnel office has been instructed to keep a copy in your personnel file and send you a copy.

**FLESELECT PROGRAM REIMBURSEMENT ACCOUNT AND
CASH OPTION ENROLLMENT AUTHORIZATION
FORMS AND WORKSHEET**

Medical Reimbursement Account Annual Health Care Expenses Worksheet

- Enter your health care expenses for the last 12 months
- Enter your known or expected expenses for the next 12 months
- Your health expenses claimed through a Medical Reimbursement Account may not exceed \$2,500 for the 2015 plan year

Eligible Expenses	Expenses Incurred in 2014	Expected Expenses for 2015
Health Care Expenses:		
Deductibles	\$	\$
Copayments	\$	\$
Amounts above plan limits	\$	\$
Other eligible health care expenses not covered by your medical plan	\$	\$
Dental Expenses:		
Deductibles	\$	\$
Copayments	\$	\$
Other eligible dental expenses not covered by your dental plan	\$	\$
Vision Care Expenses:		
Deductibles	\$	\$
Copayments	\$	\$
Other types of eligible vision expenses not covered by your vision plan	\$	\$
Other:	\$	\$
Travel expenses (mileage, parking and toll charges)	\$	\$
TOTAL EXPENSES	\$	\$
2015 Annual Contribution (divide by 12 for monthly contribution)		\$