



**Town of Milton
Flexible Spending Account**

Plan year 7/1/2012 – 6/30/2013

(Expenses must be incurred between these dates)

It's not what you earn, it's what you keep that counts"

The Flexible Spending Account is a tremendous opportunity for you to enhance your benefits package. Your employer knows that this is a highly beneficial program and wants you to have the opportunity to participate in a Flexible Spending Account.

Most employees pay for expenses such as dependent care expenses, out-of-pocket medical/dental expenses, prescription drug co-payments etc, on an after tax-basis. The Flexible Spending Account allows you to set aside a portion of your paycheck tax free to pay for those expenses. The result is a reduction in Federal, State and FICA taxes, which will give you an increase in your take home pay. ***Don't miss out on this opportunity to save approximately 30% in payroll taxes on dollars put through an FSA plan.***

MEDICAL FLEXIBLE SPENDING ACCOUNT (FSA)

The Medical FSA allows you to set aside up to **\$2,500** pre-tax from your paycheck to pay for expenses not covered by insurance. Some examples of these out-of-pocket expenses are:

Dental: Orthodontia/Crowns/Fillings/Dentures/Cleanings/X-rays

Co-pays: Doctor Visits/Prescriptions/Deductibles

Medical: Chiropractor/Psychologist Fees/Orthopedic Expenses/Hearing Aides

Vision Care: Contact Lenses/Contact Solution/Eye Glasses/Laser Eye Surgery/Eye Exam

Over-the-Counter Medications: No longer an eligible expense without an RX prescription

A **MasterCard debit card** (known as the "benny" card) will be provided for all FSA-medical account holders. The card can be used at medical, vision, dental and pharmacies locations and can provide auto substantiation for most items.

DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT (FSA)

The Dependent Care FSA is a great tax savings for people who have children in daycare or parents who require elder care. The IRS allows you to set aside up to **\$5,000** per calendar year pre-tax from your paycheck to pay for these expenses. In most instances participation in the Dependent Care FSA results in a greater tax savings than the Dependent Care Tax Credit. Examples of eligible Dependent Care Expenses are:

Daycare

Before/After School Care

Summer Day Camp

Pre-School

Elder Care

Cafeteria Plan Advisors, Inc. of Braintree, MA, is a leader in the administration and implementation of Cafeteria Plans and currently services over 120 municipalities along with many corporations, and public and private schools. To learn more about this exciting benefit please attend the informational meeting(s). For additional information please call Cafeteria Plan Advisors, Inc. at (781)848-9848 or visit our website: www.cpa125.com

Health Care FSA Eligible and Ineligible Expenses

Maximize the Value of Your Reimbursement Account

Your Health Care Flexible Spending Account (FSA) dollars can be used for a variety of out-of-pocket health care expenses. The following is based on a list of eligible and ineligible expenses used by federal employees.

Eligible Expenses

BABY/CHILD TO AGE 13

- Lactation Consultant*
- Lead-Based Paint Removal
- Special Formula*
- Tuition: Special School/Teacher for Disability or Learning Disability*
- Well Baby /Well Child Care

DENTAL

- Dental X-Rays
- Dentures and Bridges
- Exams and Teeth Cleaning
- Extractions and Fillings
- Oral Surgery
- Orthodontia
- Periodontal Services

EYES

- Eye Exams
- Eyeglasses and Contact Lenses
- Laser Eye Surgeries
- Prescription Sunglasses
- Radial Keratotomy

HEARING

- Hearing Aids and Batteries
- Hearing Exams

LAB EXAMS/TESTS

- Blood Tests and Metabolism Tests
- Body Scans
- Cardiograms
- Laboratory Fees
- X-Rays

MEDICAL EQUIPMENT/SUPPLIES

- Air Purification Equipment*
- Arches and Orthotic Inserts
- Contraceptive Devices
- Crutches, Walkers, Wheel Chairs
- Exercise Equipment*
- Hospital Beds*
- Mattresses*
- Medic Alert Bracelet or Necklace
- Nebulizers
- Orthopedic Shoes*
- Oxygen*
- Post-Mastectomy Clothing
- Prosthetics
- Syringes
- Wigs*

MEDICAL PROCEDURES/SERVICES

- Acupuncture
- Alcohol and Drug/Substance Abuse (inpatient treatment and outpatient care)
- Ambulance
- Fertility Enhancement and Treatment
- Hair Loss Treatment*
- Hospital Services
- Immunization
- In Vitro Fertilization
- Physical Examination (not employment-related)
- Reconstructive Surgery (due to a congenital defect, accident, or medical treatment)
- Service Animals
- Sterilization/Sterilization Reversal
- Transplants (including organ donor)
- Transportation*

MEDICATIONS

- Insulin
- Prescription Drugs

OBSTETRICS

- Doulas*
- Lamaze Class
- OB/GYN Exams
- OB/GYN Prepaid Maternity Fees (reimbursable after date of birth)
- Pre- and Postnatal Treatments

PRACTITIONERS

- Allergist
- Chiropractor
- Christian Science Practitioner
- Dermatologist
- Homeopath
- Naturopath*
- Optometrist
- Osteopath
- Physician
- Psychiatrist or Psychologist

THERAPY

- Alcohol and Drug Addiction
- Counseling (not marital or career)
- Exercise Programs*
- Hypnosis
- Massage*
- Occupational
- Physical
- Smoking Cessation Programs*
- Speech
- Weight Loss Programs*
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Note: This list is not meant to be all-inclusive, as other expenses not specifically mentioned may also qualify. Also, expenses marked with an asterisk (*) are "potentially eligible expenses" that require a Note of Medical Necessity from your health care provider to qualify for reimbursement.

The IRS does not allow the following expenses to be reimbursed under Health Care FSAs, as they are not prescribed by a physician for a specific ailment.

Ineligible Expenses

- Contact Lens **Insurance** or Eyeglass **Insurance**
- Cosmetic Surgery/Procedures
- Electrolysis
- Insurance Premiums and Interest (FSA Ineligible Only)
- Long Term Care Premiums (FSA Ineligible Only)
- Marriage or Career Counseling
- Personal Trainers
- Sunscreen (spf less than 30)
- Swimming Lessons

Note: This list is not meant to be all-inclusive.

Please Note: The IRS will not allow OTC medicines or drugs to be purchased with Health Care FSA or HRA funds unless accompanied by a prescription.

Eligible Over-the-Counter Items

Note: Product categories are listed in bold face; common examples of products are listed in regular face.

The following is a high level list of Over-the-Counter (OTC) items that clearly are not medicine or drugs and are eligible for purchase with Health Care FSA Plans.

- **Antiseptics, Wound Cleansers**
Alcohol, peroxide, Epsom salt,
- **Baby Electrolytes**
Pedialyte, Enfalyte
- **Denture Adhesives, Repair, and Cleansers**
PoliGrip, Benzodent, Efferdent
- **Diabetes Testing and Aids**
Insulin, Ascencia, One Touch, Diabetic Tussin, insulin syringes; glucose products
- **Diagnostic Products**
Thermometers, blood pressure monitors, cholesterol testing
- **Elastics/Athletic Treatments**
ACE, Futuro, elastic bandages, braces, hot/cold therapy, orthopedic supports, rib belts
- **Eye Care**
Contact lens care
- **Family Planning**
Pregnancy and ovulation kits
- **First Aid Dressings and Supplies**
Band Aid, 3M Nexcare, non-sport tapes
- **Hearing Aid/Medical Batteries**
- **Incontinence Products**
Attends, Depend, GoodNites for juvenile incontinence
- **Reading Glasses and Maintenance Accessories**

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AUTHORIZATION FOR PRE-TAX PAYROLL REDUCTION

→ Return Signed Form to CPA, Inc. within 30 days of your hire date.

→ Failure to re-enroll by the deadline will result in termination from the plan.

781.848.8477 (Fax)

Employer: **Town of Milton**

Name

This is a new address

Effective Date: _____
(expenses must be incurred between these dates)

Street

SSN: _____

City

State

Zip

E-Mail Address: _____

Phone: _____

(Required)

I am a: Municipal Employee School Employee

I am paid: Weekly Bi-Weekly Semi-Monthly Monthly Other: _____

Select Benefit(s) and Amount

FSA Dependent Day Care Account:

I elect to contribute \$ _____ per Plan Year
(\$5000 maximum)

**Requires a completed dependent care claim form
(available online) each plan year.**

FSA Medical/Dental Care Account:

I elect to contribute \$ _____ per Plan Year
(\$2500 maximum*)
Will be loaded onto existing Benny™ cards

***per Patient Protection and Affordable Care Act
(health care reform)**

Direct Deposit Information: (if not already on file with CPA, Inc.)

I hereby authorize Cafeteria Plan Advisors, Inc. to deposit my claim reimbursements directly to my bank. I also authorize drafts to adjust any over deposits that were credited to my account. I will contact CPA, Inc. immediately with any bank information changes.

Name of Bank: _____ Checking Savings

Routing Number (9 digits) _____ : Account Number _____

I hereby authorize a salary reduction for the amount(s) shown above. I understand that:

- this election cannot be revoked or changed during the plan year without a qualifying event as defined in the IRS regulations.
- any unused funds at the end of the Plan Year will be forfeited in accordance with IRS regulations (use it or lose it).
- dependents must qualify under regulations set forth by the IRS.
- services must be consistent with allowable medical deductions under the IRS Code.
- over-the-counter medicines are not eligible expenses unless submitted with a prescription.

Signature: _____

Date: _____