Presbyterian College
Flexible Spending Account
Election Form for the period January 1, 2015 through December 31, 2015

Name:	**SSN:**
Address:	**Location:**
	DOB:
Home Phone #:	**Work Phone #:**
Email Address:	

Tax Savings Illustration

Flexible Spending Accounts are a TAX FREE way to get reimbursed for your Medical and Day Care expenses. The following is an illustration of the SAVINGS with the Plan (***your actual savings may differ***):

Annual Contribution	**$5,000.00**	**$ 2,500.00**	**$ 1,000.00**	**$ 500.00**	**$ 250.00**
Per Pay Period (12 pay periods)	$ 416.66	$ 208.33	$ 83.33	$ 41.66	$ 20.83
Estimated **TAX SAVINGS (30%)**	$ 125.00	$ 62.50	$ 25.00	$ 12.50	$ 6.25
TOTAL ANNUAL TAX SAVINGS	**$ 1,500.00**	**$ 750.00**	**$ 300.00**	**$ 150.00**	**$ 75.00**

Annual Election: Health Flexible Spending Account (FSA) and Dependent Daycare Flexible Spending Account (FSA) allow you to set aside PRE-TAX dollars for reimbursement. Indicate below the annual amount you would like to contribute to each benefit:

Per Pay Period $__________	Annual Amount $__________	Health FSA	Reimbursement for out-of-pocket medical expenses for you, your spouse and your dependents. Some qualifying expenses include: dental, vision, contacts, prescriptions, orthodontia, deductibles and co-pays. The maximum annual election amount is **$2,500**
Per Pay Period $__________	Annual Amount $__________	Dependent Daycare FSA	Reimbursement for work-related Dependent Daycare expenses for dependents under the age of 13 or incapable of self-care. Care may be provided by an individual or licensed day care facility for full time, after school, or summer care. The maximum annual election amount is **$5,000** (head of household or married filing jointly) or **$2,500** (married filing separately). These amounts will not change.

I understand that:

- The Annual Election remains in effect for the entire Plan Year unless I experience a “change in status” with regards to the Health FSA and a “change in family status” in regards to my Dependent Daycare FSA. These changes include such events as: change in marital status; change in number of dependents; or termination or commencement of employment-specifics are outlined in the Summary Plan Description. All election changes must be necessitated by and consistent with the change and notification must be made in a timely manner to the administrator of the Plan.
- Any amounts that are not used during the Plan Year to reimburse qualifying expenses will be forfeited by me, with the exception of $500 from my Health FSA which may be rolled over to the next plan year.
- Reimbursements will be available only for qualifying expenses as described by the Internal Revenue Service. I agree to notify the Employer if I have reason to believe that any expense for which I have obtained reimbursement is not a qualifying expense.
- I agree to indemnify and reimburse the Employer on demand for any liability the Employer may incur for failure to withhold federal, state or social security tax from any reimbursement I receive for a non-qualifying expense.
- The guidelines for the administration and compliance of the Plan are outlined in the Summary Plan Description and Plan Document.
- This agreement is subject to the terms of the employer’s Flexible Benefits Plan. This plan shall be governed by and construed in accordance with the applicable laws. Completing this form revokes any prior Election Form relating to such plan.

O I elect to participate O I elect not to participate	Employee Signature:	Date:

*Effective Date (if other than January 1, 2015):*_________________________

Benefits, rules and regulations to consider for the Plan Year beginning January 1, 2015

Your Section 125 Plan has the following benefits available:
A) Health Care Spending Account and
B) Dependent Daycare Spending Account.

You may choose one or both of these features. You will be subject to the rules and regulations of the Plan as summarized in employee handouts, and found in the official Plan document, which is available for your review. Should you not wish this pre-tax feature for any reason, you may check the "I elect not to participate" located at the bottom of the front and sign the form.

With all of these features, there are some rules that must be followed to keep the Plan in compliance with IRS regulations:

Your choices will be in effect for the entire Plan Year (January 1, 2015 through December 31, 2015). You may add, drop or change this coverage annually at enrollment or when any of the following Status Changes occur:

Marriage	Death of a Dependent
Divorce	Birth or Adoption of a Dependent
Change in Your Employment Status	Change in Your Spouse's Employment Status

Any changes you wish to make must be consistent with your change in status.

With the Health Care Account the following rules must be followed:

- Health related expenses are reimbursable if they can be considered "deductible" medical expenses on your tax return as defined under Section 213(d).
- The maximum you may contribute is **$**Error! Reference source not found. annually.
- Your claims will be paid for the amount of your "out-of-pocket" expense up to your annual election, less previous claims paid.
- If you terminate employment you may submit claims for expenses incurred prior to your termination only.
- You may continue to participate in this plan after termination, but on an after-tax basis, through COBRA.

With the Dependent Daycare Spending Account, the following rules must be followed:

- Dependent Daycare must be necessary for you and your spouse to be employed or attend school full time.
- Dependent Daycare expenses must be for your dependent child under age 13 or other dependents such as physically or mentally handicapped relative or household member who is unable to care for himself and over half of whose support you pay.
- You can contribute up to **$5,000** per year if you are a single parent or married and filing a joint return. The maximum is the total family contribution allowable. Your maximum may be lower under the following circumstances:
    - you or your spouse earns less than $5,000
    - your spouse is a full-time student or incapable of self care or you are married but file a separate federal tax return.
    - Contact the Personnel Office if any of these exceptions apply.
- Care cannot be provided by your spouse or anyone you claim as a tax dependent.
- You cannot claim the same day care expenses reimbursed under this plan as a tax credit.
- Claims will be paid for the amount of your expense up to the amount of your account balance.
- You will be required to identify the person performing the child care services to the IRS by providing his/her Federal I.D. number or Social Security number.

For the Dependent Care Reimbursement Account you will have until March 31, 2016 to file claims for expenses incurred during the Plan Year. Any money left in your accounts after March 31, 2016 for the prior Plan Year, after you have claimed all of your expenses for that year, will not be reimbursed to you. IRS regards the date of a claim as being when the service is rendered, not when you actually pay the bill.

For the Health Care Reimbursement Account, if you have a balance at the end of the plan year, up to $500 will be rolled over and added to the amount you elect for the new plan year. You will have until the end of the new plan year to use the funds that are rolled over. To utilize your prior plan year funds you will need to file a manual claim however, any debit card transactions after the start of your new plan year will pull from your new election plus the $500 available from the carryover.

Because amounts contributed through the various Section 125 Plan features are not subject to Social Security taxes, a Plan participant may receive slightly less Social Security at retirement. If maximum retirement income is a concern, an employee may direct part of the tax savings as an additional contribution to the 401(k) Plan.