It’s open enrollment time for BASIC FLEX – your Flexible Spending Benefit. This benefit is available to all regular full-time or part-time employees who are under contract.

There are more details in the BASIC brochure, but you have three enrollment options:

**Option 1. Premium Contributions** – Premium Contributions allows you to have your health, dental, and vision benefits deducted from your paycheck on a pre-tax basis. Due to contract language, these premium deductions are automatically taken pre-tax. If you choose this option for your Group Life Insurance, it will reduce your taxable income by those deductions.

Disability Insurance is **not** an option due to the tax consequences that would result from having the deduction taken on a pretax basis. If disability insurance premiums were taken on a pretax basis, all disability payments would be reportable as income and require taxing which could result in a larger tax burden.

**Option 2. Medical Reimbursement Account** – This option is to help offset expenses for medical insurance deductibles or copayments, any monthly prescription medication, or dental and vision expenses that are not covered under your plan. The advantage of this option is that you are able to put away money on a pretax basis that you would normally have to pay out of pocket and deduct from your taxes at the end of the year, providing you qualified. The maximum contribution amount for the 2015-2016 plan year is $2,500. For medical, dental and vision expenses, you may receive reimbursement before all funds have been deducted from your paycheck.

**Option 3. Dependant Care Account** – This option is for people who spend money on the care of dependent(s) while at work. You will be able to defer up to $5,000 if you are a single parent or a married couple filing jointly; or $2,500 if you are a married person filing separately on a pretax basis in a pay-as-you-go account. In other words, individuals may not receive reimbursement until funds have been deducted from your paycheck and are available in your plan. It is easy to predict the amount to set aside for Dependent Care expenses as you know what you will spend each week. However, be sure to take into account any vacation or holiday time when you won’t be paying for care so that you don’t overstate your deductions.

**IRS Use It Or Lose It Rule:** Any funds that are remaining in your account at the end of the plan year are forfeited. Be sure to plan carefully and plan for only known expenses. There is a worksheet in the BASIC brochure to help you calculate your expenses.

**The deadline for enrolling is May 22, 2015.**

If you choose to enroll, the deductions will be taken from every pay that you receive that falls within the plan year of July 1, 2015 – June 30, 2016. The enrollment kit must be completed and returned to Natalie Vickery by May 22, 2015.

Please contact Natalie at (269) 965-9472 or payroll at 965-9508 or 965-9509 with questions.