



Roman Catholic Bishop - Diocese of Stockton

FLEXIBLE BENEFIT PLAN

July 1, 2020 – June 30, 2021

**THIS PACKET INCLUDES YOUR FLEX PLAN SUMMARY AND OTHER IMPORTANT
INFORMATION**

YOUR FLEX SUMMARY PLAN DESCRIPTION (SPD) IS AVAILABLE ONLINE

EMAIL

CUSTOMERSERVICE@BASICPACIFIC.COM

WEBSITE

BASICPACIFIC.COM

PHONE

(916) 303-7090
(800) 574-5448

FAX

(916) 303-7083
(800) 584-4591

MAILING ADDRESS

PO BOX 2170
ROCKLIN, CA 95677



PRE-TAX BENEFIT PLAN

Your employer offers tax-free benefit plan(s) that provide you with ways to save up to thousands of dollars per year by offering the option to pay for certain types of expenses with pre-tax payroll deductions. If you choose to participate, you will reduce your taxable income which ultimately results in you having more money to spend!

This packet contains important information about your pre-tax benefit plan(s). For more details about the plan, please refer to your Summary Plan Description (SPD).

MEDICAL FLEXIBLE SPENDING ACCOUNT (FSA)

WHAT IS THE MAXIMUM I CAN ELECT?

The maximum you can elect is **\$2,750** per plan year (\$250 minimum).

HOW DO I USE THE MEDICAL FSA?

The Medical Expense FSA allows you to set aside tax-free dollars that will reimburse you for "qualified" medical, dental and vision expenses "incurred" during the plan year. "Incurred" means the service must be performed during the plan year. "Qualified" expenses include most medically necessary (meaning not cosmetic) out-of-pocket medical, dental, and vision related expenses. Insurance premiums of any kind, including Medicare, individual health insurance, long-term care, warranties, or membership fees that are not directly related to care are not eligible for reimbursement through the Medical FSA.

[IRS Publication 502](#) offers helpful information as a guide to what qualifies as a medical expense. Please be advised Publication 502 addresses all expenses that can be deducted on your individual tax return, not just the expenses that are eligible for reimbursement through a Medical FSA.

[IRS Publication 969](#) is another good source of information for medical FSAs.

FOLLOWING IS A SAMPLE OF PERMITTED EXPENSES:

ACUPUNCTURE	LABORATORY FEES
ALLERGY TREATMENTS	LASER EYE SURGERY
CHIROPRACTIC	MEDICAL MILEAGE
CONTACT LENSES & SUPPLIES	ORTHODONTIA (CHILD & ADULT)
DENTAL (NO TEETH WHITENING)	OVER-THE-COUNTER MEDICAL ITEMS & SUPPLIES (RESTRICTIONS MAY APPLY)
DOCTOR OFFICE VISITS & EXAMS	PRESCRIPTIONS (MEDICALLY NECESSARY)
GLASSES (PRESCRIPTION)	PSYCHIATRIC CARE
HEARING AIDS	STERILIZATION
HOSPITAL SERVICES & SURGERY	THERAPY (NO MARRIAGE/FAMILY COUNSELING)
INSULIN & INSULIN SUPPLIES	VACCINES (INCLUDING FLU SHOTS)
INSURANCE CO-PAYS & DEDUCTIBLES	VISION EXAMS

CAN I BE REIMBURSED THROUGH AN FSA FOR HEALTH EXPENSES INCURRED BY MY FAMILY MEMBERS?

Yes! You may save taxes on all qualified medical expenses incurred by you, your spouse, and your dependent children. You may NOT be reimbursed for expenses incurred by a domestic partner unless your domestic partner is your federal tax dependent.

Your plan allows reimbursement for qualified expenses that you incur for an eligible adult child up to age 26.

WHAT IS THE LAST DATE I CAN SUBMIT FSA CLAIMS FOR THE PLAN YEAR?

If you are an active participant on the last day of the plan year, your designated **final filing date is August 31, 2021**. Please keep in mind that any unused amount left in your account is forfeited at the end of the plan year. This rule is commonly known as "use it or lose it."

HOW DO I ENROLL IN THE FSA PLAN?

You will make your Spending Account election using the **BASIC pacific Enrollment Form**. The appropriate enrollment instructions and/or forms are included or may be provided to you separately by your employer, if applicable.

CAN I PARTICIPATE IN A FSA AND HSA (HEALTH SAVINGS ACCOUNT) AT THE SAME TIME?

If you participate in the Medical FSA, neither you nor your spouse (if applicable) is permitted to make contributions to a HSA at any time during the plan year.

CAN I BE REIMBURSED MORE THAN I'VE HAD DEDUCTED FROM MY PAYCHECK?

The Medical FSA account is pre-funded, meaning your entire annual election amount is available for reimbursement at any time during the plan year, regardless of the amount you have contributed from your paycheck.

WHAT HAPPENS IF MY EMPLOYMENT TERMINATES OR I LOSE ELIGIBILITY TO PARTICIPATE IN THE PLAN(S)?

Medical FSA: Benefits will not be payable for services rendered after **the day on which you lost your eligibility** to participate. (Refer to your SPD for information about COBRA for the Medical FSA, if it is available).

BASIC pacific must receive your Medical FSA claims for reimbursement **no later than 60 days** after the date your eligibility ended for expenses that were incurred prior to the date your participation ended.

HOW DO I DETERMINE HOW MUCH MY FAMILY WILL SPEND ON HEALTH SERVICES?

The worksheet on the following page will help you calculate how much your entire family will spend on medical services during the course of the plan year.

- Only include services or expenses you will incur during the plan year based on the date of service (not the date you pay for a service).
- While determining the amount you would like to contribute on an annual basis, please keep in mind that any unused amount left in your account is forfeited at the end of the plan year. This rule is commonly known as "use it or lose it."

DO NOT include expenses for the following services:

- "Boutique" Medical Access Fees (Membership fees paid for access to a particular doctor)
- Capital expenses (including operating & maintenance costs)
- Cosmetic services
- Electrolysis
- Expenses for your general health
- Expenses paid by another plan
- Food (of any type)
- Health club membership dues
- Insurance premiums
- Massage & massage therapy (unless prescribed to treat a specific medical condition)
- Marriage & family counseling
- Vitamins, supplements & herbal remedies (unless prescribed by a physician)

ANNUAL HEALTH EXPENSE CALCULATOR WORKSHEET

OFFICE VISITS & CO-PAYMENTS

MEDICAL OFFICE VISITS \$

ACUPUNCTURE OFFICE VISITS \$

CHIROPRACTIC OFFICE VISITS \$

THERAPY (NO MARRIAGE OR FAMILY COUNSELING) \$

HOMEOPATHIC OFFICE VISITS \$

PRESCRIPTION DRUGS (LEGAL)

ALLERGY TREATMENTS \$

OTHER PRESCRIPTION DRUGS \$

VISION EXPENSES

EYE EXAMS \$

CONTACT LENSES AND SUPPLIES \$

PRESCRIPTION EYEGLASSES \$

PRESCRIPTION SUNGLASSES \$

LASER EYE SURGERY \$

DENTAL EXPENSES

DEDUCTIBLES \$

EXAMINATIONS \$

TEETH CLEANING \$

CROWNS, BRIDGES, ROOT CANALS \$

ORTHODONTIA \$

OVER-THE-COUNTER MEDICAL SUPPLIES

BAND AIDS, FIRST AID KITS, ETC. \$

OTHER EXPENSES

IN VITRO FERTILIZATION \$

INSULIN AND INSULIN SUPPLIES \$

PSYCHIATRIC CARE \$

MEDICAL MILEAGE \$

TOTAL \$

OVER-THE-COUNTER (OTC) DRUGS, MEDICINES, AND SUPPLIES

Saving taxes on your OTC drugs, medicine, and medical supply purchases is a great way to maximize the benefits of your Medical FSA. However, your OTC purchases may have some restrictions. OTC drugs and medicines require a prescription from a physician to be reimbursed through your Medical FSA. However, there are still 27,000 OTC medical products and supplies that can be reimbursed through your Medical FSA without requiring a prescription. The following is a sample list of OTC medical products that may be reimbursed through your Medical FSA.

MEDICAL SUPPLIES	DRUGS & MEDICINES	NEVER ELIGIBLE
Alcohol Wipes Band Aids Blood Pressure Monitor Braces & Supports Breathe Right Strips Canes Catheters Colostomy Products Contact Lens Supplies & Solution Defibrillators Denture Adhesives First Aid Kits Glucose Meters Home Screening Tests (Cancer, Cholesterol, Fertility, Hepatitis C, HIV, Pregnancy, Prostate, Thyroid) Hot & Cold Packs Insulin & Diabetic Supplies Liquid Adhesive Medicated Bandages Menstrual Products Reading Glasses Sleeping/Snoring Appliances Wheelchairs & Walkers	Acne Medications Anti-Diarrhea Medications Anti-Inflammatory Treatments Anti-Itch Treatments Antifungal Treatments Antiseptics & Topical Antibiotics Allergy, Cold, Flu, and Cough Medications Asthma Medications Bunion/Blister Treatments Cold Sore & Fever Blister Medications Corn & Callus Removal Medications Diaper Rash Ointment Digestion/Gas Aids Ear Drops Eye Drops Hemorrhoid Relief Laxatives Lice Control Motion Sickness Tablets Nasal Sprays, Drops & Strips Nicotine Gum or Patches Oral Pain Remedies Pain Relievers Sinus Medications Sleeping Medicines Throat Pain Remedies Wart Removal Medications *Herbs *Herbal Remedies *Minerals *Other Natural Remedies *Supplements *Vitamins	Aromatherapy products Baby bottles, cups, oil, wipes Cosmetics Cotton swabs or pads Deodorants and antiperspirants Diapers Facial care Feminine care Food (of any type) Fragrances Hair re-growth Dietary foods Oral care (e.g. Sonicare) Shampoo and conditioner Skin care Spa salts Sun tanning products Toothbrushes

* = Requires a Letter of Medical Necessity from your Doctor

DEPENDENT CARE SPENDING ACCOUNT (DCFSA)

WHAT IS THE MAXIMUM I CAN ELECT?

The maximum you can elect is **\$5,000** per plan year (\$250 minimum).

The maximum tax exclusion permitted during a 12-month calendar year is \$5,000 per individual taxpayer or married couple filing a joint tax return. The maximum amount permitted could be reduced under the following circumstances: (1) If you are married and file a separate tax return, the maximum you may elect is \$2,500; (2) If your spouse earns less than \$5,000, you may not elect more than your spouse earns during the Plan Year; (3) If your spouse is a full-time student or incapable of self-care, the maximum you may elect is \$3,000 for one child in day care or \$5,000 if you have two or more children in day care.

CAN I BE REIMBURSED MORE THAN I'VE HAD DEDUCTED FROM MY PAYCHECK?

At no time can you be reimbursed more than you have actually contributed to your account through payroll deduction.

HOW DO I USE THE DEPENDENT CARE FSA?

The Dependent Care FSA allows you to be reimbursed for custodial or day care expenses for children that are your federal tax dependents under age 13, or for a disabled adult federal tax dependent that lives with you, so that you and your spouse (if applicable) can work, attend school or actively look for work.

Your daycare provider may not be your dependent or child under the age of 19.

Only the Custodial Parent is eligible to participate in the Dependent Care FSA. In the case of divorce, the Custodial Parent is the parent with whom the child lives for MORE THAN 50% of the year. Only one parent can qualify as the Custodial Parent.

QUALIFIED DAYCARE EXPENSES INCLUDE:

- Actual reportable ("above the table") daycare expenses incurred during the plan year (separate fees for services such as transportation, meals, classes, lessons, trips or supplies are not reimbursable unless the charges are included as part of your base fee – not itemized.)
- Day camps, including day camps that focus on specific activities such as sports and arts (overnight camps are excluded even if the camp apportions the day camp and overnight charges.)
- Educational (tuition) charges for kindergarten and over are NOT eligible for reimbursement.
- The maximum amount you may elect is reduced for couples that file separate returns, when one spouse is a student or when a spouse earns little or no income.
- Determine your election amount for the entire plan year. Do NOT elect more than your actual expenses. Your annual election is then deducted pre-tax from your pay in equal installments throughout the plan year.

WHAT IF THE AMOUNT OF MY DAYCARE EXPENSE CHANGES DURING THE YEAR?

In most cases, if you experience a change of status, or the cost for care changes during the plan year, you may be permitted to adjust your election. However, there are significant restrictions. Therefore, you need to choose your election wisely because you will not be permitted to change your election simply because you elect too much, make a mistake, or even if you just decide to change to a less expensive provider. In any event, you must notify your employer within 30 days of the event that is causing the change. Please refer to your SPD for additional details.

WHICH IS BETTER, THE DEPENDENT CARE FSA OR THE FEDERAL TAX CREDIT?

Generally, the FSA is much better but it depends on a combination of your income, whether you have one or two children in care, and how much you pay for care. The credit is calculated as a percentage of your day care expense. The percentage that you receive depends on your Adjusted Gross Income (AGI). Use the following chart to locate your percentage. To determine the value of your credit, multiply your percentage by the LESSER of the amount you pay for day care or \$3,000 if you have one child in care or \$6,000 if you have two or more children in care.

For example, if your AGI is \$60,000 and you spend \$5,000 for the care of one child, your credit will be \$600 (20% of \$3,000). Conversely, if you use the FSA, you could expect to save as much as \$2,000 in taxes on the same \$5,000 expense. This is why most families choose to participate in the Dependent Care FSA.

For additional information on your estimated federal tax credit based on your AGI please review [IRS Publication 503, Child and Dependent Care Expenses](#).

WHAT IS THE LAST DATE I CAN SUBMIT DEPENDENT CARE FSA CLAIMS FOR THE PLAN YEAR?

If you are an active participant on the last day of the plan year, your designated **final filing date is August 31, 2021**. Please keep in mind that any unused amount left in your account is forfeited at the end of the plan year. This rule is commonly known as "use it or lose it."

WHAT HAPPENS IF MY EMPLOYMENT TERMINATES OR I LOSE ELIGIBILITY TO PARTICIPATE IN THE PLAN(S)?

Benefits will not be payable for services rendered after **the last day of the plan year** during which you lost your eligibility to participate.