

2021 Flexible Spending Account Annual Enrollment Announcement

FSD #145 provides all regular employees who are **scheduled to work 20 hours or more per week** the option to participate in a **"medical expense"** spending account and a **"dependent care"** spending account. Northern Illinois Health Plan provides administrative services for these accounts. All new FSA participants will receive a preloaded debit card, which will help in reducing the need to pay cash up front for eligible expenses. New Cards will be issued to all Flexible Spending participants. The Cards cannot be used for the Dependent Care Spending Accounts.

To participate in one or both of these accounts during the 2021 calendar year, please complete the enrollment form and return it to the Freeport School District, Central Business Office, by 3:00 pm on December 4, 2020. Payroll Deductions will begin with the first payroll in January of 2021.

Calendar year deductions are limited as follows:

Flexible Medical Spending	Minimum deduction = \$100	Maximum deduction = \$ 2,750
Dependent Care	Minimum deduction = \$100	Maximum deduction = \$ 5,000

All reimbursable expenses must be incurred between January 1st and December 31st of 2021. Requests for reimbursements incurred during those dates may be made until March 31, 2022.

Items that are eligible for reimbursement from a **flexible medical spending account** include:

- o All items listed on the Examples of Eligible Health Care Expenses sheet.

Items that are eligible for reimbursement from a **dependent care spending account** include:

- o Day care costs
- o Before and after school care costs for children under age 13
- o Adult care expenses for parent or spouse

These plans enable employees to **deduct pre-taxed money from their paychecks** and designate it to either a medical or dependent care accounts for reimbursement of expenses. Money saved by the employees result from the tax free status of their contributions. **Given the 28% tax rate, employees save \$28.00 for every \$100.00 placed in a flexible spending account.**

All Flexible Spending questions can be directed to:

Northern Illinois Health Plan
NIHPCustomerService@nihp.com
815-599-7050