

CAFETERIA PLAN BENEFITS



Flexible Benefit Cafeteria Plan and Flexible Spending Accounts Plan Information



Southern Administrators and Benefit Consultants, Inc.

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www.sabcflex.com

"Your Flexible Benefit / Cafeteria Plan Specialist"

Representative, Valerie Givens

ALCORN STATE UNIVERSITY

Flexible Benefits Cafeteria Plan

Making the most of your Benefits

CAFETERIA PLAN

A Section 125 Cafeteria Plan is merely a tax savings plan which allows participating employees to deduct certain expenses from gross earnings before the computation of federal, state, and social security taxes.

Our Plan Year will be January 1, 2024 to December 31, 2024. Our plan offers the following three (3) options:

Option 1. INSURANCE PREMIUMS

This option allows you to pay for certain eligible payroll deducted insurance premiums with tax free dollars. This option alone can save you an average of 30% off the cost of your coverage. The election of qualifying products, auto-select the pre-taxation under the Alcorn State University's Cafeteria Plan. Payroll will make the necessary adjustments. For more information, [click here](#).

FLEXIBLE SPENDING "FSA"

Option 2. DEPENDENT CARE EXPENSE

If you have qualified dependents that require care while you and/or your spouse work, participation in this account will save you valuable tax dollars. Expenses include day care, after school care, nursery school, pre-school and summer day camp. For more information, [click here](#).



Option 3. UNREIMBURSED MEDICAL EXPENSES (URM)

If you, your spouse or qualifying dependent have medical expenses, which you have to pay out of pocket such as; medical deductibles, co-insurance, co-pays, prescription drugs, dental expenses, eye care expenses, you will save valuable tax dollars by participating in this spending account. Our plan has the following features:



- [2 ½ month extension](#) (for Unreimbursed Medical only).
- \$3,050 plan year URM maximum
- [When I terminate, Term Plan](#)
- A front loaded Debit Card, offered for the Unreimbursed Medical FSA Plan only.

For more detailed information, [click here](#).



All elections under a Cafeteria Plan are irrevocable unless you experience an eligible [status change](#).

CUSTOMER SERVICE PORTAL

Participants in Flexible spending can create an account in our customer service portal. Through the portal you can submit claims, validate debit card purchases, check your current balance and receive important messages about your account.

REQUESTING REIMBURSEMENT

There are several ways to request reimbursements from your flexible spending accounts. You may submit your claims via:

- ✓ Fax
- ✓ [Customer service portal](#)
- ✓ [SABCflex Mobile app](#)
- ✓ Mail
- ✓ Office pick up

Claims received before 2pm will be processed that same day and scheduled for direct deposit. Walk-in claims are processed up to 4pm. For more information, [click here](#).

QUESTIONS?

Visit [sabcflex.com](#), or call us at 601-856-9933

IMPORTANT

Open enrollment for the Plan begins October 1, 2023 and shall end of October 31, 2023.

Log on to [www.sabcflex.com](#) and [click on SABCElect Online](#) to complete your enrollment choice. Thank you.

ON-LINE ENROLLMENT INSTRUCTIONS
FOR YOUR ALCORN STATE UNIVERSITY
CAFETERIA PLAN AND FLEXIBLE SPENDING ACCOUNT PLAN

Your Enrollment option is Open for January 1, 2024 to December 31, 2024

Login at: www.sabcflex.com/enrollment or www.sabcflex.com and **click on SABCElect Online Enrollment**.

Under employee login enter your social security number (no dashes) as your employee ID, and your six digit date of birth as your password (mmddy), please do not enter the 19 in the year of birth.

Step 1. Review and revise any personal information that is incorrect. Follow the instructions to the next page

Step 2. Review your current information. If correct and you have no changes, continue to the next page.

If you wish to **enroll in any insurance products**; You will need to complete the required insurance applications with that insurance provider, and then contact ASU HR to add that premium for your insurance deductions cost to come out of your pay.

Once complete, you will return to the Cafeteria Plan enrollment. Then you will see that election on your plan. To **cancel** any supplemental **insurance** product, click the **terminate** button and complete the online form. This form will be sent to HR as your authorization to change.

Step 3. **Make your Flexible Spending election.** If you are electing to participate in Flexible Spending, please have your direct deposit information available to enter online.

You are next offered the SABCFlex card for the Unreimbursed Medical Plan. If you already have the card, your card will be loaded with your new Unreimbursed Medical choice for January 1, 2024.

If you have never had the card, be sure to take the time to complete the form if you would like to have a card with your plan. You will be charged a fee for the card of \$1.10 per month. The fee may be pre-taxed.

Step 4. Review the summary of your election, if correct, proceed to the next step. If incorrect, click the back button.

Step 5. Read the plan provisions, acknowledge that you understand, and sign using your SS#. You may email yourself a copy of your form.

Your enrollment is complete. Click Done Print copy for your records.

If you have questions, contact Southern Administrators and Benefit Consultants Inc. at 601-856-9933

If in order for you and your spouse to work, you need someone to care for your dependent, pre-taxing your DC under the plan may save you more than the tax credit you claim when you file your taxes. Please log on to our website for more information.

Eligible Dependent Care Expenses

- You must be able to claim the dependent for federal tax purposes.
- Dependent Child/Children must be under the age of 13 (after school care only or summer care)
- Disabled spouse or parent that requires care due to physical or mental incapability for caring for himself or herself

Eligible care only includes the cost of services for the dependents well being and safety. It does not include the cost of transportation, clothing, entertainment or food, unless such items are incidental and cannot be separated from the cost of care provided.

Expenses that can NOT be claimed for Dependent Care

- Schooling or tuition for 5 year old kindergarten and higher
- Expenses when you are off work due to illness
- Payments to any of your own dependents
- Overnight camp

How much can I contribute Dependent Care Spending?

- \$5,000.00 for married couples filing a joint tax return
- \$5,000.00 for a single parent
- \$2,500.00 for a married couple filing separate tax returns

How do I participate in the Dependent Care Spending Account (DC)?

First you must determine the amount you will be spending on DC during the plan year. The amount you elect is divided by the number of deductions in the plan year and deducted tax free. The amount of DC you elect under the Cafeteria Plan will be listed on your W-2 Form, excluded from gross wages, but listed to report amount sheltered to the IRS. You must file Form 2441 at tax year end to report DC. Note; you must be the legal guardian in order to claim dependent care through the Cafeteria Plan.

How will I get reimbursed for my Dependent Care Expenses?

You simply complete and will be required to submit a request for reimbursement (claim) form, along with a receipt from your provider to SABC. All receipts must include the providers name and tax ID or social security number, date or dates of service, your dependents name and the amount. Cancelled checks are not an acceptable receipt. You can email, fax, mail or stop by SABC with your claim. All claims received by 2:00pm (Monday-Friday) are processed the day they are received. Reimbursements are based on individual funds deposited. In other words, your payroll deductions must be in the account in order for your reimbursement to go out. These funds are generally available a few days after payroll has been made.

If I participate in the Dependent Care Spending Account can I also claim the tax credit for these same expenses?

Unfortunately you can NOT claim for both. In most cases, the Dependent Care Spending Account will save you more tax dollars. However, we do advise that you contact your tax advisor if you are not certain which is the best option based on your personal needs.

How long do I have to use the amount I elect for the plan year?

You have until the end of the plan year to incur your expense, and an additional sixty (60) days to submit your request for reimbursement.

Can I make changes to my election during the plan year?

Changes are only permitted in the event of a Status Change. Examples of Status Changes are - marriage, divorce, birth, death, adoption or, a change of your spouses' employment. The change requested must be consistent with the event.

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**Unreimbursed Medical
Spending Account (URM)**
*This allows you to set aside tax-free dollars for
out-of-pocket medical expenses.*

What are some examples of eligible out of pocket medical expenses?

- Deductibles and copays for medical, dental and/or vision for you, your spouse and any eligible dependents.
- Vision expenses not covered by insurance. This includes exams, glasses, contacts and contact solution.
- Prescription drugs.
- Counseling for medical reasons only. No marriage or family counseling.

Can I not just deduct these same medical expenses when I file my tax return?

Unfortunately, very few people can deduct medical expenses from their taxes at the end of the year. On your tax return, you can only deduct those expenses that exceed 10% of your adjusted gross income. Therefore, the majority of taxpayers do not qualify.

How do I participate in the Unreimbursed Medical Spending Account (URM)?

First, you must estimate the of pocket medical expenses you will incur during the plan year, **up to a maximum of \$3,050**. You may also include expenses for your spouse and dependents, UP TO AGE 26. The amount you elect is divided by the number of deductions in the plan year. However, your annual election is available to you at any time during the plan year. For instance: If you elected \$600.00 for the plan year and you are paid monthly, (12 times) \$50 a month would be deducted before taxes. If you had an eligible expense of \$600.00 the first month, you could claim entire amount, even though it has not been deducted.

How am I reimbursed for my out of pocket expenses?

You have two (2) options for seeking reimbursement.

Option 1 – You will receive a SABCFlex card that will be preloaded with your annual election.

Option 2 – or You may file claims directly with SABC and have your reimbursement direct deposited into your checking account and/or stop by SABC's office before 4:00pm, Monday – Friday to receive a reimbursement check on the spot.

How do I use my SABCFlex Card?

You will receive your SABCFlex Benny card in the mail. To activate, go to sabcflex.com and click on the card, then click card activation. When asked for your member ID type in **CO# 227** followed by your social security number and you are ready to go. When you purchase prescription drugs from a participating merchant, you simply swipe your card. Your eligible expense will be paid and the amount will be automatically deducted from your unreimbursed medical balance. All other allowed swipes will require follow-up substantiation and you will receive a notice by email. Keep in mind that the IRS requires that you keep receipts for all medical expenses that you swipe for using your SABCFlex Card.

What if I do not use my SABCFlex Card and want to file a paper claim instead?

When you incur a medical expense(s), you simply complete and submit a request for reimbursement (claim) form, along with your third party documentation to SABC. All documentation must include the provider's name, address, and date of service (Not Date Paid), type of service and out of pocket cost. If claiming prescription drugs, the receipt must also include the name of the drug and RX number. If insurance is going to pay a portion of your expense, an EOB may be required. Cancelled checks are not accepted. You can send an encrypted email, fax or mail your claims. All claims are processed the day they are received (Monday-Friday).

How long do I have to use the amount I elect for the plan year?

You have until the end of the plan year, plus an additional 2 and ½ months to incur your expense(s) for the plan year. After the 14 & ½ months, you have a sixty (60) day run out period to request for reimbursement.

What happens if I have money left at the end of the plan year?

Funds remaining at the end of the plan year and run out period will be forfeited to your employer. Please be conservative in making your election. Should you have questions regarding eligibility, feel free to contact SABC or Human Resources before making your election.

Can I make changes to my election during the plan year?

Changes are only permitted in the event of a Status Change. Examples of Status Changes are - marriage, divorce, birth, death, adoption or, a change of your spouses' employment. The change requested must be consistent with the event.

What happens to this money of I terminate employment?

If you terminate employment, you may only request for expenses that incurred prior to your date of termination. If you have a positive balance at the time of termination, you will be eligible and offered COBRA continuation coverage for your Unreimbursed Medical Account. If you elect COBRA, you will continue to be a participant on a self-pay basis, with after tax dollars. Should you elect COBRA, you may request for expenses incurred during your continuation period, not to exceed the end of the benefit period.

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Can I change my election during the plan year?

All elections made under a Cafeteria Plan are irrevocable for the plan year unless an eligible status change occurs. (Examples: marriage, divorce, birth, death, adoption or change in spouses' or dependents' employment). The change requested must be consistent with the event.

How long does it take to get my claim processed?

Typically, all claims are processed the day they are received. DC claims are based on your account balance. URM claims are based on your plan year election. Reimbursement requests received before 2 pm will be processed and scheduled for direct deposit that same day.

SAMPLE ELIGIBLE MEDICAL EXPENSES

| <i>PARTIAL LIST</i> | | |
|--|---|--|
| Acupuncture | Eye Glasses (exam, also reading glasses) | Physical exams/therapy/ X-rays |
| Alcohol and drug addiction treatment | Fertility treatments | Prescription drugs (for medical care, not general health or cosmetic reasons) |
| Ambulance | First aid kit | Preventative screening |
| Artificial Limbs, teeth | Flu shots | Psychiatric care |
| Asthma treatment | Hearing devices and batteries | Psychoanalysis (1) (must treat specific illness) |
| Bandages and wound care | Hospital bill (for qualifying medical care) | Psychologist (1) (must treat specific illness) |
| Birth Control | Immunizations | Seeing eye dog |
| Blood sugar test | Laboratory fees | Smoking cessation (medication/programs) |
| Chiropractors | Laser/Lasik eye surgery | Special communication equipment for deaf |
| Co-Insurance (co-pays) | Learning disability instructional fees (1) | Sterilization procedure |
| Contact lenses (solution and cleaner) | Medical alert bracelet (medical condition) (1) | Surgical fee (for qualifying medical care) |
| Contraceptives | Medical monitoring/testing (1) | Therapy (for qualified medical care) |
| Deductibles | Nursing services | Transportation/mileage (for qualified medical care) |
| Dental Expenses (non-cosmetic) | Orthodontia | Tuition for special needs (i.e. learning disability) (1) |
| Dentures and Bridges | Orthopedic shoes (1) Only excess cost over reg. shoe | Vasectomy |
| Diabetic (supplies/insulin) | Oxygen | Walkers/wheelchair |
| Diagnostic Fees | Physician fees | Weight loss program (1) (to treat specific medical condition i.e. obesity) |

Some items listed above may not be reimbursable under your employers plan. Consult your Summary Plan Description (SPD) for exclusions. Teeth whitening, hair loss drugs and other cosmetic items/procedures are **not** reimbursable.

Over-the-Counter drugs/medicines are eligible, provided they have medicine in them. see the FSA Store for items eligible. Go to www.sabcflex.com and access the FSA Store.

(1) = Requires written documentation from a Physician specifying medical condition and required treatment. Contact SABC for further information.

All claims must be filed with your insurance carrier first. To claim your expenses, an Explanation of Benefits from your insurance carrier is preferred and may be required. **Important:** The amount you pay your provider at the time of service is not necessarily the amount you will ultimately owe. Your insurance carrier will reduce your out of pocket cost, through network discounts and other predetermined agreements, and a credit will appear on your account.

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