

# MEMO

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*Lincoln-Way Area Special Education  
Joint Agreement District 843*

**TO:** All Employees  
**FROM:** Craig Englert  
**DATE:** August 5, 2010  
**RE:** Flexible Spending Benefit

We are excited to announce that beginning September 1, 2010, you will have the opportunity to establish Healthcare and/or Dependent care Section 125 Flexible Spending Accounts (FSA). These accounts provide a tax advantage to pay for out-of-pocket health care expenses and child care expenses with pre-tax dollars.

The program will be administered by Professional Benefit Administrators (PBA) which also processes the PPO medical plan and dental plan. PBA's services include a debit card for qualified medical expenses, direct deposit and for employees covered by the PPO medical plan and dental plan an automatic reimbursement feature.

Participation is open to any benefit-eligible employee even if you are not covered by the District's HMO or PPO medical plans or dental plan. If you do not enroll during the Open Enrollment period, you can not participate until the next Open Enrollment in 2011.

Section 125 programs are governed by IRS regulations. A brochure is available on the District's website at [www.lwase843.org](http://www.lwase843.org) under the "Staff" link. This brochure explains in detail how Section 125 Flexible Spending Accounts operate as well as a worksheet to assist you in estimating your expenses to see if this program is right for you. Keep in mind that the plan year will be September 1, 2010 to August 31, 2011 as you estimate your expenses. Also please be aware that the recent health care reform act eliminates over-the-counter drugs and medical supplies as eligible expenses effective January 1, 2011. Take this into consideration as you estimate your expenses for the plan year of 9/1/10 to 9/1/11.

**Enrollment will be during our annual Open Enrollment in August, for a September 1<sup>st</sup> effective date. There will be an informational meeting on August 17, 2010 at 10:00 in the Pioneer Grove gymnasium for those who would like to learn more about the plan.**