

Section 125 Cafeteria Plan

First Financial Administrators, Inc.

As a district employee, you are eligible to participate in a Section 125 Flexible Plan. Enrollment opportunities are limited to the plan year dates for your district.

A Section 125 Flexible Plan allows you, the employee, to select from a list of available benefits that will meet your family's healthcare needs. Certain premiums are deducted from your gross earnings before federal withholding taxes are figured. The amount you elect to have deducted "pre-tax" actually lowers your taxable income. By implementing this plan, your employer is helping you reduce your taxes and increase your take home pay.

You cannot change your elections during the plan year except for certain specified changes in family status. Those changes include:

- Marriage
- Divorce
- Death of a spouse/child
- Birth or adoption of a child
- Termination of spouse's employment

You must notify your employer within 31 days of the qualifying event to make changes.

Section 125 Plan Sample Paycheck

The example below shows how a married employee claiming 1 exemption can reduce their taxable income

| Without Section 125 | | With Section 125 | |
|---------------------|------------|---------------------|------------|
| Monthly Salary | \$3,000.00 | Monthly Salary | \$3,000.00 |
| Less TRS | - \$195.00 | Less TRS | \$195.00 |
| | | Less Insurance/Flex | \$250.00 |
| Taxable Income | \$2,805.00 | Taxable Income | \$2,555.00 |
| Less Taxes | - \$252.00 | Less Taxes | - \$180.00 |
| Less Insurance/Flex | - \$250.00 | | |
| Take Home Pay | \$2,303.00 | Take Home Pay | \$2,375.00 |

You saved \$72 per month in taxes by paying for your benefits on a pre-tax basis!

This means more spendable income at the end of the month to use for additional benefits or to increase your take home pay.

Flexible Spending Accounts (FSAs)

Flexible Spending Accounts (FSAs) are tax-favored accounts that allow participants to set aside money pretax for eligible Medical and Dependent Care costs. FSAs allow an employee the opportunity to put some of his/her salary aside before taxes to pay for many common out-of-pocket expenses.

Use-it-or-lose-it-Rule: Money remaining in your FSA account(s) will not be returned to you at the end of the plan year. Any amount remaining after the end of 2.5 month grace period will be forfeited. Because of the use-it-or-lose-it rule, it is important for you to carefully estimate your out-of-pocket health and dependent care expenses for the upcoming plan year.

Your employer has chosen the 2.5 month grace period for your plan. This option gives you the opportunity to continue to incur eligible expenses if you have unused funds in your account on the plan year end date for an additional 2.5 months. If the money is not used during the 2.5 months it will be forfeited.

Medical FSA

Your Medical FSA may be used to reimburse you for expenses that you incur for treatment of yourself, spouse and dependent children during your plan year. Eligible medical expenses include deductibles and coinsurance amounts under a group health plan, charges that are in excess of the amount reimbursed under a group health plan, and charges that are not covered under a group health plan such as certain corrective surgeries, vision care, dental care and hearing aids.

Effective January 1, 2011, all over-the-counter medications eligible for reimbursement must be accompanied by a doctor's prescription.

Maximum contribution amount for 2019/2020 plan year is \$2,700 (\$225.00 per month).

Reminder – If you or your spouse participate in a Qualified High Deductible Health Plan and contribute to a Health Savings Account, you are not eligible to enroll in Medical Reimbursement.

Dependent Care Reimbursement

A Dependent Care FSA allows you to pay for daycare expenses for your qualified dependent/child with pre-tax dollars while you (and your spouse) are working, seeking employment, or attending school as a full-time student for at least 4 months during the year.

Eligible dependents must be claimed as an exemption on your tax return. These dependents can include step-children, grandchildren, adopted children or foster children. Under IRS regulations, eligible dependents are further defined as: under age 13 and/or physically or mentally unable to care for themselves, such as a disabled spouse, disabled child, or elderly parents that live with you.

The IRS allows employees to contribute up to \$5,000 annually to a Dependent Care FSA.

Flex Benefits Card

The Flex Benefits Card is available to all employees that participate in Medical Reimbursement FSA. The Benefits Flex Card gives you immediate access to your money at the point of purchase. Cards are available for participating employees, their spouse and eligible dependents that are at least 18 years old.

The IRS requires validation of most transactions. You must submit receipts for validation of expenses when requested. If you fail to substantiate by providing a receipt to First Financial within 60 days of the purchase or date of service your card will be suspended until the necessary receipt or explanation of benefits from your insurance provider is received.

FF Flex Mobile App

The FF Flex Mobile App is available for Apple® or Android™ devices on the App StoreSM or the Google Play StoreTM.

With the FF Flex Mobile App you can:

- Submit Claims
- View Account Balance & History
- See Claim Status
- View Alerts
- Upload Receipts and Documentation

Download & register your app today!

You will need your Employer ID or your card # to register your app. Your Employer ID is: FFA254

FSA Store

First Financial has partnered with the FSA Store to bring you an easy to use online store to better understand and manage your Flexible Spending Account (FSA). Shop at FSA Store for eligible items from bandages to vitamins and thousands of products in between, browse or search for eligible products and services using the FSA Eligibility List, and visit the FSA Learning Center to help find answers to questions you may have about your FSA.

www.ffga.com/fsaextras

FF Flex Mobile App

First Financial Group Of America

Your Guide to Getting Started

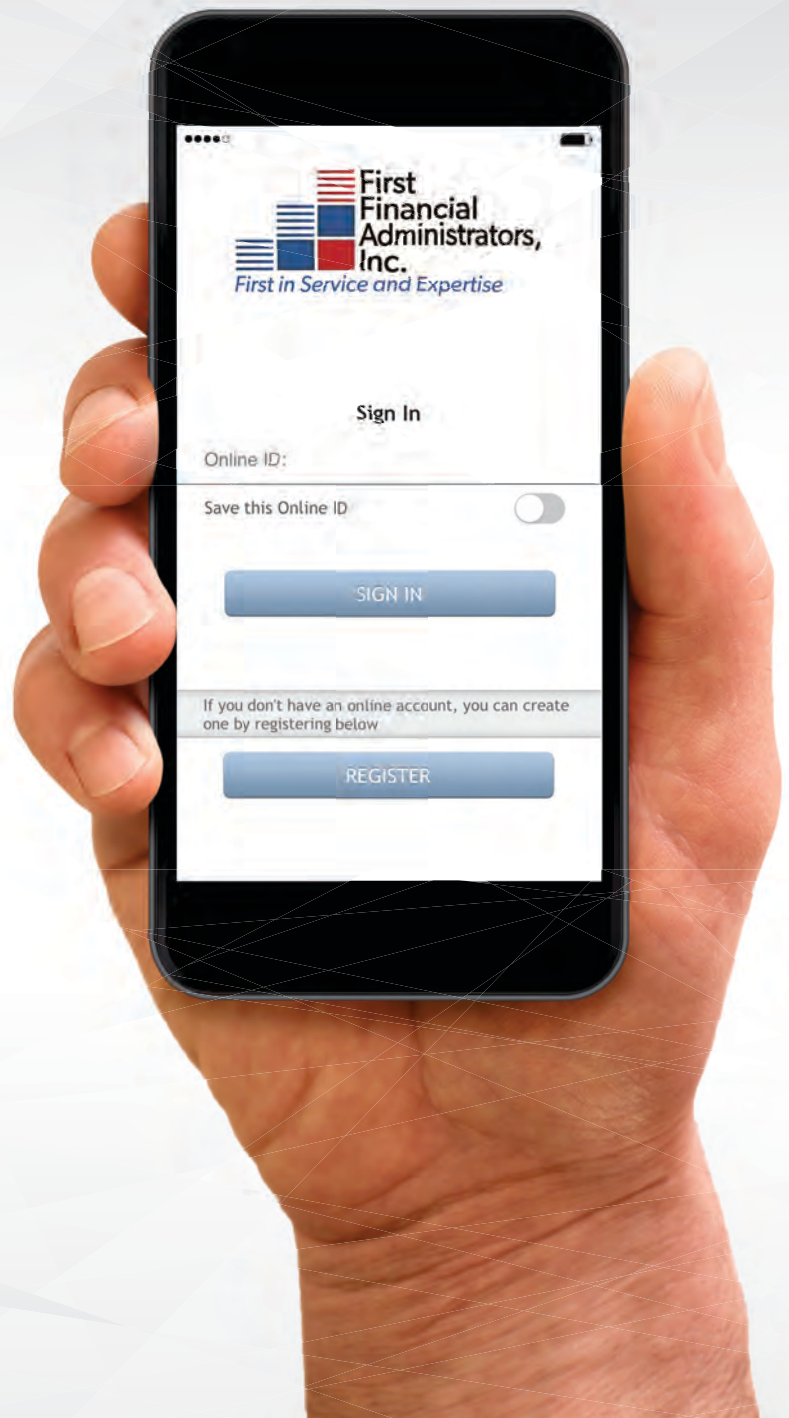
Easily manage your Flexible Spending Account (FSA) from your smart phone or tablet!

Managing your FSA on-the-go is easier than ever with the FF Flex Mobile App. This powerful, intuitive mobile app gives you access to view account balances, update your profile, submit claims, and much more – right from your Android or Apple mobile device.

This user guide introduces you to the mobile app in detail, including all the features you'll need to ensure you're fully engaged and effectively managing your FSA.

You will need your Employer ID or your card # to register your app.

Your Employer ID is: FFA254



Need Assistance?

Contact us by email at flex@ffga.com or by phone at 866-853-3539.