

GOSHEN COLLEGE
SECTION 125 CAFETERIA PLAN SUMMARY

FLEXIBLE SPENDING ACCOUNTS

HEALTH CARE SPENDING ACCOUNT

This portion of the plan will allow you to pay for unreimbursed health care costs on a pre-tax basis. You will need to elect to have amounts withheld from your paycheck on a pre-tax basis. You will be provided with the HG Advantage™ card to pay for eligible expenses. You can also submit a claim form along with your receipts in order to be reimbursed for allowable expenses. Allowable expenses are those medical expenses, which are generally deductible on Schedule A of form 1040 without regard to the exclusion of 10% of the Adjusted Gross Income. The maximum amount that you are permitted to elect for the Plan Year beginning July 1, 2018 and ending June 30, 2019 is \$2,650. Please note that certain over-the-counter medications can be reimbursed only if prescribed by your doctor.

DEPENDENT CARE SPENDING ACCOUNT

This portion of the Plan is similar to the Health Care Spending Account except that the amounts that are withheld will pay for Dependent care costs. If you are reimbursed for Dependent Care costs under a Cafeteria Plan, you are not entitled to claim the same amounts for the Child Care Credit on Form 1040. The maximum amount that you are permitted to elect for the Plan Year ended June 30, 2019 is \$5,000.

GENERAL PROVISIONS

- In order for expenses to be reimbursed from each Spending Account for the 2018 Plan Year, those expenses must be incurred by the end of the Plan Year. Any balance remaining in your Healthcare Flexible Spending Account after the end of the Run-Out Period up to \$500 can be carried over to the next Plan Year.
- Elections may be made once per year and may not be changed unless there is a change in status. A change in status is defined as marriage, divorce, a death in the family and change in the employment of a spouse (see enclosed information on Change in Status).



**GOSHEN COLLEGE
HEALTHCARE FLEXIBLE SPENDING ACCOUNT**

This Healthcare Flexible Spending Account will allow you to pay for unreimbursed health care costs on a pre-tax basis. Allowable expenses are those medical, dental and other health care costs which are generally deductible on Schedule A of Form 1040 without regard to the exclusion of 10% of Adjusted Gross Income. You can use your debit card or submit claims for eligible expenses up to your election amount. Some of the more common expenses, which qualify as eligible expenses include the following:

MEDICAL:

Doctor's Office Co-Pays	Skin Cancer Exam
Prescription Drugs	Certain Non-Prescription Drugs
Diabetic Treatment	Diabetic Supplies
Surgery	Lab Work
Echo cardiogram	Physical Therapy
Chiropractic Care	Allergy Tests
Gynecology	Menopause Treatment
Hospital Costs	Prenatal Expenses
Emergency Room Services	Ambulance Services
Blood Tests	Lesion Removal
Podiatrists	Treatment of Skin Rashes
Sleep Apnea Evaluations	Psychological Counseling
Injections	Dermatologist
Speech Therapy	Hearing Tests/Hearing Aids
Homeopathic and Herbal Consultation	Acupuncture
Muscle Therapy	Psychotherapist/Psychiatrist
Moles Removed	Annual Deductible Amounts
Nursing Home Costs (skilled care only)	Treatment of Stomach Disorders



DENTAL:

Exam and Teeth Cleaning
Crowns
Impressions
Fillings
Tooth Extraction
Root Canal Work
Dental Implants

Sealants
Fluoride Treatments
Cast Post and Core
Dental Surgery
Orthodontist – Braces
Acrylic Nightguard

VISION:

Eye Exams
Contacts

Glasses
Laser Surgery



GOSHEN COLLEGE
DEPENDENT DAY CARE FLEXIBLE SPENDING ACCOUNT

This Spending Account is similar to the Health Care Flexible Spending Account, except that an employee is able to pay for dependent day care costs on a pre-tax basis. If an employee is reimbursed for these costs under a Cafeteria Plan, they may not use these expenditures in computing the Child Credit on Form 1040.

Reimbursement for dependent care expenses may not exceed the following limits:

- A. \$5,000 (if an employee is a head of household or married and file a joint return) or \$2,500 (if an employee is married and files a separate return).
- B. Your tax compensation (after all compensation reduction arrangements).
- C. If an employee is married, the spouse's actual or deemed earned income.

For purposes of (c) above, an employee's spouse will be deemed to have earned an income of \$200 (\$400 if the employee has two or more dependents) for each month in which the employee's spouse is (1) physically or mentally incapable of caring for himself or herself, or (2) a full-time student at an educational institution.



QUALIFYING DEPENDENT DAY CARE EXPENSES

Under our plan, you will be reimbursed only for dependent care expenses that meet all of the following conditions:

1. The expenses are incurred for services rendered after the date of an employee's election and during the plan year to which it applies.
2. Each individual for whom an employee incurs an expense is:
 - (i) A dependent under Age 13 whom the employee is entitled to claim as a dependent (or a child or other dependent under Age 13 whom an employee is supporting but is not entitled to claim as a dependent only because of a written declaration or decree of divorce) on the employee's federal income tax return, or
 - (ii) A spouse or other tax dependent (or child that an employee is supporting but is not entitled to claim as a dependent only because of a written declaration or decree of divorce or who is physically or mentally incapable of caring for himself or herself).
3. The expenses are incurred for the care of an employee's dependent described above, or for related household services, and are incurred to enable the employee to be gainfully employed.
4. If the expenses are incurred for services outside the employee's household, they are incurred for the care of a dependent who is described in 2(i) above. If the expenses are incurred for services inside the employee's household, they are incurred for the care of a dependent who is described in 2(i) and they are incurred for at least 8 hours per day.
5. The expenses are incurred for services provided by a dependent care center (i.e. a facility that provides care for more than six individuals not residing at the facility). The center must comply with all applicable state and local laws and regulations.
6. The expenses must not be paid or payable to an employee's child who is under Age 19 at the end of the year in which the expenses are incurred.
7. The expenses may not be paid or payable to an individual for whom the employee or their spouse is entitled to a personal tax exemption as a dependent.



GOSHEN COLLEGE

CHANGE IN STATUS

Generally, you cannot change your election, which you have made after the beginning of the Plan Year. However, there are certain limited situations when changes can be made. You are permitted to make a change if there is a change in status. Currently, Federal law considers the following events to be examples of a change in status:

An employee is married, divorced, legally separated, annulment.

An employee has a child or adopts a child.

The death of the employee, their spouse and/or their child (children).

The employee's spouse commences or terminates employment.

The employee or their spouse's employment status changes from full-time to part-time or from part-time to full-time, a reduction or increase of hours, strike or lockout.

An employee takes an unpaid leave of absence.

A change in the residence or worksite of myself, my spouse or dependent.

My dependent satisfies or ceases to satisfy the requirements for coverage.

The preceding events would qualify as a change in status. Unless an event is similar in nature to those listed, the event would probably not qualify as a Change in Status.

