



# FLEXIBLE BENEFIT PLAN

January 1, 2018 – December 31, 2018

**THIS PACKET INCLUDES YOUR FLEX PLAN SUMMARY AND OTHER  
IMPORTANT INFORMATION**

**YOUR FLEX SUMMARY PLAN DESCRIPTION (SPD) IS AVAILABLE ONLINE**

EMAIL

**CUSTOMERSERVICE@BASICPACIFIC.COM**

WEBSITE

**BASICPACIFIC.COM**

**PHONE**

(916) 303-7090  
(800) 574-5448

**FAX**

(916) 303-7083  
(800) 584-4591

**MAILING ADDRESS**

PO BOX 2170  
ROCKLIN, CA 95677



# PRE-TAX BENEFIT PLAN

Your employer offers tax-free benefit plan(s) that provide you with ways to save up to thousands of dollars per year by offering the option to pay for certain types of expenses with pre-tax payroll deductions. If you choose to participate, you will reduce your taxable income which ultimately results in you having more money to spend!

This packet contains important information about your pre-tax benefit plan(s). For more details about the plan, please refer to your Summary Plan Description (SPD).

## MEDICAL FLEXIBLE SPENDING ACCOUNT (FSA)

### WHAT IS THE MAXIMUM I CAN ELECT?

The maximum you can elect is **\$2,600** per plan year (\$0 minimum).

### HOW DO I USE THE MEDICAL FSA?

The Medical Expense FSA allows you to set aside tax-free dollars that will reimburse you for "qualified" medical, dental and vision expenses "incurred" during the plan year. "Incurred" means the service must be performed during the plan year. "Qualified" expenses include most medically necessary (meaning not cosmetic) out-of-pocket medical, dental, and vision related expenses. Insurance premiums of any kind, including Medicare, individual health insurance, long-term care, warranties, or membership fees that are not directly related to care are not eligible for reimbursement through the Medical FSA.

IRS Publication 502 offers helpful information as a guide to what qualifies as a medical expense. Please be advised Publication 502 addresses all expenses that can be deducted on your individual tax return, not just the expenses that are eligible for reimbursement through a Medical FSA.

IRS Publication 969 is another good source of information for medical FSAs.

### FOLLOWING IS A SAMPLE OF PERMITTED EXPENSES:

ACUPUNCTURE	LABORATORY FEES
ALLERGY TREATMENTS	LASER EYE SURGERY
CHIROPRACTIC	MEDICAL MILEAGE
CONTACT LENSES & SUPPLIES	ORTHODONTIA (CHILD & ADULT)
DENTAL (NO TEETH WHITENING)	OVER-THE-COUNTER MEDICAL ITEMS & SUPPLIES (RESTRICTIONS MAY APPLY)
DOCTOR OFFICE VISITS & EXAMS	PRESCRIPTIONS (MEDICALLY NECESSARY)
GLASSES (PRESCRIPTION)	PSYCHIATRIC CARE
HEARING AIDS	STERILIZATION
HOSPITAL SERVICES & SURGERY	THERAPY (NO MARRIAGE/FAMILY COUNSELING)
INSULIN & INSULIN SUPPLIES	VACCINES (INCLUDING FLU SHOTS)
INSURANCE CO-PAYS & DEDUCTIBLES	VISION EXAMS

## **CAN I BE REIMBURSED THROUGH AN FSA FOR HEALTH EXPENSES INCURRED BY MY FAMILY MEMBERS?**

**Yes!** You may save taxes on all qualified medical expenses incurred by you, your spouse, and your dependent children. You may NOT be reimbursed for expenses incurred by a domestic partner unless your domestic partner is your federal tax dependent.

Your plan **allows** reimbursement for qualified expenses that you incur for an eligible adult child up to age 26.

## **WHAT IS THE LAST DATE I CAN SUBMIT FSA CLAIMS FOR THE PLAN YEAR?**

If you are an active participant on the last day of the plan year, your designated final filing date is **March 31, 2019**. Please keep in mind that any unused amount left in your account is forfeited at the end of the plan year. This rule is commonly known as "use it or lose it."

## **DOES OUR FSA PLAN INCLUDE A DEBIT CARD?**

**Yes!** New participants will receive two debit cards at no cost. You may provide the second debit card to your spouse or adult dependent, or keep the second card as an alternate card to use, just in case.

If you order additional cards or replacements for lost/stolen cards, a **\$10** fee will be paid by the **Participant**.

**DO NOT** throw away your debit cards after you exhaust your account(s). The debit cards are valid for up to 3 years at a time and are reloadable. If you throw away your debit card before it expires, a fee will be charged when you order a new card.

Your debit card can be used to pay for qualified services at providers that accept VISA or by using your PIN (Personal Identification Number). To obtain a personal PIN for your debit card, call 1-866-898-9795 and the automated system will walk you through the process.

## **HOW DO I ENROLL IN THE FSA PLAN?**

You will make your Spending Account election using the **FSA Enrollment Form**. The appropriate enrollment instructions and/or forms are included or may be provided to you separately by your employer, if applicable.

## **CAN I PARTICIPATE IN A FSA AND HSA (HEALTH SAVINGS ACCOUNT) AT THE SAME TIME?**

If you participate in the Medical FSA, neither you nor your spouse (if applicable) is permitted to make contributions to a HSA at any time during the plan year.

## **ARE THERE ANY FEES?**

Participants agree to a small monthly fee of \$4.85, drafted automatically by your Employer through post-tax payroll deduction. Please note that most participants save 20-40% on funds elected through this benefit.

## **CAN I BE REIMBURSED MORE THAN I'VE HAD DEDUCTED FROM MY PAYCHECK?**

The Medical FSA account is pre-funded, meaning your entire annual election amount is available for reimbursement at any time during the plan year, regardless of the amount you have contributed from your paycheck.

## **WHAT HAPPENS IF MY EMPLOYMENT TERMINATES OR I LOSE ELIGIBILITY TO PARTICIPATE IN THE PLAN(S)?**

Medical FSA: Benefits will not be payable for services rendered after **the day on which** you lost your eligibility to participate. (Refer to your SPD for information about COBRA for the Medical FSA, if it is available).

BASIC pacific must receive your Medical FSA claims for reimbursement no later than **March 31, 2019** for expenses that were incurred prior to the date your participation ended.

### **HOW DO I DETERMINE HOW MUCH MY FAMILY WILL SPEND ON HEALTH SERVICES?**

The worksheet on the following page will help you calculate how much your entire family will spend on medical services during the course of the plan year.

- Only include services or expenses you will incur during the plan year based on the date of service (not the date you pay for a service).
- While determining the amount you would like to contribute on an annual basis, please keep in mind that any unused amount left in your account is forfeited at the end of the plan year. This rule is commonly known as "use it or lose it."

DO NOT include expenses for the following services:

- "Boutique" Medical Access Fees (Membership fees paid for access to a particular doctor)
- Capital expenses (including operating & maintenance costs)
- Cosmetic services
- Electrolysis
- Expenses for your general health
- Expenses paid by another plan
- Food (of any type)
- Health club membership dues
- Insurance premiums
- Massage & massage therapy (unless prescribed to treat a specific medical condition)
- Marriage & family counseling
- Vitamins, supplements & herbal remedies (unless prescribed by a physician)
- OTC Drugs & Medicines (without a written prescription)

# ANNUAL HEALTH EXPENSE CALCULATOR WORKSHEET

## OFFICE VISITS & CO-PAYMENTS

MEDICAL OFFICE VISITS	\$
ACUPUNCTURE OFFICE VISITS	\$
CHIROPRACTIC OFFICE VISITS	\$
THERAPY (NO MARRIAGE OR FAMILY COUNSELING)	\$
HOMEOPATHIC OFFICE VISITS	\$

## PRESCRIPTION DRUGS (LEGAL)

ALLERGY TREATMENTS	\$
BIRTH CONTROL PILLS	\$
OTHER PRESCRIPTION DRUGS	\$

## VISION EXPENSES

EYE EXAMS	\$
CONTACT LENSES AND SUPPLIES	\$
PRESCRIPTION EYEGASSES	\$
PRESCRIPTION SUNGLASSES	\$
LASER EYE SURGERY	\$

## DENTAL EXPENSES

DEDUCTIBLES	\$
EXAMINATIONS	\$
TEETH CLEANING	\$
CROWNS, BRIDGES, ROOT CANALS	\$
ORTHODONTIA	\$

## OVER-THE-COUNTER MEDICAL SUPPLIES

BAND AIDS, FIRST AID KITS, ETC.	\$
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## OTHER EXPENSES

IN VITRO FERTILIZATION	\$
INSULIN AND INSULIN SUPPLIES	\$
PSYCHIATRIC CARE	\$
MEDICAL MILEAGE	\$

<b>TOTAL</b>	<b>\$</b>
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## OVER-THE-COUNTER (OTC) DRUGS, MEDICINES, AND SUPPLIES

Saving taxes on your OTC drugs, medicine, and medical supply purchases is a great way to maximize the benefits of your Medical FSA. However, your OTC purchases may have some restrictions. OTC drugs and medicines require a prescription from a physician to be reimbursed through your Medical FSA. However, there are still 27,000 OTC medical products and supplies that can be reimbursed through your Medical FSA without requiring a prescription. The following is a sample list of OTC medical products that may be reimbursed through your Medical FSA.

NO PRESCRIPTION REQUIRED	PRESCRIPTION REQUIRED	NEVER ELIGIBLE
Alcohol Wipes Band Aids Blood Pressure Monitor Braces & Supports Breathe Right Strips Canes Catheters Colostomy Products Contact Lens Supplies & Solution Contraceptives Defibrillators Denture Adhesives First Aid Kits Glucose Meters Home Screening Tests (Cancer, Cholesterol, Fertility, Hepatitis C, HIV, Pregnancy, Prostate, Thyroid) Hot & Cold Packs Insulin & Diabetic Supplies Liquid Adhesive Medicated Bandages Reading Glasses Sleeping/Snoring Appliances Wheelchairs & Walkers	Acne Medications Anti-Inflammatory Treatments Anti-Itch Treatments Antifungal Treatments Antiseptics & Topical Antibiotics Allergy, Cold, Flu, and Cough Medications Asthma Medications Birth Control Bunion/Blister Treatments Cold Sore & Fever Blister Medications Corn & Callus Removal Medications Diaper Rash Ointment Digestion/Gas Aids Ear Drops Eye Drops Hydrogen Peroxide, Iodine Laxatives Lice Control Motion Sickness Tablets Nasal Sprays, Drops & Strips Nicotine Gum or Patches Oral Pain Remedies Pain Relievers Sinus Medications Sleeping Medicines Throat Pain Remedies Wart Removal Medications *Herbs *Herbal Remedies *Minerals *Other Natural Remedies *Supplements *Vitamins	Aromatherapy products Baby bottles, cups, oil, wipes Cosmetics Cotton swabs or pads Deodorants and antiperspirants Diapers Facial care Feminine care Food (of any type) Fragrances Hair re-growth Dietary foods Oral care (e.g. Sonicare) Shampoo and conditioner Skin care Spa salts Sun tanning products Toothbrushes

\* = Requires a Letter of Medical Necessity from your Doctor

# DEPENDENT CARE SPENDING ACCOUNT (DCFSA)

## WHAT IS THE MAXIMUM I CAN ELECT?

The maximum you can elect is **\$5,000** per plan year (\$0 minimum).

*The maximum tax exclusion permitted during a 12-month calendar year is \$5,000 per individual taxpayer or married couple filing a joint tax return. The maximum amount permitted could be reduced under the following circumstances: (1) If you are married and file a separate tax return, the maximum you may elect is \$2,500; (2) If your spouse earns less than \$5,000, you may not elect more than your spouse earns during the Plan Year; (3) If your spouse is a full-time student or incapable of self-care, the maximum you may elect is \$3,000 for one child in day care or \$5,000 if you have two or more children in day care.*

## CAN I BE REIMBURSED MORE THAN I'VE HAD DEDUCTED FROM MY PAYCHECK?

At no time can you be reimbursed more than you have actually contributed to your account through payroll deduction.

## HOW DO I USE THE DEPENDENT CARE FSA?

The Dependent Care FSA allows you to be reimbursed for custodial or day care expenses for children that are your federal tax dependents under age 13, or for a disabled adult federal tax dependent that lives with you, so that you and your spouse (if applicable) can work, attend school or actively look for work.

Your daycare provider may not be your dependent or child under the age of 19.

Only the Custodial Parent is eligible to participate in the Dependent Care FSA. In the case of divorce, the Custodial Parent is the parent with whom the child lives for MORE THAN 50% of the year. Only one parent can qualify as the Custodial Parent.

## QUALIFIED DAYCARE EXPENSES INCLUDE:

- Actual reportable ("above the table") daycare expenses incurred during the plan year (separate fees for services such as transportation, meals, classes, lessons, trips or supplies are not reimbursable unless the charges are included as part of your base fee – not itemized.)
- Day camps, including day camps that focus on specific activities such as sports and arts (overnight camps are excluded even if the camp apportions the day camp and overnight charges.)
- Educational (tuition) charges for kindergarten and over are NOT eligible for reimbursement.
- The maximum amount you may elect is reduced for couples that file separate returns, when one spouse is a student or when a spouse earns little or no income.
- Determine your election amount for the entire plan year. Do NOT elect more than your actual expenses. Your annual election is then deducted pre-tax from your pay in equal installments throughout the plan year.

## WHAT IF THE AMOUNT OF MY DAYCARE EXPENSE CHANGES DURING THE YEAR?

In most cases, if you experience a change of status, or the cost for care changes during the plan year, you may be permitted to adjust your election. However, there are significant restrictions. Therefore, you need to choose your election wisely because you will not be permitted to change your election simply because you elect too much, make a mistake, or even if you just decide to change to a less expensive provider. In any event, you must notify your employer within 30 days of the event that is causing the change. Please refer to your SPD for additional details.

## **WHICH IS BETTER, THE DEPENDENT CARE FSA OR THE FEDERAL TAX CREDIT?**

Generally, the FSA is much better but it depends on a combination of your income, whether you have one or two children in care, and how much you pay for care. The credit is calculated as a percentage of your day care expense. The percentage that you receive depends on your Adjusted Gross Income (AGI). Use the following chart to locate your percentage. To determine the value of your credit, multiply your percentage by the LESSER of the amount you pay for day care or \$3,000 if you have one child in care or \$6,000 if you have two or more children in care.

For example, if your AGI is \$60,000 and you spend \$5,000 for the care of one child, your credit will be \$600 (20% of \$3,000). Conversely, if you use the FSA, you could expect to save as much as \$2,000 in taxes on the same \$5,000 expense. This is why most families choose to participate in the Dependent Care FSA.

For additional information on your estimated federal tax credit based on your AGI please review [IRS Publication 503, Child and Dependent Care Expenses](#).

## **ARE THERE ANY FEES?**

Participants agree to a small monthly fee of \$4.85, drafted automatically by your Employer through post-tax payroll deduction. Please note that most participants save 20-40% on funds elected through this benefit.

## **WHAT IS THE LAST DATE I CAN SUBMIT DEPENDENT CARE FSA CLAIMS FOR THE PLAN YEAR?**

If you are an active participant on the last day of the plan year, your designated final filing date is **March 31, 2019**. Please keep in mind that any unused amount left in your account is forfeited at the end of the plan year. This rule is commonly known as "use it or lose it."

## **WHAT HAPPENS IF MY EMPLOYMENT TERMINATES OR I LOSE ELIGIBILITY TO PARTICIPATE IN THE PLAN(S)?**

Benefits will not be payable for services rendered after **the last day of the plan year during which** you lost your eligibility to participate.



# PARKING AND TRANSIT ACCOUNTS (P&T)

## WHAT IS THE CURRENT MAXIMUM MONTHLY CONTRIBUTION AMOUNT?

- Parking Spending Account: **\$255**
- Transit & Van Pooling Spending Account: **\$255**

*Each year on January 1, the federal government may adjust the maximum contributions and benefits permitted for each account. If the maximums are increased, you will be permitted to increase your election(s). If the maximums decrease and your election exceeds your new maximum, your contributions will automatically be reduced to the new maximum.*

## HOW DO I USE THE PARKING AND TRANSIT (P&T) ACCOUNTS?

- The P&T accounts enable you to pay for your work-related parking and/or transit costs with pre-tax dollars.
- Eligible expenses are parking and mass transit costs associated with your travel to and from work. They are divided into two types of expenses (1) Parking Expenses and (2) Mass Transit Expenses.
- (1) Eligible Parking Expenses include the costs you incur for parking your car at or near your work premises or at a location that you commute to work to use Mass Transit.
- (2) Eligible Mass Transit Expenses include your costs for a pass, token, fare card, voucher or stored-value card (e.g. the "Clipper Card") used exclusively to pay for mass transportation. The transportation can be on a public or privately-owned facility. Vanpools or Commuter Highway Vehicles used for travel to and from your work, or to a Mass Transit location that you commute from, are eligible Mass Transit Expenses.
  - To be eligible, however, a Vanpool must: (a) have a seating capacity of at least six (6) adults excluding the driver; (b) be used 80% for purposes of transporting eligible employees to and from work; and, (c) be used by more than half the riders to commute to and from work.
  - Toll charges & carpooling expenses do not qualify as a "Mass Transit Expense" and are, therefore, not eligible for reimbursement.

## HOW OFTEN MAY I CHANGE MY P&T ELECTION OR STOP MY CONTRIBUTIONS DURING THE PLAN YEAR?

You are permitted to make a change or stop (meaning change to \$0.00) your contributions to your Parking or Transit account elections on the first day of each **month**. If you have a balance in your Parking or Transit account, you may still access your funds even if you are not currently contributing. You may not transfer funds between your Transit and Parking accounts.

## HOW DO I ENROLL IN THE P&T PLAN?

During the open enrollment period, your employer requires you to make your Parking and/or Transit monthly election using the **P&T Enrollment/Change Form**. Your monthly Parking and/or Transit election(s) will NOT automatically continue each year. The appropriate enrollment instructions and/or forms are included or may be provided to you separately by your employer, if applicable.

## ARE THERE ANY FEES?

Participants agree to a small monthly fee of \$3.90, drafted automatically by your Employer through post-tax payroll deduction. Please note that most participants save 20-40% on funds elected through this benefit.

## DOES MY P&T PLAN INCLUDE A DEBIT CARD?

**Yes!** New participants will receive two debit cards at no cost. Your debit card may be used to pay for your work-related parking and/or mass transit expenses at qualified parking and mass transit payment locations. **ALERT:**

Effective 1/1/16, the IRS no longer allows for cash reimbursement under the Transit benefit, therefore you must use your debit card to pay for all qualified Transit purchases.

If you order a replacement for a lost/stolen card, a **\$10** fee will be paid by the **Participant**.

**DO NOT** throw away your debit cards after you exhaust your account(s). The debit cards are valid for up to 3 years at a time and are reloadable. If you throw away your debit card before it expires, a fee will be charged when you order a new card.

Your BASIC pacific debit card can be used to pay for qualified services at providers that accept VISA or by using your PIN (Personal Identification Number). To obtain a personal PIN for your BASIC pacific debit card, call 1-866-898-9795 and the automated system will walk you through the process.

### **CAN I USE THE BASIC PACIFIC DEBIT CARD TO ADD FUNDS TO MY CLIPPER CARD (FOR BAY AREA PARTICIPANTS)?**

**Yes.** Your debit card can be used to add funds to the Clipper Card! The Clipper Card is accepted by most Bay Area transit providers. When you use your BASIC pacific debit card as your primary method to add funds to your Clipper Card, it is important that you provide Clipper with a secondary payment option just in case there are not enough funds available on your BASIC pacific debit card to fulfill an order.

### **WILL I HAVE ACCESS TO MORE THAN I'VE HAD DEDUCTED FROM MY PAYCHECK?**

At no time will you have access to more than you have actually contributed to your Parking and Transit account(s) through payroll deduction. Also, you will not have access to more than the monthly maximum set by the federal government each year.

### **WHAT IS THE LAST DATE I CAN SUBMIT PARKING CLAIMS FOR THE PLAN YEAR?**

Active participants must submit Parking claims for reimbursement within 180 days after you pay for a qualified expense. **ALERT:** Effective 1/1/16, the IRS no longer allows for cash reimbursement under the Transit benefit, therefore you must use your debit card to pay for all qualified Transit purchases.

Any remainder balance at the end of the plan year will be rolled-over to the new plan year; however active parking participants will have until **the last day of the plan year** to submit Parking claims using the online system for expenses incurred during the previous plan year. After this period, please submit your Parking claim(s) directly to BASIC pacific for qualified expenses incurred within the past 180 days.

### **WHAT HAPPENS IF MY EMPLOYMENT TERMINATES OR I LOSE ELIGIBILITY TO PARTICIPATE IN THE PLAN(S)?**

If you lose your eligibility to participate during the Plan Year, BASIC pacific must receive your Parking claims no later than **March 31, 2019** after the date you lost your eligibility to participate. Parking claims must be for expenses incurred while you were an active participant. Any unused Transit funds would be forfeited upon loss of coverage.

### **ARE THERE ANY NEGATIVES TO MY PARTICIPATION?**

If you were to terminate employment (or otherwise lose your eligibility), you may not be reimbursed for expenses incurred after the date you lost your eligibility.

To avoid any risk of forfeiture, never allow your account balance to grow beyond the amount that you can claim out at any point in time. If your balance gets too high, just reduce or stop your contributions until you spend it down.

## **CITY OF MILPITAS FLEXIBLE BENEFIT PLAN**

### **SUMMARY OF MATERIAL MODIFICATIONS**

The purpose of this Summary of Material Modifications is to inform you of a change that has been made to the City of Milpitas Flexible Benefit Plan. This change has affected the information previously provided to you in the Plan's Summary Plan Description. The Summary Plan Description is modified as described below.

#### **CLAIMS**

##### Debit/Credit Cards

The Company will provide you with a debit, credit or other stored-value card for purposes of making purchases that may be reimbursed from your Health Care Reimbursement Account and/or your Dependent Care Assistance Account. The Plan Administrator may provide you with more information about stored value cards at the time you enroll in the Plan. The following restrictions apply to the use of such card: Two debit cards will be provided to each Health Care Reimbursement Account (Health FSA) participant at no cost. Participants may be permitted to order a third or replacement debit card. A nominal fee may be deducted from the participant's Reimbursement Account balance when a third debit card is ordered, and/or when a new debit card is ordered to replace a lost or stolen card (refer to your enrollment materials for details about these charges). Any time the debit card is used, the administrator may require the participant to provide documentation to support the purchase. Should the participant not provide the required documentation in a timely manner, the claim will be denied and the participant will be required to repay the expense or, alternatively, the participant may choose to offset the expense with new expenses. Should the participant not repay the expense in a timely manner, the debit card may be suspended without further notification. In general, supporting documentation will be required for all debit card transactions with the exception of the following: (1) OTC medical supplies purchased at a retailer or pharmacy; (2) health plan co-payments; and, (3) recurring (ongoing) charges. The administrator will notify the participant whenever documentation is required. The debit card cannot be used to pay for day care expenses under the Dependent Care Assistance Account or individually owned health insurance through the Premium Reimbursement Account (if provided).

# Parking & Transit Plan Enrollment/Change Form



EMPLOYER: **City of Milpitas**

PLAN YEAR ENDING: **December 31, 2018**

Section 1 - Employee Information				
FIRST NAME	LAST NAME		SOCIAL SECURITY NUMBER	
MAILING ADDRESS		CITY	STATE	ZIP CODE
DATE OF BIRTH	DAYTIME PHONE NUMBER	E-MAIL ADDRESS (Required)		GENDER <input type="checkbox"/> Male <input type="checkbox"/> Female
CHECK ONE: <input type="checkbox"/> NEW ELECTION / <input type="checkbox"/> ELECTION CHANGE		<input type="checkbox"/> CHECK IF THIS IS A NEW ADDRESS	Enter the effective date of this new or changed election: ____/____/____	

### Instructions

1. Complete Section I — Employee Information. Make sure to include your email address and indicate your enrollment status.
2. Complete Section II — Elections. Select the accounts you will enroll in and the amount you elect to contribute EACH PAY PERIOD.
3. Complete Section III — Signature. Submit initial enrollment forms to Human Resources and submit change forms to Payroll\*.

\* Change Forms returned to Payroll at least **2 weeks prior to the start of the calendar month will be effective on the 1<sup>st</sup> of following month.**

I understand the rules of IRC Section 132 allow me to use part of my salary on a pre-tax basis to purchase one or more of the following qualified benefits. I hereby elect to participate in my employer's Section 132 Parking & Transportation Plan as I have indicated below. Participants agree to a monthly fee of just \$3.90, drafted automatically by your Employer through post-tax payroll deduction.

Section II – Enter your PER PAY elections			
Benefit	Participate?	PER PAY REQUEST	
<b>Parking Account</b> \$255 Monthly Maximum for 2018	<input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Per Pay Deduction</b> \$_____ (\$117.69 per pay maximum/26 pay annually)	
<b>Transit Account</b> \$255 Monthly Maximum for 2018	<input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Per Pay Deduction</b> \$_____ (\$117.69 per pay maximum/26 pay annually)	
<b>Debit Card Authorization</b>	<b>New participants will receive 2 bright red Benny Debit Cards at no cost (replacement set \$10). Debit cards are good for 3 years. Please retain accordingly.</b>		

This election will remain in effect and cannot be revoked or changed until the first day of a calendar MONTH unless the revocation or change is on account of and consistent with federal regulations. I hereby authorize and direct my employer to reduce my salary by the amount(s) I have elected effective on the date entered above (the effective date must be after the date you sign this form).

Section III – Employee Signature	
<input type="checkbox"/> YES, the above benefits have been explained to me and I elect to participate as indicated.	
EMPLOYEE SIGNATURE: _____	DATE: ____/____/____

Section IV - To be completed by Employer			
AUTHORIZED EMPLOYER SIGNATURE _____	BENEFITS EFFECTIVE DATE (May not precede the date the employee signed this form)	DATE OF HIRE	DATE OF 1 <sup>ST</sup> DEDUCTION

**Please see the reverse for important information regarding the above benefits.**

### **Additional Information for Parking Account**

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- Currently, the maximum reimbursement that you may receive for parking expenses during any month is established by the IRS (**\$255 per month during 2018**). Any employer subsidy or contribution will count towards the IRS monthly limit.

### **Additional Information for Transit Account**

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- Currently, the maximum reimbursement that you may receive for mass transit and van pooling expenses during any month is established by the IRS (**\$255 per month during 2018**). Any employer subsidy or contribution will count towards the IRS monthly limit.

### **Direct Deposit**

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- All direct deposit reimbursements will be initiated on the same day as the normal check reimbursement date. Direct deposits may take up to two (2) business days to appear in your bank account.

### **Payroll Deductions**

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- Deduction changes may only be made on a prospective basis. Changes are permitted to take effect on the first day of any calendar **month**. To change your election, you must complete a new Election/Change Form and return it to Payroll at least **2 weeks prior to the start of the calendar month** for which you want your change to be effective.

### **Eligibility**

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- Any person who is not a common law employee, who owns more than 2%-of the shares or voting power of an S-Corporation, or is partner in an LLC, PLLC, Partnership, or LP is ineligible to participate in the Parking or Transit accounts.

### **Rollover**

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- After the last day of each Plan Year, any unclaimed balance in your prior year account(s) will roll-over and be available for reimbursement during the new plan year after **the last day of the plan year**. If you lose your eligibility to participate in the Plan, you will not be eligible to receive reimbursement for expenses incurred after the date that you lose your eligibility.
- You will forfeit any remaining balance left in your account more than **March 31 annually (not to exceed 180 days from date expense was incurred)** after the date you lose your eligibility.



# FSA Enrollment Form 2018

EMPLOYER NAME: **City of Milpitas**

<b>1</b>	<b>Employee Information</b> - Please print clearly				
	FIRST NAME	LAST NAME	SOCIAL SECURITY NUMBER		
	MAILING ADDRESS		CITY	STATE	ZIP CODE
	DATE OF BIRTH	DAYTIME PHONE NUMBER	E-MAIL ADDRESS (Required)		
<b>2</b>	<b>Make Your Elections</b> - Enter your election for each account.				
	<b>Medical FSA</b> <input type="checkbox"/> I elect to participate in the Medical FSA (not to exceed employer limit of <b>\$2,650</b> ):  \$ _____ per pay x _____ (# of pays in plan year) = \$ _____ <i>Your annual election will be deducted from your pay in equal installments throughout the plan year.</i>  <input type="checkbox"/> Check if this Medical Reimbursement Account a Limited Purpose Account (for Dental/Vision only, due to HSA participation)?		<b>Dependent Care FSA</b> <input type="checkbox"/> I elect to participate in the Dependent Care FSA. The amount I elect for the PLAN YEAR is (maximum <b>\$5,000</b> ):  \$ _____ per pay x _____ (# of pays in plan year) = \$ _____ <i>Your annual election will be deducted from your pay in equal installments throughout the plan year.</i>		
<b>3</b>	<b>NEW: Your plan includes TWO initial Debit Cards at no cost to you.</b> Debit cards are good for 3 years and are reloadable. The second Debit Card may be given to your Spouse or Adult Dependent to use, if applicable.				
<b>4</b>	<b>Direct Deposit Authorization</b> – Complete the banking information if you wish to establish direct deposit with BASIC pacific for your non-debit card reimbursements (or change your current direct deposit banking information on file).				
	<p>By completing the banking information below, I hereby authorize BASIC pacific to deposit all non-debit card reimbursements directly into my personal bank account at the financial institution named below. I understand that I may cancel this authorization at any time by notifying BASIC pacific in writing. I further understand that I am responsible to notify BASIC pacific if, for any reason, my bank account information changes. If I do not sign up for Direct Deposit, I understand all non-debit card reimbursements will be paid to me by check.</p> <p><b>Please Note:</b> If you previously signed up for Direct Deposit with BASIC pacific, <b>you will continue</b> to be reimbursed for non-debit card expenses via direct deposit. If you wish to cancel your banking of record, please write <b>CANCEL</b> on the line below.</p> <p style="text-align: right;">Checking <input type="checkbox"/> Savings <input type="checkbox"/></p> <p>_____ Name of DEPOSITORY (Name of Financial Institution)</p> <p>_____ Bank Routing Number                      _____ Account Number</p>				
<b>5</b>	<b>By checking the box below, you are agreeing to the terms and conditions printed on the back of this form</b>				
	<input type="checkbox"/>	I certify that I have read and agree to all the "Terms & Conditions for Participation in the Flexible Benefit Plan" printed on the back of this Election Form. I hereby authorize my employer to deduct the amounts listed above from my compensation.			
	<b>EMPLOYEE SIGNATURE:</b> _____		<b>DATE:</b> ____ / ____ / ____		
<b>6</b>	<b>To be completed by Employer</b>				
	AUTHORIZED ER SIGNATURE  _____	Add Pay cycle and/or Division Name (if applicable)	BENEFITS EFFECTIVE DATE (May not precede date employee signs)	DATE OF HIRE	DATE OF 1 <sup>ST</sup> PAYROLL DEDUCTION

## ***Terms & Conditions for Participation in the Flexible Benefit Plan***

I fully understand and agree that:

- I may never be reimbursed for expenses “incurred” (the date services are actually performed) prior to the later of, the date I am eligible to participate or the date I complete the enrollment form.
- Once made, my elections are “irrevocable” during the plan year unless I experience a “qualifying and related change in status”. I understand that I must refer to my SPD for details.
- If I am an active employee as of the last day of the plan year, I will forfeit any remaining balance left in my reimbursement account(s) unless BASIC pacific “receives” my claim for qualified expenses by the last day of my “run-out period”.
- If I terminate employment, or otherwise lose my eligibility to participate in the reimbursement accounts during the plan year, I may be required to submit claims for reimbursement shortly after losing my eligibility (refer to your SPD for the filing deadline if you terminate participation during the plan year). If I do not submit my claim for reimbursement by the deadline, I understand and agree that I will forfeit any remaining balance left in my reimbursement account(s).
- I may only receive reimbursements for qualified expenses incurred (date services are performed) during the plan year.
- I may be reimbursed for expenses incurred by myself, my spouse, my dependent children, and any other individual who qualifies as my federal tax dependent.
- I may not be reimbursed for expenses incurred by my domestic partner and/or their dependent children, unless my domestic partner and/or their children also qualify as my federal tax dependent(s).
- I may never seek reimbursement before an expense is “incurred” (performed).
- By participating in my flexible benefit (cafeteria) plan, I may reduce my Social Security tax contribution, and therefore, could potentially reduce my future social security benefits.
- My employer may modify or revoke my elections at any time if required to maintain the Plan in compliance with all applicable provisions of the Internal Revenue Code (IRC).
- This agreement is subject to the terms and conditions of the Plan and revokes any prior agreement I may have completed.
- I must make a new election each year (insurance premiums excepted). My FSA elections will not automatically roll-over.
- I am responsible to determine if the tax benefits provided by the Dependent Care FSA are superior to the federal tax credit.
- I am responsible to reimburse my employer for any benefits received, taxes, penalties or interest that may be imposed if I knowingly violate the terms of the Plan.
- I have received a Summary Plan Description (SPD) for the Flexible Benefit Plan.

### **Additional Debit Card Terms & Conditions**

- I will only use my Debit Card for eligible expenses [including medical expenses as defined in Code § 213(d)]. In addition, certify that any expenses paid for with my Debit Card have not been reimbursed by any other source. In addition, I certify that I will not seek reimbursement for the same expense under any other plan.
- I will repay any Debit Card payment that has been declined by the Plan in a timely manner.
- I am fully responsible for the Debit Card activity of my spouse or other federal dependent for whom I have authorized to receive an additional Debit Card.