

## Flexible Benefit Plan Pre-Tax Elections FY25

Plan Year: July 1, 2024 – June 30, 2025

1. Health Care Spending Account (HCSA). Eligible health expenses include medical, dental, vision and hearing expenses incurred by me or my dependents during the Plan Year for “the diagnosis, cure, mitigation, treatment or prevention of disease, or for the purpose of affecting any structure or function of the body.” See IRS Publications 969 and 502 for more information.

2. Dependent Care Assistance Program (DCAP). Eligible dependent care expenses must be work-related and incurred to allow me and, if applicable, my spouse to be gainfully employed. Qualifying dependents include children under age 13 or older dependents who are not capable of self-care. Please remember that the IRS will require you to disclose the Tax ID or Social Security Number of your day care provider(s) when you file your income taxes. See IRS Publication 503 for more information.

Terms and Conditions:

I UNDERSTAND THAT:

- By participating in the Flexible Benefit Plan, my employer will deduct from my payment: \$1.00 per month from the first monthly paycheck, and my pre-tax election amount from every paycheck, equally divided by the number of pay periods in the plan year, or number of payrolls left in the plan year if enrolling mid-plan year.
- I understand that the IRS defines eligible expenses and I am responsible for ensuring that my expenses are reimbursable.
- I am responsible for knowing and abiding by the Plan rules, as outlined in the Plan Handbook, available [www.massfsatasc.com](http://www.massfsatasc.com).
- I cannot change my election during the plan year unless I have a qualifying change in status as described in the Plan Handbook.
- I am responsible for deciding how much to elect under the Plan(s) and for meeting all Plan deadlines. Expenses paid under the HCSA or DCAP cannot be reimbursed from any other source.
- Expenses must be incurred during the Plan Year or the Grace Period. The Grace Period is a 2-1/2 month period following the end of the Plan Year during which I may continue to incur expenses for the prior plan year. The benefit plan year begins July 1 of each year. The Grace Period ends September 15 of each year.
- The IRS imposes a strict “use-it-or-lose-it” rule, which means money left in a pre-tax account at the plan year runout end is forfeited.
- I am responsible for ensuring that my claims are properly submitted to and received by TASC on or before all applicable deadlines. All claims must be received by TASC by the claim Filing Deadlines, which is October 15.
- Qualifying expenses are those incurred by me or by my qualified legal dependents.

- I can only use my Health Care Spending Account (TASC) debit card for qualifying health care and dependent care expenses as defined by IRS guidelines. The IRS requires me to keep documentation of all my card transaction expenses and submit documentation to the administrator, upon request. If I do not provide the requested documentation, IRS regulations require that the card be deactivated
- Reimbursements will be placed in MyCash on my TASC card. I understand that there is a minimum of \$25.00 balance for reimbursements by Direct Deposit or per mailed check.

## Important Information Regarding Enrollment and Changes

### ADMINISTRATIVE FEE

Participants pay a \$1.00 monthly administrative fee, regardless of whether they enroll in one or both accounts.

### ELIGIBILITY AND ANNUAL MAXIMUM AND MINIMUM FOR HCSA AND DCAP

HCSA: Active state employees who are GIC benefits eligible may participate in the HCSA program. Enrollment in one of the GIC's benefit plans is not required. Employees must work at least 18.75 hours in a 37.5 hour workweek or 20 hours per 40-hour workweek. To maintain eligibility, you must continually meet the hourly minimums. You may claim health care expenses under the HCSA plan for you, your spouse, and/or your eligible tax dependents for claims incurred after your plan participation effective date. Employees hired during the plan year eligible on the first day of the month following 30 calendar days from the first date of employment. You must submit your online enrollment within 21 calendar days from your date of hire. Minimum \$250; Maximum \$3,200 for FY25.

DCAP: Active state employees who are GIC health care benefits eligible and have eligible dependent care expenses, for a dependent child under the age of 13 and/or a disabled adult dependent, that are necessary for the employee (and spouse, if married) to be able to work may enroll in the DCAP program. Employees must work at least 18.75 hours in a 37.5 hour workweek or 20 hours per 40 hour workweek. To maintain eligibility, you must continually meet the hourly minimums. Employees hired during the Plan Year are eligible for DCAP on the first day of employment. Enrollment forms must be submitted to your Payroll Coordinator within 21 days from your date of hire. Minimum \$250; Maximum \$5,000 at the beginning of plan year, \$192.30 per biweekly pay period (\$2,500 if married filing separately).

### CHANGE IN STATUS

Elections may be changed if you experience a qualifying "change in status" and changes must be consistent with your qualifying event. The following life events may provide a change in status, per Internal Revenue Service rules. Changes in:

- Legal marital status
- Number of dependents
- Employment status that changes your program eligibility

- Work schedule that changes your program eligibility
- Dependent satisfies or ceases to satisfy eligibility requirements
- Certain judgments, decrees, or orders pertaining to child or spouse

To terminate your elections under a valid status change, enter a zero dollar amount in the HCSA/DCAP section(s) of the enrollment form. Payroll Coordinators must obtain the appropriate supporting documentation of your status change (e.g. a copy of a marriage or birth certificate). See the Participant Handbook for additional information, including Leaves of Absence and Leaving State Service. Change requests must be submitted online within 60 days of the qualifying event.

#### ELECTRONIC SIGNATURE AND COORDINATOR NOTIFICATIONS

By checking the box, you are agreeing to these Terms & Conditions. Your agency benefits coordinator will receive your enrollment information through TASC's secure employer portal.

#### ELIGIBLE EXPENSES UNDER A DEPENDENT CARE ASSISTANCE PLAN (DCAP)

To qualify for DCAP reimbursement, your expenses must be work-related (as defined by the IRS)\*. Work-related expenses enable you or your spouse to work or to look for work and are expenses for the protection and well-being of the dependent. Dependents must be under the age of 13 or, if older, not capable of self-care. Examples of eligible expenses might be:

- Child Care centers, caring for six or more children and meet the IRS' definition of a qualified day care center
- Caregivers for a disabled spouse or dependent who lives with the participant and is not capable of self-care
- Babysitters for work-related expenses
- Before school or after school care
- Day Camp (not overnight camps)
- Household expenses, if a portion of such expenses are to ensure a qualifying dependent's well-being and protection
- If you are divorced, only expenses incurred by the custodial parent may be considered

#### EXAMPLES OF INELIGIBLE EXPENSES UNDER A DCAP

- Expenses for services not yet provided, even if you must pay in advance
- Babysitting for social events, or services that are not "work-related" as defined by the IRS
- Education or tuition expenses (kindergarten or higher)
- Overnight camp
- Expenses incurred while you are not working or looking for work

\*See IRS Publication 503 for guidance on what expenses qualify or consult a tax professional.

The IRS has rules regarding expenses paid to relatives and IRS Publication 503 provides some guidance on whether or not those expenses would qualify for DCAP reimbursement. You are responsible for ensuring your anticipated expenses are eligible for reimbursement prior to enrolling in this plan.

#### ELIGIBLE EXPENSES UNDER A HEALTH CARE SPENDING ACCOUNT (HCSA)

Eligible expenses are those that are medically necessary (as defined by the IRS)\*\*, prescribed by a licensed practitioner, and are not reimbursed for another source. Examples of eligible expenses might be:

- Copays
- Deductibles
- Coinsurance
- Prescription vision expenses not covered by insurance
- Dental care not covered by insurance

#### EXAMPLES OF INELIGIBLE EXPENSES UNDER A HCSA

- Expenses for services not yet provided, even if you must pay in advance
- Expenses paid under any other source (such as another insurance plan)
- Cosmetic treatments, medications, or surgery (such as teeth whitening, facelifts, hair transplants, etc.)
- Expenses for general health and well-being (such as fitness programs, exercise equipment, health club memberships, etc.)
- Insurance premiums
- Expenses that are not properly substantiated

**\*\*IMPORTANT:** See IRS Publications 969 and 502 for guidance on what expenses qualify or consult with a tax professional. Eligible expenses are discussed in the Participant Handbook available on the GIC's website, [www.mass.gov/gic/fsa](http://www.mass.gov/gic/fsa). Additional information is also located at [www.massfsatasc.com](http://www.massfsatasc.com). You are responsible for ensuring that your expenses are eligible.

THIS IS NOT TAX OR LEGAL ADVICE.

IF YOU HAVE QUESTIONS, CONSULT THE IRS OR A TAX PROFESSIONAL.