To participate in the 2018 Medical Expense Flexible Spending Account (FSA), Limited Use Flexible Spending Account (LUFSA), and Dependent Care Assistance Program (DCAP), you MUST enroll ONLINE using the BASIC pacific website by 10:00 p.m. (PST), Monday, November 27, 2017. Assistance from BASIC pacific and Employee Benefits will only be available on November 27th until 4:30 p.m. and 5:00 p.m., respectively.

**Annual enrollment is required to continue participating in these plans.**

1. **OPEN ENROLLMENT**

Open enrollment for the Medical Expense Flexible Spending Account (FSA), Limited Use Flexible Spending Account (LUFSA), and Dependent Care Assistance Program (DCAP) will begin on **Monday, October 23 and end Monday, November 27, 2017 at 10:00 p.m.** (with assistance available from BASIC pacific until 4:30 and the Employee Benefits Department until 5:00 p.m.) During Open Enrollment, you may elect to participate in one of the FSA accounts, the DCAP, or both an FSA and DCAP account.

**PLEASE NOTE:** This Open Enrollment is only for the flex plans. You cannot change your medical, dental or vision insurance at this time. If you experience a mid-year qualifying event, such as marriage/domestic partnership, birth or adoption, etc., you may modify your election if original forms are received in the Employee Benefits Department within 31 days of the qualifying event. (Outside of a mid-year qualifying event, your next opportunity to change your medical, dental or vision election will be during Open Enrollment in the spring 2018 with a July 1st effective date. You will receive a notice in the spring about that Open Enrollment period and process.)
Open Enrollment provides you the opportunity to newly participate or continue participating in an FSA or DCAP account for the upcoming 2018 plan year. When you elect to participate, you must decide the dollar amount you wish to defer from your pay. You must re-elect this benefit each year. Your election for a flex plan does not automatically continue into the new year. **If you do not want to participate in 2018, do not complete the online enrollment process during this Open Enrollment period.** Elections will take effect January 1, 2018, and your first deduction will occur on your pay warrant dated January 2, 2018.

**You must enroll online with BASIC pacific no later than 10:00 p.m. on Monday, November 27, 2017** to participate in the 2018 plan year.

To enroll, go to BASIC pacific’s website at [https://www.basicpacific.com/](https://www.basicpacific.com/), choose the Employee Account Login link for “Reimbursement Accounts,” type in your User Name and Password (see below), and click on the Login button.

**User name:** Your Los Rios ID number without the “W”

**Password:**

New participants: PASSWORD (case sensitive)

Do NOT click the “New User” link. All eligible employees should be in the BASIC pacific database.

Returning participants: Use the password you established, or if you don’t remember your password, reset it using the “I forgot my password” link.

Detailed enrollment instructions are available at the following webpage: [http://www.losrios.edu/business/recent_comm.php](http://www.losrios.edu/business/recent_comm.php)

2. **ON-CAMPUS HEALTH FAIRS & INFORMATIONAL SESSION (w/LIVE STREAMING)**

All faculty and staff are welcome and encouraged to attend any of the Health Fairs. Please join us to learn more about FSA, LUFSA and DCAP accounts.

<table>
<thead>
<tr>
<th>Location</th>
<th>Date</th>
<th>Time</th>
<th>Room</th>
</tr>
</thead>
<tbody>
<tr>
<td>DO</td>
<td>Monday, October 23rd</td>
<td>8:30 – 10:30 a.m.</td>
<td>Courtyard /Board Room</td>
</tr>
<tr>
<td>CRC</td>
<td>Monday, October 23rd</td>
<td>1:30 – 3:30 p.m.</td>
<td>WIN-150</td>
</tr>
<tr>
<td>ARC</td>
<td>Tuesday, October 24th</td>
<td>8:30 – 10:30 a.m.</td>
<td>Student Ctr Rm 1-2</td>
</tr>
<tr>
<td>SCC</td>
<td>Tuesday, October 24th</td>
<td>1:30 – 3:30 p.m.</td>
<td>LRC-105</td>
</tr>
<tr>
<td>FLC</td>
<td>Wednesday, October 25th</td>
<td>1:30 – 3:30 p.m.</td>
<td>FL1-20 (Health Fair)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2:00 – 3:00 p.m.</td>
<td>FSA presentation FL1-109 w/live streaming*</td>
</tr>
</tbody>
</table>
3. **WHAT IS AN FSA, LUFSA & DCAP ACCOUNT?**

A Medical Expense Flexible Spending (FSA) account allows you to use pre-tax dollars to pay medical expenses that aren’t covered by your health, dental or vision insurance, including orthodontia, prescriptions and office visit co-pays, dental expenses, prescription eyeglasses (including prescription sunglasses), and over-the-counter medical supplies, such as bandages and first-aid kits. (Over-the-counter medicines are ineligible unless you have a prescription.)

You can elect up to $2,600 per year to an FSA account and your **full annual election is available to you January 1st**, even though you haven’t yet fully-funded the account.

You do **not have to be covered by Los Rios health, dental or vision insurance** to participate in our FSA.

Here is some additional information:

- You can use the FSA for expenses related to eligible family members (spouse and children) even if they aren’t on your health insurance.
  - Generally, expenses incurred by a domestic partner do not qualify unless the domestic partner is your Federal tax dependent.
- Expenses reimbursed through the account must meet the IRS guidelines outlining what is an eligible expense.
- Two debit cards are provided to you at no extra cost for easy access to FSA or LUFSA funds.
  - **Do not throw away your debit cards** even if you exhaust your account. The cards are valid for up to 3 years and will be used again if you re-enroll. If you need to replace your cards for any reason, you will be charged a fee.
- If you or your spouse contributes to a Health Savings Account (HSA), you may not participate in the FSA, but you can participate in the Limited Use FSA for dental and vision expenses. (Participation in a full FSA will make you ineligible to fund your HSA.)

A Limited Use FSA (LUFSA) account is just like an FSA account in annual limit, debit cards, etc. except it is limited to dental and vision expenses (medical expenses are NOT allowed) and is designed for those who are either enrolled in, or are thinking of enrolling in, a Health Savings Account (HSA) with a high deductible health plan like our Western Health Advantage 1800 HSA HMO. Please note that you cannot enroll in the FSA and LUFSA in the same plan year.

A Dependent Care Assistance Program (DCAP) account allows the use of pre-tax dollars for daycare expenses for qualified children or adult tax dependents, as long as the care is custodial in nature and enables you and your spouse to work, look for work, or attend school.

You can elect up to $5,000 per year toward your DCAP, per individual taxpayer or married couple filing a joint tax return, and funds are available on a monthly basis as your contributions are deposited into your account. (The maximum amount permitted could be
reduced for various reasons, including your spouse’s income. Please see the plan documents for details.)

You can use the DCAP program instead of taking the Child and Dependent Care Credit on your tax return; however, Earned Income Credit may be affected. You will want to compare the two options and consult a tax advisor before deciding which is most advantageous. More information on the IRS Child and Dependent Care Credit is available at: https://www.irs.gov/Credits-&-Deductions/Individuals/Child-and-Dependent-Care-Credit, or https://www.irs.gov/Individuals/Child-and-Dependent-Care-Information

DCAP accounts are for daycare expenses, NOT for medical, dental or vision expenses for dependents. Medical, dental and vision expenses, whether for yourself or your dependents, would fall under an FSA account.

4. IMPORTANT POINTS TO CONSIDER

Use It or Lose It Rule:
Medical Expense Flexible Spending, Limited Use Flexible Spending and Dependent Care Assistance Program accounts include a “use it or lose it” provision. Funds in the account at the end of the plan year can only be carried over to the next year during the grace period (see below), and funds not spent by the end of the grace period are forfeited. It is very important to accurately estimate your qualified expenses.

Changes Outside of Open Enrollment:
Elections for these plans are irrevocable for the entire plan year, unless a qualifying event occurs. Qualifying mid-year events include, but are not limited to, birth of a child, marriage, divorce, and changes to childcare needs and/or cost; however, the change must be consistent with the type of event and allowed by IRS rules. Employee Benefits and BASIC pacific can help you determine if your situation qualifies you for a mid-year change. Original paperwork to make a mid-year change must be received in the Employee Benefits Department within 31 days of the qualifying event or you will not be allowed to make the change.

Grace Period:
There is a 2½-month grace period for you to spend your money. This will help counter the “use it or lose it” provision by giving you until March 15th of the next calendar year to incur expenses for the prior year’s FSA, LUFSA or DCAP account.

Here’s how it works:
• If you still have funds remaining in your account after December 31st, you will have until March 15, 2019 to incur expenses.
• You have until March 31, 2019 to file the claim for the 2018 year. Claims must be received by BASIC pacific by March 31, 2019 or remaining funds will be forfeited.
• If you sign up for the same account again for 2019 and still have money from your 2018 account, claims processed (including debit card charges) after January 1st will automatically be applied to your prior-year funds first.

Account Funding:
The FSA and DCAP accounts are funded through voluntary salary deferral which is taken in equal installments from each pay warrant in the plan year, beginning with your January 2nd pay warrant, before your income taxes are calculated, thus reducing your taxable income.
FSA and LUFSA accounts are pre-funded by Los Rios and your full annual election is available to you January 1st, even though you haven’t yet fully funded the account. DCAP funds are available on a monthly basis as your contributions are deposited into your account.

Save Your Receipts:

**Keep all receipts related to debit card and reimbursed expenses.** Debit card purchases are paid right away, but BASIC pacific may require receipts to substantiate a claim. All reimbursement requests paid via direct deposit or check require copies of receipts be submitted to BASIC pacific before reimbursements will be processed. Consider these receipts tax documents and retain them.

The **date of service**, not when a bill is paid, is used to help determine if an expense qualifies. The expense must fall between January 1, 2018 and March 15, 2019 to qualify. Be sure to schedule major dental work, orthodontia and other items accordingly.

5. **THIRD PARTY ADMINISTRATOR & CLAIMS PROCESSING**

BASIC pacific is the Third Party Administrator (TPA) for the Los Rios Cafeteria Plan. You can use the BASIC pacific “Benny” card for direct access to FSA (and LUFSA) funds for point-of-sale purchases or doctor’s office co-pays, or you can submit requests for reimbursement through BASIC pacific’s online portal, the same portal you use to enroll. You can see your account balance, set up direct deposit, file a claim, determine if something qualifies for reimbursement, and more.

BASIC pacific
(800) 574-5448, Mon - Fri 8:30 a.m. to 4:30 p.m.
customerservice@basicpacific.com
http://www.basicpacific.com/

6. **QUESTIONS & RESOURCES**

If you have any questions, please call the Employee Benefits Department at (916) 568-3070 or send an email to benefits@losrios.edu. You may also contact BASIC pacific directly at (800) 574-5448 or customerservice@basicpacific.com.

If there is any discrepancy between the information provided in this memo and the plan documents, the plan documents prevail. For more detailed information including the FSA Plan Summary and detailed online enrollment instructions, please visit:


**Again, you must enroll online using the BASIC pacific website by 10:00 p.m. (PST) Monday, November 27, 2017 to contribute to the 2018 flexible spending accounts.**

*Please Note: Although the system is available until 10:00 p.m., BASIC pacific’s customer service department is open only until 4:30 p.m. We recommend you enroll early enough so you can get assistance should you encounter a problem while enrolling.*