

Instructions for the “2010 SALARY REDIRECTION AGREEMENT”

Everyone who elects to participate in 2010 MUST complete a new enrollment form, even if they have been in the Conference plans previously!

The salary redirection form combines enrollment in the IGRC Salary-Reduction plans on a single form. Both Clergy and Lay employees will use this form for:

- 1) Participant's contribution for the Conference Group Health Insurance for self or self & spouse. (applies to full-time employees only)
- 2) Health Care Flexible Spending Account for unreimbursed medical expenses
- 3) Dependent Care Flexible Spending Account for child or dependent adult day care expenses

INSTRUCTIONS

Section A: Please complete all boxes.

Section B:

1. Health Insurance Contribution: Indicate health insurance contribution(s). If you are changing your spouse contribution, you MUST contact Robin Coats Gauss at the Conference Benefits office at rcoatsgauss@igrc.org or 217-529-2308.

2. Flexible Spending Accounts “Flex Plans”

Health Care Flex Account

What is it? This is a tax-savings plan option offered by the annual conference. Participants set aside part of their salary to pay for medical expenses that are not covered by insurance. You do not pay federal income tax, self-employment tax, and state income tax on the amounts withheld from salary for this plan.

Dependent Care Flex Account

What is it? This is a tax-savings plan option offered by the annual conference. Participants set aside part of their salary to pay for dependent daycare expenses. You do not pay federal income tax, self-employment tax, and state income tax on the amounts withheld from salary for this plan.

- **How do the Flex Accounts work?** The participant designates an annual election amount on the form (Section B, #2) for the Health Care Spending Account, the Dependent Care Account or both. (Please see form for plan limits.) Each pay period a portion of your election amount is withheld from your salary. Once a month, these funds will be sent to the conference office and deposited into your flexible spending account(s). When a participant has an unreimbursed medical expense or a daycare expense, he/she can file a claim for reimbursement. (Claim forms can be downloaded from our website.)
- **Please note:** participants in the Health Care Flexible Spending Account will be issued debit cards that can be used for unreimbursed medical expenses at any provider who takes credit cards (i.e., pharmacies, medical offices and hospitals). No claim forms will be necessary when using the debit card. The amount you charge to your debit card is instantly deducted from your flex account. In certain instances, Right Choice may request documents and/or receipts for substantiation of debit card charges.
- **How does the participant benefit from this plan?** The participant benefits by using “before-tax” money to pay for unreimbursed expenses rather than “after-tax” money. By only excluding \$1000 in a Flexible Spending Account plan, a participant could save \$463 in taxes.

- **What kinds of expenses are eligible for reimbursement?** Health insurance deductibles and co-pays, eyeglasses, dental expenses, prescription co-pays, certain over-the-counter medications, daycare expenses for dependent children under 13 years old, disabled children or elderly adults in your care.
- **Is this a “use it or lose it” plan?** Yes. By law, the plan cannot reimburse unused funds to individual participants. The participant has until April 15, 2011 to claim expenses which have been incurred from January 1, 2010 – March 15, 2011. On April 15, 2011, all account balances will be cleared for year 2010.
- **What happens to the unused funds?** They will be transferred into the conference health insurance account to help pay for health insurance claims.
- **Why is the Conference offering this plan?** Cafeteria Plans have strict IRS reporting requirements. The conference will file the appropriate documents for participants in the plan. By offering a conference-wide plan, all pastors and lay employees have the opportunity to participate.
- **Is there a charge for this plan?** Yes. There is a \$4 per month administrative fee per participant for the Unreimbursed Medical (URM) plan and the Dependent Daycare (DDC) plan. The fee will be \$48 whether the participant uses URM, DDC, or both. The Conference Benefits Office will bill the participant separately for this fee in March. The fee is **not** paid out of salary-withholding.

PLEASE REMEMBER...

- ✓ Completed form must be signed and dated!
- ✓ Enrollment forms must be received in the conference office by the deadline date of **December 1, 2009**.
Mail completed forms to:

*United Methodist Center
Attn: Teri Casson
PO Box 19207
Springfield IL 62794-9207*

OR

fax to Teri Casson's attention at 217-529-4107

- ✓ Questions? Call Rick VanGiesen or Teri Casson at 217-529-2040.