



Individual Insurance Premium Flex Spending Account

The Individual Insurance Premium (IndPrem) benefit is designed to help employees save money on the costs of their individual (non-group) health insurance premiums. By participating in this benefit for your insurance premiums, you could save 20% to 40% or more of your premium costs.

If you pay \$400 a month for your individual insurance premiums, this benefit could save you \$900 to \$1900 a year.

How does this Plan work? When you elect to participate in this benefit, you authorize your employer to redirect part of your income to pay for your individual health insurance premium costs. These amounts are taken off of the top of your pay pre-tax and held by your employer until you are reimbursed for your expenses.

When do I enroll in this Plan? If you are newly eligible, you must enroll within 30 days. Otherwise, you can only enroll during the annual open enrollment period.

What premiums are eligible? Eligible premiums are individual health-related coverage, such as an individual Kaiser membership or Anthem/Blue Shield policy for yourself and your eligible dependents. You can also include the cost of COBRA premiums that you pay directly but not if they are deducted from a paycheck. The premium coverage period must be during the plan year, while you were an active participant. While the premiums must be paid before they can be reimbursed, the payment date does not establish the eligibility date. For example, if your Flex Plan Year is calendar and your premium bill is for coverage from December and January, the premiums you paid for December would be eligible in one Plan Year and the premiums paid for January would be eligible in the next year.

What premiums are not eligible? Life, accidental death, disability, automobile and long-term care insurance premiums are not eligible. In addition, any premiums you pay for a group or employer-sponsored health insurance plan are not eligible, except COBRA premiums you pay directly (not deducted out of a paycheck).

How do I get reimbursed for my premiums? You send a claim form, signed and dated, with a copy of the premium bill and proof of payment. Proof of payment would be a copy of your canceled check, a cashier's check or money order, a premium statement that shows your payment history or a copy of the bank statement showing a withdrawal by the insurance company for your premium costs.

Can I change or stop during the year? The IRS requires that your elections be enforced for the plan year. You cannot stop contributing during the plan year except in cases of a "Change In Status." A Change In Status is defined by the IRS as events such as marriage, divorce, death, birth, adoption, change in employment status, or a significant change in coverage due to spouse's employment. Your election change must directly relate to the Change in Status. To change your election, you must request the change within *30* days of the date the Change in Status event.

Are there any other requirements? Your expenses must be for coverage in the Plan Year while you are or were an eligible, active participant in this benefit. Prepayments are not eligible and expenses that were incurred (services received) prior to the effective date of your participation or those premiums for coverage after you terminate participation are not eligible. If you do not use your contributions to pay for eligible premium expenses, funds left in your account will be forfeited after the claims filing deadline. Thus, it is important that you carefully estimate election.

Where can I get more information? The Individual Premium Reimbursement benefit is designed to allow you to redirect part of your pay pre-tax to reimburse your insurance premiums pre-tax. While the Flex Plan is sponsored by your Employer, the insurance policies for which you are reimbursed under this benefit are not group health plan(s) sponsored by your Employer. You are responsible for choosing your individual health insurance plan(s) and paying your premiums. For information about your insurance benefits, please contact your insurance company. For information about this Plan, please refer to the Summary Plan Description (SPD) available from your Employer. This brochure is a brief introduction and is not intended as tax advice or consultation. We recommend you consult your tax advisor regarding your personal tax situation.