

## Flexible Compensation Enrollment Form 2010

Every line must be completed. Please enter zero (0) on the lines where no amount is being deducted. Make sure to sign and date the enrollment form. Return the completed and signed form to the Office of Human Resources by **DECEMBER 18, 2009**. For enrollment assistance call Sandy Schaefer at 254-3138 or Kim Koper at 254-3055.

Client Name: **ROGER WILLIAMS UNIVERSITY**

### Employee (Participant) Information

University Hourly \_\_\_\_\_ Salary \_\_\_\_\_ School of Law Hourly \_\_\_\_\_ Salary \_\_\_\_\_

Social Security Number \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Full Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

### Benefit Maximum Allowed Annual Election Benefit Amount

Medical Expenses \$2,500 \$ \_\_\_\_\_ Annual/\$ \_\_\_\_\_ per pay period

Dependent Day Care \$5,000 \$ \_\_\_\_\_ Annual/\$ \_\_\_\_\_ per pay period

Transportation Expenses \$2,500 \$ \_\_\_\_\_ Annual/\$ \_\_\_\_\_ per pay period

AUTHORIZATION: I certify the above information to be true to the best of my knowledge and that the children for whom I will be claiming dependent or child care expenses either reside with me in a parent-child relationship or are legally dependent on me for their support. I agree to have my compensation reduced by the deduction amount(s) stated above and the fee associated with plan participation. I understand that any amounts remaining in my account(s) not used for qualified expenses incurred during the plan year will be forfeited in accordance with current plan provisions and tax laws. I further understand that the Flexible Compensation deduction(s) will be in effect for the entire plan year and cannot be revoked unless I experience a change in my family status or employment. I understand that my share of eligible group premium(s) automatically will be deducted before taxes. I also understand, that if I do not wish to take advantage of having my eligible insurance contributions deducted pre-tax and prefer to be taxed on these dollars, I will contact my payroll department.

Authorized Signature \_\_\_\_\_

Date: MM/DD/YYYY \_\_\_\_/\_\_\_\_/\_\_\_\_ Check here if NOT 12 Month Employee \_\_\_\_\_

**Completed forms are due in the Office of Human Resources on  
December 18, 2009**

### Enrollment Form Instructions

**Medical Expenses:** This amount is usually paid toward deductible and co-insurance portions of health insurance, dental expenses, orthodontic expenses, eye care and other miscellaneous health care expenses per year. After determining the payroll amount, multiply that number by the number of payrolls to determine your annual election, rounding any odd cents.

**Dependent Day Care:** Amount paid for day care expenses per year. The maximum allowable amount under IRS regulations is \$5,000 per calendar year per family. This limit is regardless of the number of dependents you may have.

**Transportation Expenses:** Amount paid for costs associated with a commuter highway vehicle to travel to and from work per year. Includes costs associated with transit passes, as well as qualified parking. Federal limits apply. Contact your employer or FlexSystem for details.

The information contained in this communication is confidential and is to be used by TASC employees and representatives for its intended purpose only.

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## Frequently Asked Questions by Employees

Pre-Tax Example		
	Current	Proposed
Gross Pay	\$738/mo	\$738/mo
<b>Pre-Tax Benefits</b>		
-Medical/Dental Premiums	0	29.00
-Medical Expenses	0	50.00
-Dependent Care Expenses	0	50.00
<b>TOTAL</b>	<u>0</u>	<u>129.00</u>
Wages subject to tax	738.00	609.00
Federal Tax	55.08	35.73
FICA Tax (Social Security)	55.43	45.54
State Tax	34.48	25.58
Out-of-Pocket expenses	<u>129.00</u>	<u>0</u>
Spendable Income	464.01	502.15

**Net Increase in Take-Home Pay = \$38.14/mo**

\*\*This is just an illustration and actual numbers may vary. Paying certain qualified expenses before tax increases your take-home pay.

### 1. What does FlexSystem offer?

FlexSystem offers you a choice to pay for certain qualified benefits on a pre-tax basis. Paying for certain benefits with pre-tax dollars reduces the amount you pay in taxes and increases your take-home pay. Every dollar paid on a pre-tax basis results in a savings to you. (See example in box.)

### 2. Any cost to me?

No. Roger Williams University pays all fees associated with plan administration and debit cards.

### 3. Do I need to change insurance providers to participate?

Because FlexSystem is not tied to an insurance plan or company, there is no need to change insurance providers.

### 4. What are qualified medical expenses?

These are expenses such as dental care, prescriptions, eyeglasses and out-of-pocket medical expenses that may not be covered by insurance premiums. Here are some examples of eligible expenses.\*

Alcoholism, treatment of  
Ambulance hire  
Birth control pills  
Braces  
Chiropractors  
Co-insurance  
Contact lenses and cleaning solution  
Deductibles  
Dental fees, unless cosmetic

Eyeglasses, including exam fee  
Hearing devices and batteries  
Insulin  
Laboratory fees  
Needed medical supplies, prescribed by Doctor  
Nurses' fees  
Orthodontia

Orthopedic shoes  
Prescribed medicines  
Psychiatric care  
Routine physicals and other nondiagnostic services and treatments  
Surgical fees  
Transportation expenses primarily for rendition of medical services  
X-rays

### 5. How does the Dependent Care Account compare with the tax credit available on the individual Form 1040?

Because the circumstances that determine which option offers greater savings vary from family to family, the decision to choose the tax credit or the dependent care deduction can only be made on a case by case basis. Participation in FlexSystem results in an immediate saving on Federal, State and Social Security tax, whereas the Federal credit will only affect Federal Income tax and will be taken at year-end.

### 6. How does a Cafeteria Plan affect Social Security benefits?

Reduction of your Social Security benefits will be minimal and is offset by the tax savings and lower health care costs available under FlexSystem. To compensate for this minimal reduction you may consider increasing your retirement plan funding.

### 7. Under what circumstances can the annual election be changed?

The elections can be changed only if there is a change in family or employment status. See the "Operations Summary" for more detail.

### 8. What is the "Use-It-or-Lose-It" rule?

This rule is the same as paying an insurance premium. If you do not use the health care, the premium is not returned. Precautionary steps are taken to avoid having money left in the Flexible Spending Accounts at year-end. The key is to be conservative when making elections. See the "Operations Summary" for more details.

### 9. Who determines the rules and regulations of FlexSystem?

Flexible spending accounts are regulated by the IRS. Our documentation guidelines are intended as a means to ensure eligibility of your claims for reimbursement. It is the participant's responsibility to comply with these guidelines and to avoid duplication of claims or submission of ineligible charges. Failure to adhere to the above requirements could lead to payment delays or denial of expenses.

\*This list is for reference only. It is not a complete list of deductible items. The Internal Revenue Service makes determinations of approved expenses on a yearly basis.  
FX-2008-032801