

Procedure 501-6 – Flexible Spending Accounts (Medical Reimbursement and Dependent Care)

Employees classified as full-time regular or as part-time partial-plus and elected County officials are eligible to participate in the medical reimbursement or limited medical reimbursement accounts and the dependent care flexible spending account. These flexible spending accounts make it possible to set aside money pre-tax to assist with qualifying medical or dependent care expenses throughout the calendar year.

The amount allocated is deducted pre-tax from the participant's gross earnings. Participants are required to contribute a minimum of \$10 per pay period to each account in which they participate. The maximum contribution is established by the Internal Revenue Code and is subject to change on an annual basis.

Medical/Limited Medical Reimbursement Accounts

Employees/officials enrolled in a County PPO medical plan or who have waived medical coverage may enroll in the medical reimbursement account. Employees/officials enrolled in a high deductible health plan may enroll in the limited medical reimbursement account which reimburses eligible vision and dental expenses, but not other expenses.

Funds may be used to reimburse participants for covered health expenses incurred during the calendar year. Unused funds of up to \$500 (or other amount established by the Internal Revenue Code) may be used for medical expenses incurred in the subsequent calendar year. Unused funds over that amount are forfeited. Covered health expenses not claimed by May 31 following the close of the calendar year in which the expense was incurred will not be reimbursed.

Employees who separate from employment or transfer to an ineligible position may not continue to contribute to their medical reimbursement and limited medical reimbursement accounts but may continue to apply for reimbursement for expenses up to the amount previously contributed for a period of 60 days following the coverage termination date.

Dependent Care Accounts

Eligible employees and officials may contribute funds to a dependent care account to cover the cost of dependent care expenses for qualifying dependents while the employee/official is at work. Funds may be used to reimburse qualified dependent care expenses incurred during the calendar year and during the two months and fifteen days immediately following the close of the calendar year. Unused funds will be forfeited. Covered dependent care expenses not claimed by May 31 following the close of the calendar year in which the expense was incurred will not be reimbursed.

Employees who separate from employment or transfer to an ineligible position may not continue to contribute to their dependent care accounts but may continue to apply for reimbursement for expenses up to the amount previously contributed for 60 days following the coverage termination date.

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