The Cafeteria Plan Company

What is a Cafeteria Plan?

- A plan that lets employees put aside money each pay day to pay for healthcare costs and/or daycare cost.

- The money put into the account is not taxed. On average, you will save between 25-30% in taxes on the money put into the account. The savings includes Federal, State, Medicare, and Social Security.

The two accounts you can elect?

- Medical Flexible Spending Accounts (FSA)
- Dependent care assistance program (DCAP)
- Can be used by the employees for themselves and their dependents (spouse/children)
- You do NOT have to be in the group insurance plan to participate in the two accounts.

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Medical FSA account

Common eligible healthcare expenses include:

Doctor office co-pays
Eyeglasses, contacts
Prescriptions
Orthodontia
Dental work
Acupuncture
Allergy medicines
Pain reliever

Insulin/diabetic supplies
Band-Aids
Supports and braces
Hearing Aids
Chiropractic
Deductible and Co-insurance
Cold medicine,
Antacids

(vitamins and supplements require an Rx)

- **FSA Contribution Limits:** In 2022 - 2023, participants may choose to set aside up to **$2,850** in their FSA.

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- FSA- Overview

- **Filing a Claim -** You can file a claim online, or email or fax it to get reimbursed.
- **Grace Period** – Participants get a 2.5 month grace period after the end of the plan year to use any unspent funds from the last year that just ended
- **Uniform Coverage Rule** -People with an FSA can use the full amount of their annual contribution on the first day of the plan year.

Dependent Care Account

You can use your DCAP contributions to pay for care services while you or your spouse work, look for work, or go to school.

Covered

- **Before/after school programs**
- **Daycare**
- **Summer day camps**
- **Preschool**
- **Pre-kindergarten tuition**

Unacceptable

- **Sleepover camp**
- **Non-reported daycare**

DCAP Contribution Limits: In 2022-2023, participants may choose to set aside **$5000 yearly maximum, or $2500 maximum if married, filing separately**

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DCAP Overview

- **Qualified Dependents for DCAP Accounts -** Children aged 0 – 13 years and a Spouse/dependent who cannot physically or mentally care for him/herself.
- **DCAP -** You cannot pre spend the DCAP account; you can only be reimbursed what you have contributed..
- **Filing a Claim – Y**ou can file a claim online, email or fax to get reimbursed.
- **DCAP is a "use it or lose it" account**. Any unspent money at the end of the year is lost.

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Other Guidelines

- **You may change your election if you have an IRS-approved "Change in Status" (must notify HR within 30 days of the change) including-** Marital status update, Addition or loss of a dependent, Spouse loses coverage, Medicare or Medicaid eligibility, Dependent ages out of DCAP account.

- **Run out Period-** you will have 90 days at the end of the plan year to submit claims to close out the prior year

- **Termination –** you have 30 days to submit receipts you have incurred through your termination date; no use of funds after termination

- **Booklet** – Review our booklet

- **Log on to myrsc.com to view balances** – see handout for instructions

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Questions?

You may contact Us with any confidential information.

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Thank you!

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