



Superintendent's Circular

School Year 2011-2012

NUMBER:
HRS-PP16

DATE:
October 18, 2011

FLEXIBLE SPENDING ACCOUNT & PRE-TAX TRANSPORTATION PLAN OPEN ENROLLMENT

OCTOBER 18, 2011 – NOVEMBER 18, 2011

The Flexible Spending Account and the Pre-Tax Transportation plan are a tremendous opportunity for you to enhance your benefits package. The City of Boston knows that these are highly beneficial programs and wants you to have the opportunity to participate in an IRS Section 125/Flexible Spending Account and/or an IRS Section 132/Transportation Plan administered by Cafeteria Plan Advisors, Inc. (CPA) for the plan year January 1, 2012 through December 31, 2012.

Most employees pay for expenses such as dependent care expenses, out-of-pocket medical/dental expenses, parking fees, and mass transit expenses on an after tax-basis. These programs allow you to set aside a portion of your paycheck **tax free** to pay for those expenses. The result is a reduction in Federal, State and Social Security taxes, which will give you an increase in your take home pay. **Don't miss out on this opportunity to save between 28-34% in taxes.**

MEDICAL FLEXIBLE SPENDING ACCOUNT (FSA)

The Medical FSA allows you to set aside up to \$5,000 pre-tax from your paycheck to pay for expenses not covered by insurance. Some examples of these out-of-pocket expenses are:

Dental: Orthodontia/Crowns/Fillings/Dentures/Cleanings/X-rays

Co-pays: Doctor Visits/Prescriptions/Deductibles

Medical: Chiropractor/Psychologist Fees/Orthopedic Expenses/Hearing Aids

Vision Care: Contact Lenses/Contact Solution/Eyeglasses/Laser Eye Surgery/Eye Exam

PLEASE NOTE: DUE TO A CHANGE IN FEDERAL LAW, OVER-THE-COUNTER MEDICATIONS ARE NO LONGER ELIGIBLE FOR REIMBURSEMENT, UNLESS YOU HAVE A PRESCRIPTION FOR THE MEDICATION.

DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT (FSA)

The Dependent Care FSA is a great tax savings for people who have children in daycare or parents that require elder care. The IRS allows you to set aside up to \$5,000 pre-tax from your paycheck to pay for these expenses. In most instances, participation in the Dependent Care FSA results in a greater tax savings than the Dependent Care Tax Credit (we recommend you speak with your tax advisor to determine which would provide the greatest tax benefit for you). Some examples of eligible Dependent Care Expenses are: **Daycare, Pre-School, Before School Care, After School Care, and Summer Day Camp**

TRANSPORTATION BENEFIT PLAN (PLEASE NOTE NEW MONTHLY AMOUNTS FOR 2012)

The Transportation Benefit Plan allows you to set aside an amount pre-tax from your paycheck to pay for certain parking and transportation expenses subject to the following limits:

Parking Reimbursement Account – Allows you to pay for your daily or monthly parking expenses incurred for your parking at or near your work up to \$240.00 per month.

Mass Transit Reimbursement Account – Allows you to pay for your mass transit expenses related to your commute to work up to \$125.00 per month.

To learn more about these exciting benefits, please set aside 30 minutes of your time and attend a session with a representative from CPA at one of the informational meetings listed below. If you would like to hear more about this benefit today please call Cafeteria Plan Advisors, Inc. at [1-800-544-2340](tel:1-800-544-2340) or visit their website @ www.cpa125.com.

Employees Currently Participating in the Flexible Spending Accounts:

An enrollment form for the new plan year will be mailed to your home address. The enrollment form must be completed and sent back to Cafeteria Plan Advisors no later than **November 18, 2011**.

Participants enrolling for the first time in the Flexible Spending Accounts:

For your convenience, a representative from CPA will be available discuss the plan with you at one of the times listed below. You may enroll in one or more of the plans at these locations or just find out more about the plans:

October 18, 2011 (Tuesday)	City Hall (Piemonte Rm, 5th floor)	10:30 am - 11:00 am 11:15 am - 11:45 am 12:00 pm - 12:30 pm
October 18, 2011 (Tuesday)	Boston Teachers Union	2:30 pm - 4:00 pm
October 25, 2011 (Tuesday)	City Hall (Piemonte Rm, 5th floor)	10:30 am - 11:00 am 11:15 am - 11:45 am 12:00 pm - 12:30 pm
October 25, 2011 (Tuesday)	1010 Mass Ave (3rd floor cafeteria)	2:30 pm - 4:00 pm

If you cannot make it to one of the above locations, please follow the procedures below:

1. You can call CPA, Inc. @ 1-800-544-2340 by **November 18, 2011** for more information on the plans.
2. Download a form @ www.cpa125.com; print form dedicated to the City of Boston.
3. Mail or fax the form back to CPA, Inc. by the November 18, 2011 deadline.

FORMS RECEIVED AFTER NOVEMBER 18, 2011 WILL NOT BE INCLUDED IN THE PLAN.

PLEASE NOTE THE FOLLOWING IMPORTANT PLAN GUIDELINES:

- The fee for participating in the Flexible Spending Account and/or Transportation Plan is \$54.00 per year divided by your number of annual paychecks.
- You must be employed at least sixty days with the City to participate in the Medical Flexible Spending Account.
- Any funds set aside in the Flexible Spending Accounts must be used up by the end of the plan year. Employees should be conservative when determining their set aside amount. The amount you set aside can only be changed if you experience a qualifying event, such as a birth of a child, marriage, or death of a dependent or spouse.
- The funds set aside for the Transportation Plans may be carried over to the next plan year.
- Over-the-counter medications are **NOT** eligible for reimbursement.

For more information about this circular, contact:

Name:	Cafeteria Plan Advisors, Inc.
Mailing Address:	420 Washington Street Suite 100, Braintree, MA 02184
Phone:	1-800-544-2340
Fax:	1-781-848-8477
E-mail:	www.cpa125.com

Carol R. Johnson, Superintendent