

## PARMA CITY SCHOOL DISTRICT

### SECTION 125 PLAN RULES

PCSD currently offers three 125 plan benefit options:

1. FSA – Flexible Spending Account for medical reimbursements
2. DCA – Dependent Care Account for dependent care reimbursements
3. Insurance Premiums – medical, Rx, dental and vision premiums

All three of the elected options and/or premiums are deducted from your paycheck pre-tax. Because they are pre-tax deductions/premiums, they fall under the 125 Plan Rules. \*Please note that the deductions/premiums are not eligible to be claimed as itemized deductions on your tax returns since they are withheld pre-tax and not included in your gross wages on your W-2.

Generally, you cannot change the elections you have made after the beginning of the Plan Year (January 1<sup>st</sup>). However, there are certain limited situations when you can change your elections. You are permitted if you have a “change in status” (a qualifying event) and you make an election change that is consistent with the change in status. Attached is information concerning events that constitute a change in status (note that Election Period is referring to Open Enrollment). Please refer to your Summary Plan Description for further information (found on FRODO).

\*The following changes are examples of a change in your election: opting into the plan, adding a spouse and/or dependent, dropping a spouse and/or dependents, canceling the plan for yourself and/or spouse/dependents.

**Attention:** If you do have a change in status, all paperwork is due to the PCSD Benefits Department within 30 days of the qualifying event date.