

Section 125 Plan

The Internal Revenue Code allows you to pay certain eligible expenses with tax-free dollars. The Section 125 Plan will make it possible to pay these expenses in a way that will Reduce your taxes and Increase your take home pay. You can include eligible expenses incurred by you, your spouse or your “eligible/qualified dependents”.

The benefits offered under the Section 125 Plan are:

- Premium Conversion:** Participants are allowed to pay for qualified benefits using their own pre-tax dollars.
- Unreimbursed Medical Accounts:** Section 125 of the Internal Revenue Code permits employees to set aside pre-tax compensation to reimburse themselves for a variety of medical premium expenses not covered under any insurance program or other outside source.
- Dependent Care Reimbursement:** Permits an employee to reimburse themselves for certain dependent care expenses for their eligible dependents.

CAUTION: The IRS does not allow excess monies remaining in the medical or childcare Accounts to be returned to the employees. This is the “*USE IT OR LOSE IT*” rule. In addition, changes may be made to the Section 125 Plan during the enrollment period or within 30 days of a qualified change of family status.

For further information, contact Angela Wolfe, Duncan Schools Insurance Coordinator, at 255-0686.