

**INFORMATION ABOUT:
INSURANCE**

- **MEDICAL**
- **PRESCRIPTION**
- **DENTAL**

FLEXIBLE SPENDING ACCOUNTS

**FREDERICK COUNTY PUBLIC SCHOOLS
EMPLOYEE BENEFITS AND INSURANCE SUMMARY
1 JULY 2007 – 30 JUNE 2008**

PROJECTED PAYROLL DEDUCTIONS – EACH PAY PERIOD JULY 1, 2007 - JUNE 30, 2008*						
	HEALTH INSURANCE** UnitedHealthcare Medical, Spectera Vision, PharmaCare Prescription			DENTAL INSURANCE** Delta Dental		
	10-Month Employees	11-Month Employees	12-Month Employees	10-Month Employees	11-Month Employees	12-Month Employees
Employee Only	\$12.37	\$11.24	\$10.31	Paid 100% by FCPS	Paid 100% by FCPS	Paid 100% by FCPS
Employee + Dependents	\$145.85	\$132.59	\$121.55	\$42.04	\$38.21	\$35.03
Employees + Dependents (both parents employed by FCPS)	\$24.74	\$22.48	\$20.62	\$24.75	\$22.50	\$20.63

EMPLOYER'S CONTRIBUTION (HOW MUCH FCPS PAYS ON YOUR BEHALF)	
EMPLOYEE COVERAGE <ul style="list-style-type: none"> • Medical – \$494.75 per month (\$5,937.00 per year) • Dental – \$28.81 per month (\$345.72 per year) 	DEPENDENT COVERAGE <ul style="list-style-type: none"> • Medical – \$431.85 per month (\$5,182.20 per year)

BENEFITS HIGHLIGHTS

	IN NETWORK	OUT OF NETWORK
MEDICAL	CO-PAYMENTS:	CO-INSURANCE: 20% after deductible
	Primary Care Physician \$15.00	DEDUCTIBLE:
	Specialist \$25.00	\$200 per Covered Person
	Outpatient Diagnostic Services \$15.00	\$400 for all Covered Persons in a family
	Inpatient Hospital \$100.00	MAXIMUM OUT-OF-POCKET:
	Emergency Room (Non-Emergency) \$75.00	\$1,250 per Covered Person per policy year
DEDUCTIBLE: None	\$2,500 for all Covered Persons in a family	
MAXIMUM OUT-OF-POCKET: No Out-of-Pocket Maximum	Out-of-Pocket Maximum includes the Annual Deductible	

	RETAIL PHARMACY (30 DAY SUPPLY)	MAIL ORDER (90 DAY SUPPLY)
PRESCRIPTION	• Generic \$8.00	• Generic \$16.00
	• Preferred Brand \$20.00	• Preferred Brand \$40.00
	• Non-Preferred Brand \$35.00	• Non-Preferred Brand \$60.00
	PROGRAM HIGHLIGHTS	
<ul style="list-style-type: none"> • Mandatory mail order program for long term maintenance drugs • Mandatory generics when available • Mandatory speciality pharmacy program for specialty prescription drugs 		

	FLEX HEALTH	FLEX DEPENDENT CARE
FSA	Maximum Amount: \$3,000.00	Maximum Amount: \$5,000.00

*Payroll deductions are projected as of 4/20/07 contingent upon final contract negotiations with FCTA, FASSE and FCASA and final adoption of the Board of Education's Fiscal Year 2008 budget.

**Contributions for medical and dental insurance coverage are deducted from your gross earnings before taxes are calculated.

This publication is intended to provide an overview of FCPS benefits; complete details can be found in the insurance companies' documents and the plans' legal documents, which will always govern in case of a dispute. The Board of Education of Frederick County, FCTA, FASSE and FCASA jointly reserve the right at any time to modify or amend, in whole or in part, any or all plan provisions.

INSURANCE COMPANY CONTACT INFORMATION

<p>Health/Vision Insurance – UnitedHealthcare Main Contact: Claims Office UnitedHealthcare PO Box 740800 800 Oak Street Atlanta, GA 30374-0800 Frederick, MD 21703</p> <p>Phone: 1-877-702-5116 Website: www.myuhc.com</p> <p>Spectera (Vision) 2811 Lord Baltimore Drive Baltimore, Maryland 21244-2644 Customer Service: 1-800-638-3120 Provider Locator: 1-800-839-3242 Website: www.spectera.com</p>	<p>Flexible Spending Accounts – HFS (Hirsch Financial Services) 164 Lakefront Drive, Hunt Valley, MD 21030 Phone: 1-888-460-8005 Fax: 1-888-510-4218 Website: www.hfsbenefits.com</p>
<p>Dental Plan – Delta Dental One Delta Drive, Mechanicsburg, PA 17055 Phone: 1-800-932-0783 Website: www.midatlanticdeltadental.com</p>	<p>Prescription Plan – PharmaCare Claims Office P.O. Box 270, Pittsburgh, PA 15230 Phone: 1-800-581-5300 Website: www.pharmacare.com</p> <p>Mail Order: PharmaCare Direct P.O. Box 270, Pittsburgh, PA 15230</p> <p>Fax for Preauthorization: 1-412-967-2364</p>

FCPS BENEFITS OFFICE CONTACTS

Benefits Office:	301-644-5080
Colette Baker	301-644-5112; E-mail: colette.baker@fcps.org
Teresa Harris	301-644-5085; E-mail: teresa.harris@fcps.org
Brenda Hedges	301-644-5058; E-mail: brenda.hedges@fcps.org
Linda Stout	301-644-5093; E-mail: linda.stout@fcps.org

FOR BENEFITS INFORMATION AND FORMS
YOU MAY USE THE FCPS WEBSITE
<http://www.fcps.org/content/hrbenefits.cfm>

The HIPAA Privacy Rules require health plans to provide a Notice of Privacy Practices to persons covered under the health plan. Eligible employees may obtain a copy of the Notice of Privacy Practices by visiting the school system's website: www.fcps.org. Go to Departments, Human Resources, Benefits Information, HIPAA Privacy Statement. Employees may also contact the school system's Benefits Office for a copy of the privacy practice notice.

Questions concerning the HIPAA Privacy Rules may be directed to:

Frederick County Public Schools
Colette Baker, Senior Manager, Benefits
7630 Hayward Road
Frederick, MD 21702

SUMMARY OF BENEFIT PLANS

UnitedHealthcare Choice Plus Medical Plan

UnitedHealthcare Choice Plus allows you to take advantage of two levels of care benefits:

In-network – Selecting a physician or health care provider within the UnitedHealthcare’s large local and national network means maximum coverage and lower out-of-pocket expenses. Co-payments are charged for eligible services, and *referrals are not required for specialty services*.

Out-of-network – Higher deductibles are required and you must file claims for reimbursement of 80% of eligible expenses. Employees have a \$200 deductible and an annual out-of-pocket maximum of \$1,250. Family coverage requires a \$400 deductible and an annual out-of-pocket maximum of \$2,500.

Plan features include:

- ◆ 24 hour/7 days a week telephone access to:
 - ◆ UnitedHealthcare’s Customer Service Center in Frederick
 - ◆ NurseLine to get answers to your health care questions
- ◆ UnitedHealth Allies – discounts on certain services not covered by the medical plan
- ◆ Mental health and substance abuse services – Through United Behavioral Health, this program requires prior authorization of treatment, and treatment by in-network providers receives maximum coverage and lower out-of-pocket expenses.
- ◆ Web-based tools through myuhc.com

BENEFIT PLAN CHANGES – EFFECTIVE JULY 1, 2007

COPAYMENT	IN-NETWORK	OUT OF NETWORK
Primary Care Physician	\$15 (No change)	80% after deductible (no change)
Specialist	\$25 (Increase from \$15)	80% after deductible (no change)
Outpatient Diagnostic Services	\$15 (New)	80% after deductible (New)
Inpatient Hospital Copayment	\$100 (New)	80% after deductible (no change)
Emergency Room Copayment (non-emergency visit only)	\$75 (Increase from \$50)	80% after deductible (no change)

Spectera Vision Plan

The Spectera vision plan allows you to choose in-network or out-of-network providers, and benefits are available every 24 months.

In-network – Includes both private practice and retail chain providers. Exams and standard lenses are covered in full. The frame allowance is \$130 at retail chains and \$50 at private doctors.

Out-of-network – You will be reimbursed according to a fee schedule for exams, lenses and frames.

HFS Flexible Spending Account Plan

Under Hirsch Financial Services (HFS), you can use the health and dependent care spending accounts to pay for eligible expenses on a pre-tax basis.

- ◆ Participating employees will receive a Flex Convenience debit card that looks like a credit card and is issued under the MasterCard system. It’s accepted at specific locations, such as pharmacies, doctors’ and dentists’ offices, grocery stores, chiropractors, and diagnostic centers.
- ◆ Use the debit card to pay for co-payments and other qualifying expenses, and there is no more need to file claims for reimbursement from the flexible spending accounts. **(It is very important to keep your receipts when using the debit card since you must submit receipts requested under IRS tax rules and regulations.)**

PharmaCare Prescription Plan

- ◆ Copayments for preferred and non-preferred brand prescription drugs, per the following schedule:

	Retail	Mail Order
Generics	\$8	\$16
Preferred brand prescription drugs	\$20	\$40
Non-preferred brand prescription drugs	\$35	\$60

- ◆ Mandatory mail order program for long term maintenance drugs
- ◆ Mandatory generics when available
- ◆ Mandatory specialty pharmacy program for specialty prescription drugs

Delta Dental Plan

Dental coverage will be offered solely through Delta Dental, at three levels:

Delta PPO (formerly Preferred) – You receive in-network benefits, which include no deductible, no forms to file and lower co-payments.

Delta Premier – You are responsible for co-payments and a deductible.

Out-of-network – You have a deductible to satisfy and need to file claims for reimbursement.



**Delta Dental PPO Plus Premier
EMPLOYEE INFORMATION SHEET**

FEATURES OF DELTA DENTAL PPO PLUS PREMIER

- Cost-saving safety net that expands your access to Delta Dental participating dentists.
- Two dentist networks that can limit your out-of-pocket payments.
- Freedom to choose any dentist, but non-participating dentists do not contract with Delta Dental Dentist to limit their fees.

How You CAN SAVE MONEY

You'll save:

- Most if you go to a Delta Dental PPO dentist.
- Considerably if you go to a Delta Dental Premier^E dentist.
- Least if you go to a non-participating dentist.

Summary of services covered and benefits provided under your dental program:

Dentist Visited	Annual Deductible Per Person	Annual Deductible Per Family	Services Exempt From Annual Deductible	Annual Maximum Per Person	Orthodontic Lifetime Maximum Per Patient
Delta Dental PPO	N/A	N/A	N/A	\$1000	unlimited
Delta Dental Premier or Non-Participating	\$50	\$100	Diagnostic, Preventive, and Orthodontic	\$1000	\$2000**

****Orthodontics has a separate \$50 lifetime deductible per patient for Premier and Non-Participating Dentists.**

The following table illustrates copayment percentages for each covered procedure in accordance with Delta Dental's payout level:

Service	Examples of Procedures	Delta Dental PPO Dentist		Delta Dental Premier Dentist		Non-Participating Dentist	
		Delta Dental	Patient	Delta Dental	Patient	Delta Dental	Patient
Diagnostic	exam & x-rays	100%*	0%*	100%*	0%*	100%*	0%*
Preventive	fluoride treatments to age 19, teeth cleaning, sealants to age 15	100%*	0%*	100%*	0%*	100%*	0%*
Basic Restorative	fillings	80%*	20%*	80%*	20%*	80%*	20%*
Major Restorative	crowns	50%*	50%*	50%*	50%*	50%*	50%*
Oral Surgery	extractions	80%*	20%*	80%*	20%*	80%*	20%*
Endodontics	root canal therapy	80%*	20%*	80%*	20%*	80%*	20%*
Periodontics	treatment of gum disorders	80%*	20%*	80%*	20%*	80%*	20%*
Prosthodontics	dentures, bridgework	50%*	50%*	50%*	50%*	50%*	50%*
Orthodontics	straightening of teeth	50%*	50%*	50%*	50%*	50%*	50%*
Orthodontics is covered for employees, spouses, and dependents to the end of the month in which age 19 is reached, unless a full-time student, in which case eligibility is extended to the end of the month in which they graduate or until 23 if they remain a FTS.							
Denture Repair or Denture Relining	repair to or relining of existing dentures	80%*	20%*	80%*	20%*	80%*	20%*
Additional General Anesthesia	applies to all surgical services	80%*	20%*	80%*	20%*	80%*	20%*
Crown, Inlay, Onlay & Bridge Repair and Recementation	repair and recementation of existing crowns, onlays, inlays and bridges	80%*	20%*	80%*	20%*	80%*	20%*
Posterior Composites	posterior resin filling	80%*	20%*	80%*	20%*	80%*	20%*

***DELTA DENTAL'S ALLOWED AMOUNT: Percentage is based on applicable Delta Dental Allowance or the dentist's actual fee, whichever is less (the Allowed Amount).**

PAYMENT FOR SERVICES

The following illustrates payment responsibilities depending on your choice of dentist:

Dentist Status	Allowance	Payment Responsibilities
Delta Dental PPO Participating	Dentists are paid the Delta Dental PPO Allowed Amount.	The benefit payment is sent directly to the dentist. By agreement, participating dentists must accept Delta Dental's allowances as payment in full for covered services. Delta Dental's benefit is a percentage of the applicable Maximum Plan Allowance, which may require a copayment. Deductibles may also apply.
Delta Dental Premier Participating	Dentists are paid the Delta Dental Premier Allowed Amount.	
Non-Participating	Claims for services provided by non-participating dentists are processed using the Delta Dental Premier Allowed Amount.	You are responsible for paying the non-participating dentist's actual fee. Delta Dental sends its applicable benefit payment to you. Your out-of-pocket cost may include applicable copayments or deductibles, as well as any difference between Delta Dental's payment and the dentist's actual charge.

ELIGIBILITY

Eligible for coverage are employees, spouses, and dependent children to the end of the month in which age 19 is reached, unless a full-time student, in which case eligibility is extended to the end of the month in which they graduate or until 23 if they remain a FTS.

LIMITATIONS AND EXCLUSIONS

There are certain limitations and exclusions which apply to your dental plan. For example, dentistry that is performed for appearance only, preventive plaque control programs, periodontal splinting, and services provided or devices started prior to the effective date of the program are not covered.

PREDETERMINATION

If the cost of care to be provided to any one patient is expected to exceed \$300, Delta Dental recommends that you ask your dentist to submit the claim form in advance of treatment. Delta Dental will review the claim and return a predetermination voucher to both you and the dentist indicating the services that are covered, how much of the proposed treatment will be paid by Delta Dental and how much is your responsibility. This understanding can make it easier to plan an appropriate course of treatment. Predetermination also can be helpful for any service for which you would like an advance breakdown of the coverages and the charges.

ONLINE SERVICES

Visit Delta Dental's web site, www.MidAtlanticDeltaDental.com, to locate participating dentists and to check your eligibility and benefits. Delta Dental's online dentist directory helps you find the dentists most convenient to you or to find out if your current dentist is a participating dentist with Delta Dental.

CUSTOMER SERVICE

If you or your dentist have questions about claim status or filing procedures, please contact Delta Dental's Customer Service Department at:

Delta Dental One Delta Drive Mechanicsburg, Pennsylvania 17055	Phone Number: 717-766-8500 Toll-Free WATS Number: 800-932-0783 TTY/TDD: 888-373-3582 Web site: www.MidAtlanticDeltaDental.com
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IMPORTANT - The benefit explanations contained herein are subject to all provisions of the Group Dental Contract, and do not modify such contract in any way, nor shall the subscriber accrue any rights because of any statement in or omission from this information sheet.

Administered by Delta Dental of Pennsylvania. One Delta Drive, Mechanicsburg, PA 17055.

04/07

Frederick County Public Schools



Flexible Spending Account Program

July 1, 2007 through June 30, 2008

May is open enrollment time for the Flexible Spending Account (FSA) Program. A Flexible Spending Account (FSA) is a tax-advantaged way for you to pay for medical and/or day care expenses. This added benefit allows you to pay for these expenses using pre-tax dollars, lowering your taxable income resulting in a higher take home pay.

How much can you save?

Your contributions to an FSA are exempt from Federal taxes (income, FICA and Medicare) and in most cases state and local taxes. (Note: Medical and Dependent Care FSA contributions by New Jersey residents are subject to state tax, as are Dependent Care FSA contributions made by Pennsylvania residents.) **Most participants save at least 28%** (savings vary by employee's tax bracket).

Medical Care FSA

The Medical Care FSA helps pay for eligible medical expenses including:

- Health/Dental/Vision deductibles, coinsurance and co-payments
- Prescriptions
- Vision care including glasses, contact lenses, saline solution & **Laser Eye Surgery**
- Dental expenses including orthodontia
- **Over-the-Counter medications**

Day Care FSA

The Day Care FSA provides tax relief for day care costs for children through age 12 and adult day care. Eligible expenses include day care provided by a licensed facility or in-home dependent care, before/after school care programs, pre-school and summer day camp.

How much can you direct into your FSA?

- Medical Care FSA maximum is **\$3000.00**
- Day Care FSA maximum is **\$5000.00**

There is no minimum contribution requirement!

Flex Debit Card!

All new participants will receive a Debit Card to pay for eligible expenses. Please refer to the HFS Flex Debit Card flyer for more details.

Where do you submit claims?

HFS Benefits
Claims Department
164 Lakefront Dr.
Hunt Valley, MD 21030
claims@hfsbenefits.com

Phone: 410-771-1331
Toll Free Phone: 888-460-8005
Fax: 410-771-5533
Toll Free Fax: 888-510-4218



Don't forget services must be incurred during your plan year, **7/01/07– 6/30/08**

Online Account Access at www.hfsbenefits.com

You will be able to access your account balance after your plan year begins July 1, 2007. You will be required to enter your Employee ID number followed by Password **1576**. Once logged in, you will be prompted to change your User name and Password. Follow the instructions online to change the information.

How can you learn more?

Please visit www.hfsbenefits.com for more information including a tax savings calculator and a complete list of eligible expenses. You may also call the toll free customer service line, 888-460-8005, Ext. 2.

Flex Debit Card

All employees that participate in the Flexible Spending Account (FSA) benefit will receive a debit card to pay for qualified expenses. The mbi Flex Convenience debit card looks like a regular credit card, and is issued under the MasterCard system, but is only accepted at specific types of merchants or provider locations.

- **Debit cards will be mailed** to your home in a plain white envelope. Existing participants will not receive a new card as it does not expire for three years.
- **If you lose your card**, please contact HFS Benefits at 888.460.8005 to deactivate your card and order a new card. In addition, you can order cards for your family members. Please visit www.hfsbenefits.com to download an order form.
- **To activate your card**, purchase an item where the card is swiped. If you plan on using your card for mail order medications, please purchase an item where the card can be physically swiped first. An initial order either by mail or online will not activate the card.
- **It is called a debit card, but you use it just like a credit card.** At the merchant point of service keypad choose *credit* as there is no PIN assigned to the card. The card is called a debit card because you may use it for expenses up to your annual Health Care FSA election (or available balance). Any transaction over your account balance will be declined. There are transaction limits at certain merchants such as Grocery Stores (\$200.00 transaction limit), Mail order (\$250.00 transaction limit), and Discount Stores (\$250.00 transaction limit).

HOW DO YOU USE YOUR FLEX DEBIT CARD?

Easiest ñ use your card at any of the following vendors and you will not be asked for documentation. The card will only work for qualified expenses at these vendors:

Walmart	Walgreens	AdvancedRx.com	Caremark.com
Samís Club	Happy Harryís	VisionDirect.com	Pharmicare
Drugstore.com	Express Scripts	39DollarGlasses.com	Medco
1800contacts.com			

HFS Benefits will notify you as additional vendors agree to participate in this automatic substantiation system.

Easier ñ use your card for copayments which HFS Benefits has loaded in our system and you will not be asked for documentation. If other non-copay transactions are included on the same card transaction you will be required to submit for all of the charges including the copay. Also, recurring transactions that have been reported to HFS Benefits will not require documentation after the initial submission.

Easy ñ when you use your card for any other expense or vendor, use the personalized form for substantiating your claim. Complete a Copy of your Debit Card Substantiation form and send to HFS Benefits with a copy of the receipt. To avoid delay in clearing the transaction, send the form within 30 days of your purchase. To avoid debit card deactivation, the form along with required documentation must be submitted within 30 days of the date of the letter.

HOW DO YOU GET REIMBURSED WHEN YOU DO NOT USE THE DEBIT CARD?

Simply complete a copy of the personalized claim form and send along with your receipts as instructed. Please do not use the Debit Card Substantiation Form for these expenses. They will not be reimbursed if the incorrect form is used.

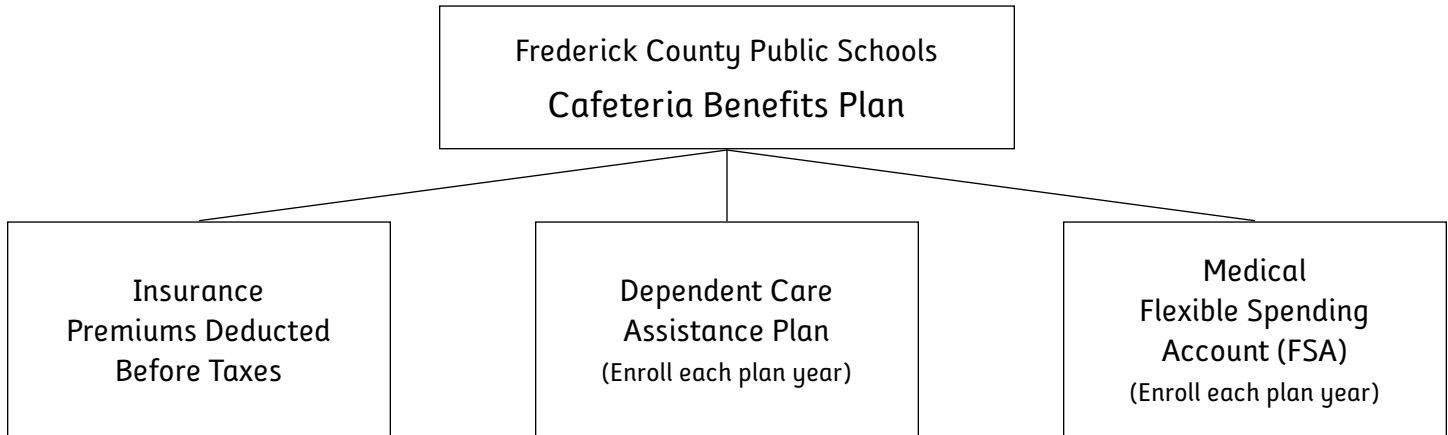
Reminders:

- Make copies of the personalized claim forms.
- Credit Card receipts cannot be accepted as receipts.
- Receipts from the provider must show description of the purchase and a date of service.
- Do not use a highlighter on the submission. (appears black on a fax)
- Do not send original receipts. Copies of all receipts should be on 8.5" x 11" paper.



OVERVIEW OF THE CAFETERIA BENEFITS PLAN

The Cafeteria Benefits Plan allows you to set aside part of your salary to pay premiums for medical and dental insurance, dependent care expenses and eligible medical and dental expenses not covered by insurance. These payroll deductions are taken from your gross earnings before taxes are calculated. Therefore, your taxes are calculated on a lower wage base. At the end of the calendar year, your W-2 tax withholding form will report taxable income earned during the year, which is the base salary minus the amount set aside to pay for optional benefits.



INFORMATION ABOUT DEPENDENT CARE ASSISTANCE PLAN

The Dependent Care Assistance Plan, a part of the Cafeteria Benefits Plan, enables you to set aside part of your salary to pay for the cost of care for qualified dependents, such as your cost for child care expenses. Your dependent care deduction is made pre-tax, and is not included in the income that Frederick County Public Schools reports for federal, state and social security tax purposes.

Through the Dependent Care Assistance Plan, the money you have set aside is deposited into a Dependent Care account, administered by Hirsch Financial Services (HFS). As you incur dependent care expenses, you will be reimbursed up to the amount you contributed to your account. Careful estimation of dependent care expenses is prudent because any money remaining in the account at the end of the fiscal-year will be forfeited.

ELIGIBILITY REQUIREMENTS

In order to participate in the Dependent Care Assistance Plan, one of the following must be met:

1. If you are married, both spouses must be working.
2. You are a single working parent; or
3. Your spouse is a full-time student or disabled.

You can set aside a portion of your salary up to a maximum of \$5,000 per family. Married couples filing separate tax returns each have a maximum of \$2,500 that can be set aside for dependent care expenses. Dependent care services will qualify for reimbursement under the plan if they meet these requirements:

1. Services are for children under age 13.
2. Services are for others you claim as tax dependents who are physically or mentally incapable of caring for themselves.
3. Services may be provided inside or outside the home, but not by someone who is a dependent for income tax purposes.
4. Caregiver must have a social security number, tax identification number or comply with local licensing regulations.

INFORMATION ABOUT THE MEDICAL FLEXIBLE SPENDING ACCOUNT (FSA)

The Medical Flexible Spending Account (FSA), a part of the Cafeteria Benefits Plan, enables you to set aside part of your salary to pay for certain medical, dental and vision expenses not covered by insurance plans. Eligible employees can have as much as \$3,000 deducted from their paychecks for the July 1, 2007 - June 30, 2008 coverage period.

The first step for enrolling in the Medical Flexible Spending Account (FSA) is to carefully estimate the amount of expenses you expect to incur during the coverage period. You can participate by completing the Election for Optional Benefits Form. You must include the amount of money you want to set aside from your income during the coverage period.

Through the FSA, the money you have set aside is deposited into a Flexible Spending Account, administered by Hirsch Financial Services (HFS). As you incur eligible expenses, you will be reimbursed from the FSA up to the maximum amount elected for the coverage period. You are eligible to be reimbursed for up to the full amount you have elected for the entire coverage period, even though you have not yet contributed the full amount.

Deductibles, copayments, and certain medical, dental, and vision items not covered by insurance are eligible for reimbursement under the FSA. Allowable expenses are determined by the Internal Revenue Service (IRS) and are described in IRS Publication 502. Additional information can be found in the Enrollment Guide provided by HFS. Claims for reimbursement are sent to Hirsch Financial Services (HFS) for processing.

You cannot be reimbursed for deductibles and other non-covered expenses that you incur prior to or after the coverage period. Money left over in your FSA at the end of the coverage period (after all eligible expenses related to that period are paid) is forfeited.

All FSA claims must be filed no later than September 30 following the plan year ending June 30.

ITEMS TO CONSIDER:

1. Generally, you do not pay taxes on money you put in these accounts ***unless you are a resident of Pennsylvania***. For employees residing in Pennsylvania, contributions to the Medical Care FSA are not subject to state tax; however, Dependent Care FSA contributions are subject to state tax.
2. Once you have signed up for benefits through the Cafeteria Benefits Plan, you may not change the contribution until the next plan year unless you have a change in family or employment status. These could include: marriage, divorce, death of a spouse or child, birth or adoption of a child, or termination of your spouse's employment.
3. Dependent care expenses have two different kinds of tax consequences. Employees may claim a tax credit on their income tax returns or exclude dependent care expenses through a dependent care assistance plan. You may wish to consult your own tax accountant to determine which method is most beneficial to you.
4. By reducing taxable income through the Cafeteria Benefits Plan, the amount of federal, state and social security taxes is also reduced. The reduced social security taxes could affect the social security benefits received at a later date if earnings fall below the social security wage base.
5. Maryland State Retirement Plan and benefits will continue to be determined on base salary, just as they are now.
6. The Cafeteria Benefits Plan is based on the Board's understanding of Sections 125 and 129 of the Internal Revenue Service Code. The Board reserves the right to amend or discontinue the Plan if the IRS changes the regulations.
7. Complete details can be found in the Plan's legal documents, which in the case of any dispute, will always govern.

HOW TO ENROLL (OR RENEW YOUR ENROLLMENT)

- You must submit the "Election for Benefits Form" if you wish to have part of your salary set aside for the Dependent Care Assistance and/or Medical Flexible Spending Accounts Plans for the July 1, 2007 – June 30, 2008 coverage period.
- **Please remember that you *MUST* re-enroll in the Flexible Spending Account (FSA) Plan each year to continue to purchase optional benefits on a pre-tax basis.**

FREDERICK COUNTY PUBLIC SCHOOLS CAFETERIA EMPLOYEE BENEFITS PLAN

ELECTION FOR BENEFITS

Employee Name: _____ Employee ID Number: _____

Effective Date: _____ PLEASE CHECK ONE OF THE FOLLOWING: _____ NEW PARTICIPANT

Address: _____ _____ CHANGE PRIOR OPTIONS

Benefits Selected:

MEDICAL FLEXIBLE SPENDING ACCOUNT

I elect to receive health care reimbursements for the coverage period July 2007 - June 2008. I request to have the following deduction paid through the pre-tax Flexible Spending Account:

Amount cannot exceed maximum limit of \$3,000 \$ _____ per year / \$ _____ per pay period

DEPENDENT CARE ASSISTANCE PLAN (for eligible childcare and/or eldercare expenses):

I elect to receive dependent care reimbursements for the coverage period July 2007 - June 2008. I request to have the following deduction paid through the pre-tax Dependent Care Assistance Plan:

Amount cannot exceed maximum limit of \$5,000 \$ _____ per year / \$ _____ per pay period

I waive participation in the Dependent Care and Medical Flexible Spending Account

I hereby authorize my employer to reduce my salary as requested above. I can be reimbursed only for qualified expenses incurred during the coverage period July 2007-June 2008. I understand that my pre-tax election will remain in effect for the plan year and cannot be revoked or changed unless I experience a change in my family status. I know that my participation in the Cafeteria Benefits Plan may result in some reduction in potential Social Security Benefits. Any amount of the maximum salary conversion not used for health and dental benefits elected by the employee may be paid on a per capita basis. The payment will be based on the experience gain in the aggregate of plan members' assets with reasonable allocations to members based on the different coverage levels of the members. The costs for elected health and dental benefits to be paid by salary conversion will not be included in income of employee for Federal, State and Social Security purposes. I understand that any amounts remaining in my pre-tax Dependent Care and/or Medical Flexible Spending Account (FSA) not used for eligible expenses during the coverage period will be forfeited in accordance with current plan provisions and tax laws. I will submit a pre-tax election for the dependent care and/or Medical FSA each plan year.

I certify that the debit card will only be used for eligible medical expenses (and, if applicable, eligible dependent care expenses) at eligible providers. I further certify that the amount of eligible expenses is not reimbursable from any other source, nor will I attempt to be reimbursed from any other source. I will maintain substantiation for all expenses and where required provide applicable substantiation upon request. If I cannot produce adequate substantiation, I must repay the Plan for such an expense. Failure to repay the Plan will result in the moneys being withheld from my pay. If I terminate employment or participation in the plan, I will return the debit card to my employer.

Employee Signature

Date

HOW TO FILE CLAIMS IN THE FLEXIBLE SPENDING ACCOUNT (FSA) PROGRAM

All regular employees employed on at least a half-time (.5) basis may participate in this benefit program, regardless of the health and/or dental plan in which they are enrolled. Participants can file eligible expenses for the coverage period July 1 through June 30 with claim forms which are available in the FCPS Benefits Office, 301-644-5085 or 301-644-5093. Submit the appropriate receipts along with the claim forms and mail directly to:

HFS (Hirsch Financial Services)
164 Lakefront Drive, Hunt Valley, MD 21030
Phone: 1-888-460-8005
Fax: 1-888-510-4218
Website: www.hfsbenefits.com