



Personnel Department
County of La Crosse, Wisconsin
County Administrative Center • Room 2190
400 4th Street North • La Crosse, Wisconsin 54601-3200
(608) 785-9640 • FAX: (608) 789-4887

www.co.la-crosse.wi.us

SECTION 125 FLEXIBLE BENEFIT PLAN

OVERVIEW

You can reduce your taxable income by participating in this plan, per Section 125 of the Federal Tax Code. If you enroll in this plan, you are not taxed on your paycheck for money that you set aside for certain expenses, such as health, dental and life insurance premiums, medical expenses that are not covered by your insurance, and child care/dependent care expenses. Money is deducted from each of your paychecks for one year on a pre-tax basis and available for you to use when you have a claim. For example, if you are in one of our insurance plans that has a \$100 deductible, you can set that \$100 aside (you are not taxed on it on your paycheck). You then submit a claim, and will get reimbursed from the Section 125 Plan Administrator for your \$100 clinic bill.

EXPENSES THAT ARE ELIGIBLE UNDER THE PLAN

- Health Insurance Premiums. If you participate in the health and/or dental insurance, your payroll deductions will *automatically* be taken prior to taxes, *unless* you advise otherwise.
- Life Insurance Premium. If you sign the enrollment form for Section 125, this premium will be deducted pre-tax only by making that election.
- Medical Reimbursement. If you sign the enrollment form for Section 125, you may elect the amount of money you want deducted pre-tax from each paycheck to pay for health, dental and eye glass expenses that are not paid by health or dental insurance.
- Dependent Care Reimbursement. If you sign the enrollment form for Section 125, you may elect the amount of money you want deducted pre-tax from each paycheck to pay for child care expenses.

PLAN YEAR

The Section 125 plan year is on a calendar year basis. Your participation will be the first of the month in which your insurance deductions start through December 31st of the year. However, the IRS has extended the deadline for reimbursement of health and dependent care expenses up to 2 ½ months after the end of the plan year, which will be March 15 instead of December 31. You then have 60 days to turn in your claims. Previously, employees were required to “use-or-lose” Flex Spending Account (FSA) funds by the end of the year. Under the old rules, any unspent funds at year’s end would be forfeited.

CONTACT FOR QUESTIONS

For questions about Section 125, contact HABCO, our Section 125 Administrator at, 793-3137.

ENROLLMENT TIMEFRAME

You will have an opportunity to enroll in this program each year end, for deductions from your check for the following year. You will receive notices in your paycheck prior to the enrollment period, and notices will also be under Important Dates on this intranet site.

Benefits/Benefit Explanations 5/04; 9/08; 1/12

*"The Best of Public Service"
An Equal Opportunity Employer*