

**K-STATE**  
Research and Extension  
Extension Operations

121 Umberger Hall  
Manhattan, KS 66506-3414  
(785) 532-5790  
Fax: (785) 532-3079

**Please Note December 30, 2016 Deadline**

December 2, 2016

TO: Local Unit Offices

FROM: Stacey M. Warner  
Leader, Extension Operations

RE: Cafeteria Benefits Plan for local unit employees (office professionals,  
program assistants, maintenance staff)

Again in 2017 local Extension boards will have the opportunity to offer to their employees a Cafeteria Benefits Plan (also known as a Flexible Spending Account).

**Please note that only employees of counties and districts that offer health insurance to their employees can participate in the uninsured medical expenses option of the plan. This is a change mandated by the Affordable Care Act.**

Attached please find materials prepared by Keating & Associates, the Manhattan firm that is administering this Cafeteria Benefits Plan. Please direct all questions regarding this plan to Keating and Associates at 785/537-0366.

**What is a Cafeteria Benefit Plan?** Employees can set aside a portion of their salary on a pre-tax basis for reimbursement of uninsured medical and dependent care expenses. They save Social Security and income tax on the portion of their salary that is set aside to pay for these expenses.

**Who is eligible to participate in this plan?** This particular plan is designed for employees of the local unit such as office professionals, program assistants and maintenance staff. Extension Agents can participate in the State of Kansas Flexible Spending Account, but not this plan. Employees must work at least 20 hours per week to be eligible to participate.

New employees or those that have a change in family status (marriage, divorce, death of spouse, etc.) can enroll within 30 days after hire or the change in status.

**What are the benefits to the local board?** Employers can offer their employees the opportunity to lower their income tax liability. The local board would pay a **one-time fee** of \$10.00 per employer plus a monthly fee of \$5.50 per employee. The local board saves the Social Security tax on the salary that is set aside to pay for medical and dependent care expenses.

**What are the steps to participate?** The enrollment deadline is **December 30, 2016**. If local extension boards decide to offer this benefit the enclosed information should be distributed to employees. A copy (the local office keeps the original) of the election form is to be mailed or faxed to Keating & Associates. The address is 1011 Poyntz, Manhattan, KS 66502. The FAX numbers are: Local (785) 537-0747 or toll free (877) 537-0747.

If a local board decides to offer the Cafeteria Benefits Plan to their office professionals, program assistants, and maintenance staff, they must all send Keating & Associates an election form, even if they elect not to enroll. **Employees who participated in 2016 and plan to continue participation must re-enroll for 2017.** Use the attached information to enroll.

**Keating & Associates will be preparing reimbursement checks or direct deposits daily. Therefore a check or deposit will be mailed or authorized within 24 hours of receipt.**

**Health Insurance Premiums** – If an employee of the local unit participates in the State of Kansas Health Insurance Plan or another plan provided by the local unit they can pay their portion of the premiums with before tax dollars whether or not they are enrolled as an individual in this Cafeteria Benefits Plan. The employee's portion of the premium would be deducted from the pay on a pre-tax basis and mailed directly to the health insurance provider by the county/district.

**What other options are available?** The Cafeteria Benefit Plan can also be used if the employer, the local extension unit, would like to contribute toward other benefits for their employees. This employer contribution could be used for the following:

- term life insurance
- disability income insurance
- dental insurance
- uninsured medical expenses (only if the employee is eligible for an employer sponsored plan)
- dependent care
- an individual IRA
- a Simplified 401 K
- cash

If a local extension unit is interested in making these employer contributions, please contact Mariah Boller at Keating and Associates - 785-537-0366 to discuss the options.

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Enclosures: Cafeteria Plan: Flexible Spending Accounts & Dependent Care  
Website Access  
Debit Card Overview  
Submitting Receipts  
Direct Deposit Form  
Flex Election Form and Salary Reduction Agreement  
MyFlexMobile Application

Kansas State University, County Extension  
Councils, Extension Districts, and U.S.  
Department of Agriculture Cooperating.

K-State Research and Extension is an equal  
opportunity provider and employer.



# CAFETERIA PLAN

## Flexible Spending Accounts & Dependent Care

### *FSA - Medical Spending Account*

#### What is a Flexible Spending Account?

- A Flexible Spending Account (*aka: FSA*) is an account you contribute pre-tax money into that you can use to pay for certain out-of-pocket health care costs.
- Money is deposited into the account each paycheck, based on what the employee has elected to contribute.
- All money put in by the employee is done so on a pre-tax basis. **The employee avoids Federal, State and FICA tax!**
- The total amount you elect is available immediately. You do not have to wait until you've contributed the money to use it.

#### What happens if I do not spend all of the money I contribute to my FSA?

If you do not use the entire amount within the plan year, you will have one of the following options, depending on your plan:

- **OPTION 1:** You are allowed to carry over up to **\$500** per year to use in the following year. Any additional funds above \$500 will go back to the company.
- **OPTION 2:** You are allowed a "grace period" of up to **2 ½ months**, in the next plan year, to use the money in your FSA. Any additional funds not utilized will go back to the company.

#### Examples of Eligible Expenses:

- Co-pays and health insurance deductibles
- Prescription Costs
- Dental & Orthodontic Services
- Chiropractic Services
- Optical services including eye exams, glasses, contacts, solution, and Lasik surgery

#### What is Qualified Receipt?

A qualified receipt must be included with any claims submitted to Keating & Associates with the following information:

- Date of Service (not date of payment or billing date)
- Description of the item or service claimed
- Whom the item or service was for
- Who provided the items or services
- The amount of the expense

#### Examples of items that **CAN** be used as a qualified receipt:

- Explanation of benefits from your insurance provider
- Printout from pharmacy
- Prescription leaflets
- Statement or receipt from provider with the above listed requirements (must list service, not balance forward)

#### Examples of items that **CANNOT** be used as a qualified receipt:

- Credit card receipts
- Voided checks
- Statement of accounts
- Remittance slips or statements
- Register receipts (unless over-the-counter items that qualify or have doctor's prescription)

#### Mileage Rates for 2016

- 19 cents per mile for travel expense related to medical care with a date of service between 01/01/2016-12/31/2016

For Additional Information Contact  
Our Cafeteria Department

Phone: 785.537.0366 | 877.537.0366

Fax: 877.537.0747

[cafeteria@keatinginc.com](mailto:cafeteria@keatinginc.com)



Keating & Associates  
Cafeteria Department

1011 Poyntz Ave  
Manhattan, Kansas 66502

## *Dependent Care*

- Dependent care accounts allow up to **\$5,000 per family** for child care expenses while you (and/or your spouse) are at work.
  - Money is deposited into the account each paycheck, based on what the employee has elected to contribute.
  - All money put in by the employee is done so on a pre-tax basis. **The employee avoids Federal, State and FICA tax!**
  - Dependent care accounts are not pre-funded. You can only be reimbursed with funds that are actually in the account.
  - In order to qualify, your dependents must be:
    - A child under the age of 13
    - A dependent child that will be claimed on your current year taxes.
    - A child/spouse/dependent that is physically incapable of self-care and spends at least 8 hours a day in your household.
  - Qualified expenses for reimbursement include adult and child day care centers, and before/after school care. Please note child care services may not be reimbursed if it is provided by immediate family members.
  - Please check with your tax professional for information on the available tax credit.
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## *Individual Supplemental Medical Insurance Premium*

- Refers to any eligible insurance premiums that you are paying out of your own pocket. This includes non-employer-provided dental and vision insurance and some supplemental insurance. Individual major medical insurance is not eligible.
  - You will be reimbursed automatically each time a contribution is received if we have a claim.
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## *Website Access*

Every participant in the cafeteria plan has their own personal cafeteria website. You can access your website from anywhere, 24 hours a day! On your website you can:

- Check your available balance
- Enter claims and print claim forms
- See pending and completed payments
- Make address changes or personal information changes

### **How to Register on the Website:**

- Go to [www.myflexonline.com](http://www.myflexonline.com)
- Register as a new user by clicking on “**New User Registration**”. You will need to enter your SSN, DOB & valid email address

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Cafeteria Department**  
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## Take Care Debit Card Overview

- Using the Take Care debit card allows you to pay for your medical expenses with your FSA rather than having to pay out-of-pocket and submit for reimbursement.
- In order to use the Take Care debit card, you must be registered on the employee website.

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## Take Care Debit Card Program Specifics

- You will be able use it for medical expense like office and prescription co-pays.
- Repeat purchases (same amount, same location) will automatically be approved after the first purchase is approved and verified.
- Approved retailers are set up so that only approved expenses can be charged to the Take Care card and should not require you to submit claims and documentation.
- Other retailers should allow you to use the debit card, but you will be required to submit your verification documentation with the claim form.
- You will be emailed monthly statements on your Take Care debit card transactions indicating what purchases require a receipt to be submitted.
  - You will have 60 days to submit this information before your debit card is suspended.
  - There may be a \$10 non-qualified expense fee if you use your debit card for unapproved items (non-medical).

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## Ordering Your Take Care Debit Card

1. Access **MyFlex Online** by going to: [www.myflexonline.com](http://www.myflexonline.com) and Login.  
*If you have not registered, click on the link "New User Registration" on the right-hand side. Complete the information on the registration screen and hit "Next".*
2. Go to "Card Center" and select the "Flex Benefits Card" option.
3. To start the ordering process, click "Get Started"
4. **Debit Card Wizard:** Follow the step-by-step Wizard guide to finish ordering your debit card.

### IMPORTANT:

If you need more than one card, you can request an additional card for other dependents the following day. Only one additional card may be ordered per day.

**Remember to check your website or watch for monthly e-mails reminding you of the receipts needed by Keating & Associates Cafeteria department to finalize your purchases. If these are not received, the IRS may require them to be repaid to the plan.**



## Submitting Receipts

Some debit card transactions require that you submit receipts and documentation to verify it was a qualified expense. The employee website will help you review and submit any requirement information.

### Review Outstanding Debit Card Transactions:

1. Go to [www.keatinginc.com](http://www.keatinginc.com)
2. Current Clients > Cafeteria Plan Participants > My Employee Account
3. Log into the website using your username and password
4. One the main page, you will see the message: **“You have debit card payments that must be reviewed”**
5. Select **“Review Now”**. This will show any outstanding debit card transactions that need documentation.

### Review Outstanding Debit Card Transactions:

1. If you have the receipts necessary, click **“Add to Form.”**
2. Once you are finished reviewing, click **“Continue.”**
3. Once the information is correct, click **“This is Correct.”**
4. **“Save”** your information, and print out the claim form.
5. Sign and date the claim form, then submit it and the receipts to Keating & Associates by one of the following:
  - Fax [877-537-0747]
  - Mail [1011 Poyntz Ave, Manhattan KS 66502]
  - Email [claims@keatinginc.com]

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## MyFlexMobile Application

**iPhone Application:** Go to the iTunes store and search for “MyFlexMobile” and download

**Android Application:** Go to the Play Store and search for “MyFlexMobile” and download

### Login to the App:

1. Click on the MyFlexMobile App icon to access the login page.
2. Enter or set-up your username and password (same username and password as MyFlexOnline.com).



### Submit a Claim or Debit Card Receipt:

1. Select **“Submit New Receipt”**.
2. To upload a claim, click on **“Flex Claim”** or to submit a receipt for debit card use select **“Flex Card Receipt”**.
3. At the Instructions page, select **“Next”** to proceed.
4. Enter the date of service, total amount, and photo (you can upload from your phone or **“take a photo”**).
5. **“Retake”** or **“Use”** the photo.
6. Read the Attestation Statement and **“Submit”**.
7. Select **“Done”** to submit another claim or **“Log Out”** to exit.

### Account Benefits, Balances, & History:

- View your **account benefits and balance(s)** by selecting **“Account”**
- View your **account history** by selecting **“All”**

For Additional Information Contact  
Our Cafeteria Department

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1011 Poyntz Ave  
Manhattan, Kansas 66502

## Direct Deposit – Credit Authorization Form

I (we) hereby authorize Keating & Associates, Inc., hereinafter called COMPANY, to initiate credit entries for Cafeteria Plan Reimbursements to my (our) account indicated below and the financial institution named below, hereinafter called FINANCIAL INSTITUTION, to credit the same to such account. I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. law.

\_\_\_\_\_  
Financial Institution Name

\_\_\_\_\_  
Branch

\_\_\_\_\_  
Address

\_\_\_\_\_  
City/State

\_\_\_\_\_  
Zip

\_\_\_\_\_  
Routing Number

\_\_\_\_\_  
Account Number

Type of Acct:  Checking  Savings

\_\_\_\_\_  
This authority is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such time and manner as to afford COMPANY and FINANCIAL INSTITUTION a reasonable opportunity to act on it.

\_\_\_\_\_  
Print Your Name

\_\_\_\_\_  
Print Your Employer's Name

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**PLEASE ATTACH COPY OF VOIDED CHECK TO THIS FORM**

\*\*\*\* Once a direct deposit is set up with Keating & Associates, Inc., no paper confirmation of deposit will be sent to an employee. The employee will be responsible for verifying their deposit through their employee website. \*\*\*\*

For the 2017 plan year Employer \_\_\_\_\_

Employee name \_\_\_\_\_ E-mail \_\_\_\_\_

Address \_\_\_\_\_  
Street Address City State Zip+4

Employee Social Security No. \_\_\_\_\_ Birth date \_\_\_\_\_ Phone no. \_\_\_\_\_

Effective date of enrollment \_\_\_\_/\_\_\_\_/\_\_\_\_ First payroll reduction date \_\_\_\_/\_\_\_\_/\_\_\_\_ No. of pay periods \_\_\_\_\_

I authorize my employer to make the following salary reductions:

**Before-Tax Group Insurance Premiums- I elect to pay the following premiums through a before-tax reduction of my salary:**

	Annual*	Per Pay Period		Annual*	Per Pay Period
1. <input type="checkbox"/> Medical	\$ _____	\$ _____	4. <input type="checkbox"/> Health Savings Account	\$ _____	\$ _____
2. <input type="checkbox"/> Dental	\$ _____	\$ _____	5. <input type="checkbox"/> Other ( <i>specify below</i> )	\$ _____	\$ _____
3. <input type="checkbox"/> Vision	\$ _____	\$ _____		\$ _____	\$ _____
<input type="checkbox"/> <b>Medical Care Reimbursement Account</b> —including deductibles, co-insurance and other expenses not paid by insurance as described in Part A on the back of this form.			\$ _____ \$ _____		
<input type="checkbox"/> <b>Dependent Care Reimbursement Account</b> —for reduction limits and eligibility information of dependent care expenses see Part B on page two.			\$ _____ \$ _____		
<input type="checkbox"/> <b>Other</b> _____			\$ _____ \$ _____		
<i><b>*Individual Premiums for major medical coverage are not eligible.*</b></i>					
<b>Total pre-tax expense</b>				\$ _____	\$ _____

I understand that:

- I cannot change this election during the plan year unless I have a change in status.
- If I terminate employment, I have 90 days to turn in claims for dates of service that occurred prior to my termination.
- Any amounts remaining in my reimbursement accounts at the end of the year will be forfeited.
- My Social Security benefits may be reduced by this election.
- My employer may reduce or cancel this election as necessary to comply with provisions of the Internal Revenue Code.

Employee Signature \_\_\_\_\_ Date \_\_\_\_\_

**WAIVER OF PRE-TAX BENEFITS UNDER THE FLEXIBLE BENEFITS PLAN**

I elect to waive all pre-tax benefits under the Flexible Benefits Plan, but I understand that I may elect similar coverage(s) on an after-tax basis. I understand that I cannot elect pre-tax benefits until the next anniversary date, and any after-tax coverage shall be outside the plan.

Employee Signature \_\_\_\_\_ Date \_\_\_\_\_



## **PART A MEDICAL CARE EXPENSES** (I.R.C. §213)

The following are examples of medical or medically-related expenses which may be claimed as qualified health care expenses under the plan. All health care expenses must be for the diagnosis, cure, mitigation, treatment or prevention of disease or for the purpose of affecting any structure or function of the body to be a qualified health care expense under the comp-flex plan.

- Hospital, laboratory, surgery and x-ray expenses.
- Fees from medical doctors, chiropractors, osteopaths, nurses, psychologists, dentists, Christian Science practitioners and other licensed healing arts practitioners for diagnosis, treatment, routine exams and other non-diagnostic services.
- Co-insurance and deductibles.
- Artificial limbs and teeth.
- Braces, crutches, orthopedic shoes and wheelchairs. Vision and hearing exams, eyeglasses, contacts and hearing aids (*including batteries*).
- Prescribed drugs including insulin
- Care and treatment of alcoholism and alcohol and drug addiction.
- Transportation for medical treatment of specific problems including ambulance.
- Miscellaneous medical services and supplies.

## **PART B DEPENDENT CARE EXPENSES** (I.R.C. §129)

Only those dependent care expenses which allow you (*and your spouse if you are married*) to be gainfully employed are eligible. This excludes care which is primarily for medical or educational purposes.

### **Eligible dependents:**

- Dependent children under age 13, or any other dependent who is incapable of caring for himself or herself and whose principal residence is your home.

### **Eligible expenses:**

- Reimbursement is limited to the income of the lower earning spouse and also \$5,000 per year; \$2,500 if married, filing separate return. Married employees in separate plans can only be reimbursed in total for \$5,000. The reimbursement amount may not exceed the employee's salary; or for married employees, the lesser of the spouse's salaries (*subject to certain exceptions*). If your spouse is a full time student or incapable of caring for himself or herself, the maximum is \$200 per month for one child or \$400 per month for two or more children.

### **Eligible providers:**

- A licensed day care center which cares for six or more persons.
- An unlicensed provider caring for less than six persons.
- An in-home provider, as long as that provider is not your child under age 19 or someone you or your spouse claim as a dependent for tax purposes.

## **PART C—INDIVIDUAL PREMIUM EXPENSES**

### **Eligible expenses:**

- Premiums paid for dental, vision or disability\* insurance, Medicare Part B and other disease specific premiums.  
\*If disability insurance premiums are paid pre-tax, any benefits received are taxable to the employee.
- College/private school student health fees.

### **Ineligible expenses:**

- Non-Major medical health premiums
- Whole life policies.
- Your spouse's group insurance premiums (*insurance sponsored by spouse's employer*).
- Lifetime care (*nursing home*) policy premiums.

## **PART D. CHANGE IN STATUS**

The amounts reduced from your salary for group insurance premiums, medical care, dependent care and/or individual insurance premium reimbursement accounts may not be changed unless you have a change in status for the following reasons, the change is consistent with the change in status and such change is permitted by your employer.

- Marriage, divorce, legal separation or annulment of marriage of the employee.
- Birth or adoption of a child (*or placement of a child for adoption*) of the employee.
- Gain or loss of a dependent.
- Change in employment status of employee, spouse or dependent—includes an increase or decrease in hours worked, switching from full-time to part-time employment or vice-versa, a strike or lockout occurring at the place of employment, or commencement of or return from a leave of absence.
- Change in the place of residence or worksite of employee, spouse or dependent—if a participant moves out of the service area of an HMO or PPO, he or she may change the annual election amount of the pre-tax group insurance premium, NOT the medical care reimbursement account. Dependent care annual elections may be changed at this time also if the new provider's rates are different than the previous provider's rates.
- Significant cost or coverage changes in employee's or spouse's group health insurance plan—if this occurs, only items 1-7 on page one of this form may be changed.
- Significant increase or decrease for dependent care expenses. For more information, see IRS publication 503, "Child and Dependent Care Credit," available from your local IRS office.

## How to Use the MyFlexMobile Application – iPhone or Android

**iPhone Application:** Go to the iTunes store and search for “MyFlexMobile” and download

**Android Applciation:** Go to the Play Store and search for “MyFlexMobile” and download

- **Login to the App**
  - Click on the MyFlexMobile App icon to access the login page
  - Enter or set-up your username and password (same username and password as MyFlexOnline.com)
- **To submit a claim or debit card receipt**
  - Select “Submit New Receipt”
  - To upload a claim, click on “Flex Claim” or to submit a receipt for debit card use select “Flex Card Receipt”
  - At the Instructions page, select “Next” to proceed
  - Enter the date of service
  - Enter total amount
  - Enter a photo – you can upload from your phone or “take a photo”
  - “Retake” or “Use” the photo
  - Read the Attestation Statement and “Submit”
  - Select “Done” to submit another claim or “Log Out” to exit
- **View your account benefits and balance(s)** by selecting “Account”
- **View your account history** by selecting “All”



# MyFlexMobile

You'll love the convenience of the MyFlex<sup>SM</sup> Mobile app. This handy free mobile app is the quick and easy way to manage all of your flex benefits. Download MyFlexMobile to your smartphone, log in to your account, and check your balances, submit claims, snap photos of receipts, get alerts by text or email—all on the go!

## WHY YOU NEED IT

- Snap a photo of receipts and submit them instantly for payment to avoid the headache of verifying card transactions
- File claims, view transactions, and check account balances on the go
- Receive account alerts by email and text messages for the ultimate mobile convenience

## HOW IT WORKS

MyFlexMobile makes managing your benefits quick, easy, and completely mobile. It automates and streamlines everything—there are no forms to fill out, nothing to mail in. This handy mobile app works with:

- Healthcare Flexible Spending Account
- Dependent Care Flexible Spending Account
- Health Savings Account
- HSA-Compatible Flexible Spending Accounts
- Health Reimbursement Arrangement
- Commuter benefits



take care<sup>®</sup>

# MyFlexMobile

## HOW YOU USE IT

It's easy to use MyFlex<sup>SM</sup>Mobile. Simply download this free app to your iPhone or Android smartphone, log in to your take care account, and use MyFlexMobile to:

- File a claim
- Snap a photo of receipts and submit them instantly for payment
- View transactions and account and card balances
- Sign up for text messages or email alerts about your account(s)

## HOW YOU GET IT

Download MyFlexMobile from the iTunes Store or Google Play—it's free.



take care<sup>®</sup>