# Flex Plan

## What is a Flex Plan?

A Flex Plan, also known as a Section 125 or Cafeteria Plan, is a voluntary benefit option available to SCOE employees. It helps lower state and federal taxes and social security withholding by using pre-tax dollars for eligible medical and dependent care expenses. As a Flex Plan participant, you can set aside a portion of your salary for eligible medical and dependent care expenses. This amount is deducted from your paycheck before payroll taxes are calculated. You are then able to use these pre-tax dollars to pay your share of any benefit premiums and any qualified and necessary medical expenses not covered by your medical, dental, or vision plan or another source (such as worker’s compensation). Pre-tax dollars may also be used for dependent care expenses, as described under the Dependent Care Section of the Flex Plan.

SCOE’s Flex Plan is administered by Self Insured Schools of California (SISC). For a detailed discussion of the plan, go to http://sisc.kern.org/flex/.

## What uses are allowed under a Flex Plan?

The most common use of a Flex Plan is payment of group insurance benefits. If you are responsible for a portion of your medical coverage at SCOE, you can pay those premiums on a pre-tax basis via the Flex Plan. By submitting a Premium Only Plan (POP) Flex Plan enrollment form, SCOE will automatically enroll you in this part of the Flex Plan. You may also establish a Flexible Spending Account (FSA) for health and/or dependent care expenses. For a detailed list of eligible FSA expenses, go to http://sisc.kern.org/flex/.

## Who is eligible to participate?

Each SCOE employee working 20 hours or more per week may participate in the Flex

Plan. An employee who has a Health Savings Account (HSA) may participate in the Flexible Spending Account (FSA) through the Limited Purpose Expense Account which allows payment for out of pocket dental, vision and preventive care expenses with tax-free dollars. Retirees are not eligible to participate in the Flex Plan.

## How does a Flex Plan work?

Once a year during open enrollment, you will have an opportunity to elect if, and to what extent, you want to participate in the Flex Plan. Participation or any changes take effect on January 1. You decide which plan benefits you would like to enroll in, then agree to redirect part of your salary through the Flex Plan to pay for them. By redirecting your salary through the Flex Plan, you avoid paying payroll taxes on the redirected amount. Your election is irrevocable during the plan year, except in cases where a change in family or employment status, known as a “qualifying event,” has occurred.

## What is a qualifying event?

Qualifying events include marriage or divorce, entering into a formal domestic partner relationship, change of hours of employment that would make you eligible for benefits, death of a spouse with resulting loss of medical coverage, and spouse’s loss of employment with a resulting loss of medical coverage. Any Flex Plan change must be made within 30 days of a qualifying event. Verification of the qualifying event is required.

## How do I enroll?

Enrollment in the Flex Plan is optional. Employees are notified when the open enrollment period begins. Open enrollment for the Flex Plan begins in October and ends in November.

Premium Only Plan (POP) enrollment allows SCOE to automatically set aside participant’s share of benefit premium costs on a pre-tax basis which is a cost savings. POP enrollment is offered during the new hire orientation process and will not require an annual re-enrollment. However during the Flex Plan open enrollment period, a change to the POP pre-tax/post tax status is allowed.

Flexible Spending Account (FSA) Flex Plan enrollment for health and/or dependent care expenses is an annual open enrollment event which begins in October and ends in November. SISC FSA Flex Plan enrollment is available only online only through Navia Benefit Solutions. Participant’s payroll contribution deductions begin in January following the open enrollment period, the plan becomes effective January 1st.

## How does it work?

During open enrollment, estimate your expenses for the plan year and enroll in the plan. Your annual election will be evenly deducted pre-tax from your paycheck throughout the plan year. *Be advised Flexible Spending Accounts (FSA) are subject to the use-or-lose rule, meaning that any account balances left at the end of the calendar year and the 2 ½ month grace period will be forfeited.*

## How long am I committed to participate if I enroll?

Your election is irrevocable for the plan year, which runs from January 1 to December 31. This means that you will not be able to change or discontinue your participation until the next plan year. The only exception to this rule is experiencing a qualifying event that would allow you to change or drop your election.

## When does the Flex Plan start and end?

The plan year runs January 1 through December 31. There is a two-and-a-half month grace period after the end of the plan year, so you may request reimbursement for eligible expenses and/or incur expenses. All expenses incurred during the grace period will automatically deduct out of the prior year’s arrangement.

## When does SCOE start and stop deducting from my paycheck?

For full-time employees, the first Flex Plan deduction is reflected in the January 31 paycheck and the last deduction is on December 31. For employees working less than 12 months per year, deductions are spread over the months that a paycheck is received.

## Are there any fees for participating?

There are no fees.

## Who can I contact if I have questions regarding the Flex Plan?

SCOE Human Resources Services department or a SISC service representatives are available during normal business hours. SISC can be reached, Monday through Friday, at (661) 636-4710. In addition, you can obtain automated information about your account at any time via Navia’s website at [www.navia benefits.com](www.navia%20benefits.com), or 1-800-669-3539, or email [customerservice@naviabenefits.com](customerservice%40naviabenefits.com). A pin number (assigned by SISC) is required to access your information.