



Smithsonian Institution

**CAFETERIA PLAN
HEALTH CARE AND DEPENDENT CARE
FLEXIBLE SPENDING ACCOUNTS**

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Summary of Benefits - Cafeteria Plan

The Cafeteria Plan allows eligible Smithsonian Institution Trust employees to pay the employee share of your benefit plan options (e.g. health insurance) with pre-tax dollars.

How the Cafeteria Plan Works

Eligibility: Active Trust employees who are permanent, temporary (with an appointment of at least 90 days or more) or temporary indefinite with a tour of duty of at least 40 hours in a pay period may participate.

Enrollment: Once you complete enrollment for any of the trust benefits plans, your deductions for benefit plan options will automatically be pre-tax. If you wish to opt out of the pre-tax premium deductions, you must provide a written election to waive the benefit to the Office of Human Resources Compensation and Benefits Branch.

Summary of Benefits - Flexible Spending Accounts

A Flexible Spending Account (FSA) allows you to set aside a portion of your salary to be used to reimburse yourself for qualified health care and dependent care expenses. Your taxable salary is reduced by the amount you set aside in your account(s), so you pay lower income and Social Security taxes.

Participation in the FSAs is voluntary. You decide whether you would like to participate and how much money you would like to set aside, within the minimums and maximums shown below.

	Health Care Account	Dependent Care Account
Your maximum annual contribution	\$2,750	\$5,000
Your minimum annual contribution	\$100	\$100
Annual claim submission deadline	You have until March 15 th of the following year to incur expenses and until April 30 th of the following year to request reimbursement from the third party administrator (Wage Works).	

How the Flexible Spending Accounts Work

You fund your FSA(s) by directing a portion of your earnings to your account(s) on a pre-tax basis. You cannot deposit cash directly into your account(s). Once you decide how much you will contribute for the calendar year, you cannot change your election unless you have a qualified life event change, nor can you transfer money from one FSA to another.

How Much You Can Contribute

Please refer to the table above for minimum and maximum contributions.

Carefully calculate the amount you contribute to your Flexible Spending Accounts. The IRS imposes a “use or lose” rule on FSA plans: you forfeit any money that remains in your account after reimbursement of your eligible expenses for the year. See Limits and Restrictions for more information.

Limits and Restrictions

To preserve the favorable tax treatment of your contributions, there are several important limitations imposed by the IRS that you should understand before participating in the FSAs. An FSA is what is known as a “use or lose” arrangement, which means that if you do not spend all of the money in your account, you lose the unspent balance. Second, you cannot fund your account as you go along – you must decide how much to deposit for the year before each calendar year begins – so you have to be careful in calculating your anticipated expenses for the coming year. Once you decide your contribution amount, you cannot change it during the year unless you experience a qualifying life event change, so you should plan to deposit only as much as you expect to spend in the upcoming year.

- Having a Health Care FSA limits your income tax deductions for health care expenses. However, keep in mind that you can deduct unreimbursed health care expenses from your federal income tax only if they exceed the threshold established by the Internal Revenue Service.
- To be eligible for reimbursement from the Health Care FSA, the expenses must be for you, your child or a tax-qualified dependent. A tax-qualified dependent is someone for whom you can claim a tax exemption. Some of the dependents you cover under your medical plan may not be tax-qualified dependents.
- Having a Dependent Care FSA limits the tax credits you may be able to take for dependent care expenses. You can use both the FSA and tax credit, provided you do not claim the same expenses for both. However, federal regulations require that your dependent care tax credit be reduced dollar for dollar, by whatever you put into your FSA. You should ask your tax advisor to help you choose the right alternative for your tax bracket.
- Establishing an FSA may have an impact on your cash flow. The way FSAs work, you essentially have to “pay twice” for your eligible expenses — first via the payroll deductions that you direct to your Account and again when you actually incur (and pay) the expense. It isn’t until you receive your tax-free reimbursement from your FSA that you realize the FSAs full benefit. You should consider this “cash flow effect” before deciding whether to sign up for the FSAs.
- You cannot transfer funds between the Health Care and Dependent Care FSAs.
- You have up to March 15th of the following year to incur expenses and up to April 30th of the following year to request reimbursement for such claims. Any funds remaining in your Health Care and/or Dependent Care FSA after April 30th will be forfeited unless a claim for reimbursement has been received by Wage Works.

Additional Limits on Dependent Care FSA Contributions

If Your Spouse Also Contributes to a Dependent Care FSA

The IRS sets additional limits on your contributions if you are married and your spouse has a Dependent Care FSA through his or her employer:

- You are limited to a combined Dependent Care FSA contribution of \$5,000 in a calendar year. This limit applies whether you have one or more dependents receiving care.
- If you file separate federal income tax returns, the most you can contribute is \$2,500 a year.
- If you file a joint return, you cannot contribute more than you earn (or what your spouse earns, if it is less than what you earn for the year, with a \$5,000 limit).

If Your Spouse Is Either Disabled or a Full-Time Student

The IRS considers your spouse's earnings to be \$250 a month if you have one eligible dependent and \$500 if you have more than one eligible dependent.

How Participating in the FSAs Affects Taxes and Other Benefits

Establishing an FSA can also affect your tax strategy when you file your income tax return. You should consult a tax advisor *before* signing up for the FSAs – you can't change your election once you've made it unless you have a qualified life event (as explained in *Making Changes*).

The Tax Advantages

The Internal Revenue Code allows your employer to take the money you direct to your FSAs out of your pay before federal and Social Security (FICA) taxes are deducted. That lowers your taxable income, so you pay less federal income and Social Security tax. Depending on where you live, your tax savings could be even greater, since most states recognize the tax-free status of FSA funds. What's more, any reimbursements you receive from your FSAs are free from federal tax as long as you have not taken (or do not intend to take) a tax deduction or credit for related expenses when you file your federal tax return.

Limits on Deductions

Participating in the FSAs can affect your tax strategy when you file your income tax return.

- *Setting up a Health Care FSA limits your deductions for health care expenses.* Keep in mind, however, that you can deduct unreimbursed health care expenses from your federal income tax only if they exceed the annual threshold established by the Internal Revenue Service.
- *Using your Dependent Care FSA for dependent care expenses limits the tax credits you can take for those expenses.* The federal income tax credit lets you subtract a percentage, based on your taxable income, of your expenses for dependent care from the federal taxes you owe. You can use both your Dependent Care FSA and the tax credit, but you cannot claim the same expenses for both. Whatever you apply towards your federal income tax credit is reduced dollar for dollar, by what you contribute to your Dependent Care FSA. Please consult your own tax advisor about changes in these amounts and your specific situation.

Impact on Other Benefits

Employer-Sponsored Benefits

While you are “reducing” your pay for tax purposes, your pay-related benefits (for example, any employer-sponsored life and disability insurance, and pension benefits) are not reduced. Your benefits from these plans will be based on your compensation before any amounts are deducted.

Social Security

Since your Social Security (FICA) taxes are based on your reduced pay, your future Social Security benefits may be slightly lower.

Your Health Care FSA

The Health Care FSA lets you pay many of your otherwise unreimbursed health care expenses with tax-free dollars. Since not every health care expense you incur is eligible for reimbursement through your FSA, it is important to know which are reimbursable and which are not.

If an expense is covered under any other plan(s), you cannot submit it for reimbursement under your Health Care FSA until the expense has been considered by the other plan(s).

Eligible Health Care Expenses

You can use your Health Care FSA to reimburse yourself for health care expenses that are considered "medical care" under section 213(d) of the Internal Revenue Code, as long as the expenses are not reimbursed by any health care plan. Tax rules change, so you should check with your tax advisor about the eligibility of specific expenses. You can get additional information about eligible health care expenses from IRS Publication 502, "Medical and Dental Expenses," which is available from your local IRS office and on the IRS website at <https://www.irs.gov/forms-pubs/about-publication-502>

- Acupuncture
- Ambulance service
- Artificial limbs
- Auto equipment such as special hand controls to assist the physically disabled
- Braille books and magazines
- Chiropractic care
- Contact lenses needed for medical reasons that are not covered by the Vision Care Plan
- Contraceptives that are not covered by the Medical Plan
- Crutches
- Dental treatment not covered by the Dental Plan
- Drug abuse inpatient treatment
- Drugs that do not require a physician's prescription (i.e. insulin) as long as they are for medical care, and not merely beneficial to your overall general health. Examples of other over-the-counter reimbursable expenses include charges for bandages, Band-Aids and gauze; batteries (for hearing aids, blood glucose monitors, etc.); diabetic supplies and test kits; first aid kits; high blood pressure monitors; thermometers.
- Drugs (over-the-counter) that require a physician's prescription as part of the changes introduced by the recent health care reform acts, beginning January 1, 2011, include (but are not limited to):
 - Allergy and sinus: Actifed, Benadryl, Claritin, Sudafed
 - Antacids: Mylanta, Pepcid AC, Prilosec, TUMS
 - Aspirin and pain relievers: Advil, Excedrin, Motrin, Tylenol
 - Cold and flu: Nyquil, Theraflu, Tylenol Cold & Flu
 - Diaper rash ointments: Balmex, Desitin

- First aid creams, sprays, and ointments: Bactine, Neosporin
- Sleep aids Sominex, Tylenol PM, Unisom Sleep Tabs
- Eye exams, lenses and frames not covered in full by the Vision Care Plan
- Fertility enhancement, as follows:
 - procedures such as in vitro fertilization (including temporary storage of eggs or sperm), and
 - infertility surgery, including an operation to reverse a prior sterilization procedure
- Guide dog or other animal used by a visually-impaired or hearing-impaired person
- Hearing exams and hearing aids
- Hospital services
- Laboratory fees
- Laser eye surgery
- Lead-based paint removal to protect a child who has, or who has had, lead paint poisoning from continued exposure
- Legal fees directly related to committing a mentally ill person
- Lodging while you receive medical care away from home. Care must be provided by a doctor in a licensed hospital or treatment facility, and the lodging must be primarily for, and essential to, medical care.
- Long term care services required by a chronically ill person, if provided in accordance with a plan of care prescribed by a licensed health care practitioner
- Medical information plan that maintains your medical information so it can be retrieved from a medical data bank for your medical care
- Medical services and supplies not covered by your medical plan
- Mental health care not covered by your medical plan
- Organ donor expenses
- Osteopathic services
- Oxygen and oxygen equipment
- Prescription drugs not covered by your medical plan
- Psychiatric care not covered by your medical plan
- Smoking cessation programs
- Specialized equipment for the disabled, including:
 - cost and repair of special telephone equipment that allows a hearing-impaired person to communicate over a regular telephone, and
 - equipment that displays the audio part of television programs as subtitles for hearing-impaired people.
- Sterilization surgery
- Termination of pregnancy
- Transportation expenses if primarily for, and essential to, medical care
- Wheelchairs

The following health care expenses also qualify for tax-free reimbursement through a Health Care FSA:

- Health care co-payment, deductible and coinsurance amounts
- Health care expenses that are above the customary charge or health care plan maximums

If you have any questions about what is considered an eligible expense under the Health Care FSA, contact Wage Works at 1-866-279-8385.

Ineligible Health Care Expenses

Here are some health care expenses that are considered **INELIGIBLE**:

- General over-the-counter drugs and medicines, excluding insulin
- Expenses for which you've already been reimbursed by other health care plans (including Medicare, Medicaid, and your employer's or any other Medical, Dental and Vision Care Plans)
- Expenses incurred by anyone other than you or your qualified dependents
- Expenses that are not deductible on your federal income tax return
- Babysitting, childcare and nursing services for a normal, healthy baby. This includes the cost of a licensed practical nurse (L.P.N.) to care for a normal and healthy newborn.
- Controlled substances
- Cosmetic dental work
- Cosmetic surgery (any procedure to improve the patient's appearance that does not meaningfully promote the proper function of the body, or prevent or treat illness or disease)
- Custodial care in an institution
- Diaper service
- Electrolysis
- Funeral and burial expenses
- Health care plan contributions, including those for Medicare, your spouse's employer's plan, or any other private coverage
- Health club dues
- Household help, even if such help is recommended by a physician
- Illegal medical services or supplies
- Maternity clothing
- Medical savings account (MSA) contributions
- Over-the-counter health aids that do not treat a specific medical condition, including those recommended by your physician
- Over-the-counter drugs that are beneficial to health, but are not for medical care (for example: vitamins, weight loss aids)
- Nutritional supplements, unless obtained legally with a physician's prescription

- Personal use items, unless the item is used primarily to prevent or alleviate a physical or mental defect or illness
- Prescription drugs for cosmetic purposes
- Weight-loss programs not prescribed by a doctor
- Special schooling for a problem child, even if the child may benefit from the course of study or disciplinary methods
- Transportation to and from work, even if a physical condition requires special means of transportation
- Up-front patient administration fees paid to a physician's practice
- Vitamins or minerals taken for general health purposes

Your Dependent Care FSA

You can use the Dependent Care FSA to reimburse yourself with tax-free funds for certain dependent care expenses incurred because you (and your spouse, if you are married) work or are looking for work.

Eligibility

If you are married, you may participate in the Dependent Care FSA only if your spouse:

- Works full-time or part-time;
- Is actively looking for work; or
- Has no earned income for the year and:
 - is a full-time student for at least five months of the year; or
 - is incapable of caring for himself or herself or for the dependent.

Who Qualifies as a Dependent

You can use your Dependent Care FSA to cover the expenses of dependents who are defined as:

- Children who are under age 13 when the care is provided and for whom you can claim an exemption on your federal income tax return.
- Your spouse who is mentally or physically incapable of self-care.
- Your dependent who is physically or mentally incapable of self-care, and for whom you can claim an exemption (or could claim as a dependent if he or she didn't have a gross annual income of \$3,000 or more).
- You can use your Dependent Care FSA to pay expenses for a qualifying child for whom you have joint custody if you pay more than half of the child's support and have custody during the year longer than the other parent. The costs associated with caring for the elderly also qualify for reimbursement if they live in your home at least eight hours a day and are completely incapable of caring for themselves.

Eligible Dependent Care Expenses

The Dependent Care FSA is strictly monitored by the IRS, and only those expenses that comply with Section 129 of the Internal Revenue Code of 1986 are covered. Keep in mind that the expenses must be work-related to

qualify as eligible expenses. The IRS considers expenses “work-related” only if they meet **both** of the following rules:

- They allow you (and your spouse) to work or look for work; and
- They are for the care of a qualified person.

You can pay the following work-related expenses through your Dependent Care FSA:

- Wages paid to a baby sitter, unless you or your spouse claims the sitter as a dependent. Care can be provided in, or outside of, your home,
- Services of a Dependent Care Center (such as a daycare center or nursery school) if the facility:
 - provides care for more than six individuals (other than those who reside there),
 - receives a fee, payment or grant for providing its services, and
 - complies with all applicable state and local laws and regulations.
- Cost for adult care at facilities away from home, such as family daycare centers, as long as your dependent spends at least 8 hours at home.
- Wages paid to a housekeeper for providing care to an eligible dependent. Household services, including the cost to perform ordinary services needed to run your home which are at least partly for the care of a qualifying individual, are covered as long as the person providing the services is not your dependent under age 19 or anyone you or your spouse claim as a dependent for tax purposes.

If you have any questions about what is considered an eligible expense under the Dependent Care FSA, contact Wage Works at 1-866-279-8385.

Ineligible Dependent Care Expenses

You cannot use your Dependent Care FSA to reimburse yourself for services that:

- Allow you to participate in leisure-time activities;
- Allow you to attend school part-time;
- Enable you to attend educational programs, meetings or seminars; or
- Are primarily medical in nature (such as in-house nursing care).

Eligibility

You can participate in the Flexible Spending Account (FSA) program if you are an Active Trust employee whose status is permanent, temporary (with an appointment of at least 90 days or more) or temporary indefinite (with a tour of duty of at least 40 hours in a pay period).

You can sign up for the Health Care FSA only, the Dependent Care FSA only, both FSA’s or neither FSA. Participation is voluntary. It is up to you to decide which FSA (if any) meets your needs. Only employees can enroll in the Flexible Spending Accounts, but the FSAs can be used to reimburse your dependents' eligible expenses as well as your own.

How to Enroll

New Employees

You do not need to be enrolled in the Smithsonian health, dental, and/or vision plans to participate in a Flexible Spending Account.

You must enroll within 60 days of your entrance on duty date (date of hire) using the online employee self-service tool at <https://iElect.Secova.com>.

Your election stays in effect until the end of the calendar year and does not carry over from year to year (you must complete a new election each year during annual open season in order to continue your participation). Federal law requires that whatever election you make is locked in throughout the applicable calendar year unless you have a “qualifying life event”.

Qualifying Life Event

You must enroll within 30 days of the life event (or within 60 days of the date you became eligible to participate if your event is due to a change in work schedule) using the online employee self-service tool at <https://iElect.Secova.com>.

Your election stays in effect until the end of the calendar year and does not carry over from year to year (you must complete a new election each year during annual open season in order to continue your participation).

Open Season

The annual enrollment period is your opportunity to review your benefits needs for the upcoming year and to change your benefits elections, if necessary. Open Season is usually held between the 2nd Monday in November and the 2nd Monday in December each year. The elections you make during open season will be effective January 1 of the following year.

If you are already enrolled in one or both of the FSAs and wish to continue participating, you must re-enroll each year during open season to continue your participation.

During Open Season

Use the online employee self-service tool at <https://iElect.Secova.com> to enroll or re-enroll in one or both of the FSA plans.

When Participation Begins

New Employees

For a newly hired (or newly eligible) employee, participation begins the first day of the pay period following receipt of your Secova election.

Open Season

Your annual election will go into effect on January 1.

Making Changes

The IRS requires that your FSA elections stay in effect throughout the full plan year. Once made, you cannot change your election during the year unless you experience a “qualifying life event.” The effective date will be the date of the qualifying life event (i.e., date of birth of a child, date of marriage).

Defining a Qualifying Life Event for the Health Care FSA

The following are examples of qualified family status changes for the Health Care FSA:

- Marriage
- Divorce
- Birth or adoption of a child
- Death of a spouse or child
- Termination of your spouse’s employment
- Commencement of your spouse’s employment
- Transition from part-time to full-time work, or from full-time to part-time work, by you or your spouse
- An unpaid leave of absence taken by you or your spouse.

Defining a Qualifying Life Event for the Dependent Care FSA

The following are examples of qualified family status changes for the Dependent Care FSA:

- Marriage
- Divorce
- Birth or adoption of a child
- Death of a spouse or child
- Change in number of dependents or change in dependents eligibility
- Military deployment
- Termination of your spouse’s employment
- Commencement of your spouse’s employment
- Change in employment status that affects eligibility for health insurance benefits for employee, spouse or employee’s dependent
- An unpaid leave of absence taken by you or your spouse.

If You Have a Qualifying Life Event

You have 30 days from the date of the qualifying event to change your Health Care and/or Dependent Care FSA election. The change in your FSA election must be due to and consistent with the change in your family status. The effective date will be the date of the qualifying life event (i.e., date of birth of a child, date of marriage).

You should contact your Benefits Specialist immediately after the change takes place to make sure you allow yourself enough time to take the appropriate action.

If you do not report the qualifying life event and complete the appropriate paperwork within the 30-day period, you will need to wait to make the change until the next open enrollment period.

If You Take a Leave of Absence

Paid Leave of Absence

Your participation in the FSAs will not be affected if you are granted a paid leave of absence. Payroll deductions will continue, and you can still use your FSAs to reimburse yourself for eligible expenses. You may elect a family status change as explained in *Making Changes* if your change in election is consistent with the circumstances of your leave.

Unpaid Leave of Absence

When taking standard Leave Without Pay (e.g. FMLA, sabbatical, bereavement, campaign for political office, full time political office, community service, pursuing education) you have two options regarding payment of your FSA accounts:

- Prepay your elections by accelerating your deductions prior to your period of LWOP. Allowable health care expenses incurred during your leave will be eligible for reimbursement because your “leave time” will be pre-paid and there will not be an interruption in your coverage period.
 - If you have a Dependent Care FSA, dependent care expenses you incur during your leave will not be eligible for reimbursement unless they meet IRS guidelines for eligible expenses. To meet these criteria, you must incur the expenses as a result of you and your spouse, if married, needing to work, looking for work, or attending school full-time during the leave. Eligible expenses may be reimbursed up to your account balance.
- Freeze your account. During the period your account is frozen, you will not be eligible for reimbursement for any unreimbursed health care expenses until the benefit period ends or until you return to pay status and begin making deductions again.
 - You can submit claims for eligible health care expenses incurred prior to your period of LWOP through April of the Benefit Period. When you return to pay status, your deductions will be recalculated across the remaining pay periods to ensure you reach your annual election amount so that your account is paid in full by the last paycheck in the year.

LWOP due to Military Deployment

When a period of LWOP is a result of Military deployment, it is considered a QLE (qualifying life event). You will have additional options regarding your deductions.

- If you or your dependents experience a QLE, you may enroll or change your current elections as long as the change is consistent with the event that prompted the elections change.
 - Example: if you adopt a baby, you may want to increase your HCFSA and or DCFSA elections to accommodate the added medical expenses and or daycare costs you may incur for this adopted child. However, you normally could not decrease your DCFSA elections for that QLE. You may

wish to decrease your DCFSA if your spouse decided to stay home with your child and you no longer had eligible daycare costs.

LWOP and Qualifying Life Events (QLE's)

- When a period of LWOP is a result of a major life event, it becomes a QLE. You will have the additional option of canceling your election for the remainder of the year and reducing your coverage to the amount deposited or what you have already been reimbursed as of the start of your leave.
- If you choose to cancel your FSA, expenses you incur during your leave will not be eligible for reimbursement.
- Any changes made as a result of QLE must be consistent with the event.
 - Example: If you have a child, you would be able to increase your DC FSA as well as your HC FSA. But, if your child turns 13 years of age, and is no longer eligible under your DCFSA, your election could only be decreased, not increased, and your HCFSA could not be changed at all.

If your period of LWOP occurs prior to a QLE, the time off prior to the QLE will be handled as a standard LWOP and will convert to a QLE on the date of the actual event.

Example: You (or your spouse) are pregnant and become ill. You decide to take a period of LWOP to recover and are off for 3 weeks. At the end of two weeks, the baby is born. Since the birth of a child qualifies as a QLE, your LWOP upgrades to a QLE, effective on the date of a birth.

If you are on an unpaid leave of absence, your contributions and participation in the Dependent Care FSA will end. You can continue to be reimbursed from your Dependent Care FSA for eligible expenses you had incurred while you were actively at work; you will **not** be reimbursed for expenses incurred while on leave. Any balance in your account from contributions made before your leave can be used for claims incurred upon your return to work.

When Your Employment Ends

Health Care FSA

Your flexible spending account ends on your date of separation. If you meet the criteria, you may be eligible to continue participation in the healthcare FSA until the end of the plan year in which you separate.

If you leave during the year, you have two choices for your Health Care FSA:

- You can close your account, in which case you will have until April 30th of the next year to submit claims for expenses incurred before your termination of employment date; or
- You may be eligible to continue your contributions on an after-tax basis by electing COBRA coverage (see *Continued Participation in the Health Care FSA* for more information). In this case, you can still claim reimbursements from your account for expenses incurred after you leave through the end of the year, provided you continue your FSA participation by making after-tax contributions.

Dependent Care FSA

If you leave during the year, your contributions to your Dependent Care FSA end. However, you can still be reimbursed for eligible expenses you incur up to the amount of your account balance. You have until April 30th of the next year to submit claims.

If You Are Rehired

If you leave your employer and are rehired within the same year, it will be considered a family status change. Upon your return to work, you may reenroll in the FSAs and have your prior elections reinstated.

Continued Participation in the Health Care FSA (COBRA)

Under some circumstances, you and your eligible dependents can still participate in the Health Care FSA even after your coverage ends. This continued coverage is available if your coverage ends because:

- Your employment terminates for any reason other than gross misconduct;
- Your scheduled work hours are reduced;
- You retire;
- You divorce or legally separate; or
- You die.

This extended coverage is provided through the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), as amended, and applies to the Health Care FSA only, not to the Dependent Care FSA. The COBRA provisions are described below.

*Generally, eligibility will cease when an employee's regular hours are expected to fall consistently below 20 hours per week. However, under some circumstances, such employee's eligibility shall continue (and coverage, if elected, shall remain in place). Employees shall be notified when their regular hours fall below 20 hours per week due to a change in tour of duty. Employees will be notified as to whether such eligibility shall continue and, if so, the period of such continued eligibility.

COBRA Coverage

Even if you are no longer eligible, you (and in some cases, your dependents) can still contribute to the Health Care FSA on an after-tax basis. The Smithsonian's COBRA Administrator will let you (or your dependents) know when you (or they) are eligible for continued coverage. Once the COBRA Administrator notifies you, you have 60 days to respond if you want to continue coverage. You have to contribute the same amount you were contributing before losing eligibility (plus a 2% administrative fee) and you have 45 days from the time you are billed to send your money. Other than that, the same rules that govern active employees apply.

Who's Eligible to Continue to Participate Through Year-End	In the Event
You	Your employment terminates
You	Your working hours are reduced
Your dependents	You die
Your dependents	You divorce or legally separate

Losing Continued Coverage

Continued participation will end sooner than the time limits shown in the chart if the Health Care FSA is discontinued or if you do not make your contributions on time.

Requesting Reimbursement

Traditional Paper Claims: When you incur an eligible Dependent Care expense, you may file a claim with Wage Works by completing and submitting a request for reimbursement form. Claim forms are available on the OHR website at <http://prism2.si.edu/OHR/Benefits/Pages/FSAtrust.aspx>

or the Wage Works website at www.conexis.com/myfsa.

Online claim process: If you wish to file a claim online, go to www.conexis.com/myfsa,

complete the claim form, scan it in to your computer along with the necessary receipts, and follow the instructions.

Health Care Expenses

You must include the following with your request for reimbursement form:

- a) a written statement from an independent third party (e.g., an itemized statement, explanation of benefits, etc.) associated with each expense that indicates the following:
- b) The nature of the expense (e.g. what type of service or treatment was provided). If the expense is for an over the counter drug, the written statement must indicate the name of the drug;
- c) The date(s) of service;
- d) The name of the provider;
- e) The amount of the expense; and
- f) The patient's name.

If you are eligible for coverage under another health care plan, the other plan(s) must also consider any expense before it is submitted for reimbursement by your Health Care FSA.

Dependent Care Expenses

To file a claim for reimbursement, complete the "Dependent Care Reimbursement" form. Claim forms are available on the OHR website at <http://prism2.si.edu/OHR/Benefits/Pages/FSAtrust.aspx> or the Wage Works website at www.conexis.com/myfsa. You must provide the following information in your claim submission:

- Dependent's name
- Provider's name, address and tax ID (or Social Security) number
- The cost, nature and place of the service(s) performed
- Proof of payment*
- An indication of whether the provider is related to you and, if so, how (if the provider is your child, you must also include the child's age)

* You can ask your dependent care provider to sign the claim form as verification of payment. Detailed bills or receipts are also considered acceptable documentation for dependent care expenses.

You are also required to report your provider's taxpayer identification number or Social Security number when you file your tax return.

Reimbursement Process

Wage Works will review and process your claim within 3 business days after receipt of your completed Request for Reimbursement Form. Reimbursement for expenses that are determined to be eligible health or dependent care expenses checks will be generated weekly each Wednesday.

If the expense is determined to not be an “eligible expense”, you will receive notification of this determination from Wage Works. You must submit all claims for reimbursement for eligible dependent care expenses during the plan year (by December 31) in which they were incurred or no later than April 30 of the following year.

You can be reimbursed through your Health Care FSA for qualifying health care expenses up to the annual amount you elected at enrollment – even if all of it has not yet been deducted from your paychecks.

You can be reimbursed for dependent care expenses only up to the amount in your Dependent Care FSA when you file a claim. Any unpaid amounts still due you will be processed in the next claim cycle when (and if) you have enough money in your Dependent Care FSA to cover them.

If any balance is left in your FSA(s) at the end of the year, and claims for that balance are not filed with Wage Works by April 30th of the following year, ***the remaining balance will be lost.***

If you have any questions about your Health Care or Dependent Care FSA claims, call Wage Works at 1-866-279-8385.

How to Appeal a Denied Claim

Step 1: *Notice is received from Third Party Administrator (Wage Works).* If your claim is denied, you will receive written notice from Wage Works that your claim is denied as soon as reasonably possible but no later than 30 days after receipt of the claim. For reasons beyond the control of the Wage Works, Wage Works may take up to an additional 15 days to review your claim. You will be provided written notice of the need for additional time prior to the end of the 30-day period. If the reason for the additional time is that you need to provide additional information, you will have 45 days from the notice of the extension to obtain that information. The time period during which Wage Works must make a decision will be suspended until the earlier of the date that you provide the information or the end of the 45-day period.

Step 2: *Review your notice carefully.* Once you have received your notice from the Wage Works, review it carefully. The notice will contain:

- a) The reason(s) for the denial and the plan provisions on which the denial is based;
- b) A description of any additional information necessary for you to perfect your claim, why the information is necessary, and your time limit for submitting the information;
- c) A description of the plan’s appeal procedures and the time limits applicable to such procedures; and
- d) A right to request all documentation relevant to your claim.

Step 3: *If you disagree with the decision, file an appeal.* If you do not agree with the decision of Wage Works and you wish to appeal, you must file your appeal no later than 180 days after receipt of the notice described in Step 1. You should submit all information identified in the notice of denial as necessary to perfect your claim and any additional information that you believe would support your claim.

Send your appeal to:

Wage Works
Attention: Cafeteria Plan Services
P.O. Box 227197
Dallas, TX 75222-7197

Step 4: *Notice of denial is received from Wage Works.* If the claim is again denied, you will be notified in writing as soon as possible but no later than 30 days after receipt of the appeal by the Wage Works.

Step 5: *Review your notice carefully.* You should take the same action that you took in Step 2 described above. The notice will contain the same type of information that is provided in the first notice of denial provided by the Wage Works.

Step 6: *If you still disagree with the Wage Works's decision, file a 2nd Level Appeal with the Plan Administrator.* If you still do not agree with Wage Works's decision and you wish to appeal, you must file a written appeal with the Plan Administrator within the time period set forth in the first level appeal denial notice from Wage Works. You should gather any additional information that is identified in the notice as necessary to perfect your claim, all information and previous denial letters from Wage Works, and any other information that you believe would support your claim.

If the Plan Administrator denies your 2nd Level Appeal, you will receive notice within 30 days after the Plan Administrator receives your claim. The notice will contain the same type of information that was referenced in Step 1 above. The Plan Administrator is:

Smithsonian Institution
Office of Human Resources/Compensation and Benefits Branch
P.O. Box 37012
Capital Gallery, Suite 5060, MRC 517
Washington, D.C. 20013-0712

[Amendment or Termination of the Plan](#)

The Smithsonian has the right to amend or terminate the plan, in whole or in part, at any time. The establishment of an employee benefit plan does not imply that employment is guaranteed for any period of time or that any employee receives any non-forfeitable right to continued participation in any benefits plan.