



WASHINGTON COLLEGE POLICIES

FLEXIBLE SPENDING ACCOUNTS

****THIS POLICY IS UNDER REVISION****

On January 1, following completion of one year continuous service, regular full-time employees are eligible to participate in the College's Flexible Spending Account plan. Regular part-time employees are eligible to participate on January 1, following completion of five years continuous part-time employment, working at least half-time.

The plan makes available participation in the Healthcare Spending Account and/or Dependent Care Spending Account. Eligible employees may elect to enroll in one, both or none of the available options once a year during the open enrollment period in November of each year.

The Healthcare Spending Account allows employees to set aside up to \$5,000 per calendar year, on a pre-tax basis, to pay for medical, dental or vision expenses for themselves or their dependents which are not covered by insurance.

The Dependent Care Spending Account allows employees to set aside up to \$5,000 per calendar year, on a pre-tax basis, to pay for qualified dependent care expenses.

Under the federal law called HIPAA, medical records under our employee health plans enjoy certain privacy protections. To comply with HIPAA, Washington College has adopted a policy that states the College will no longer create or receive "Protected Health Information" in connection with employee health plans. Instead, all Protected Health Information will be created or received by a third party administrator. Therefore, any inquiries concerning Protected Health Information must be directed to the third party administrator. Of course, general inquiries about the College's employee health plans that do not involve Protected Health Information issues should still be directed to Human Resources.

An Election Form and Salary Redirection Agreement must be completed during the open enrollment period prior to the start of the next calendar year. Once completed, the participant's election cannot be altered for the calendar year except for certain qualifying changes in family status. Funds contributed to the flexible spending accounts and not used for expenses incurred

during the calendar year will be forfeited by the participant 90 days after the end of the calendar year.

Another component of the Flexible Spending Account is the Premium Expense Account, which allows group health and dental insurance premium plans to be on a pre-tax basis. Enrollment in the Flexible Spending Account is not required for Premium Expense Account. The Premium Expense Account is activated when the employee authorizes the pre-tax deduction from pay for the employee's share of the group health and/or dental insurance premiums.

Enrollment forms for the Healthcare and Dependent Care Spending Accounts and plan materials are available in Human Resources.

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