



Each fall all employees of the Central Texas Conference of the United Methodist Church (and its entities) have the opportunity to enroll in the Conference Cafeteria Plan. This is available to both lay and clergy employees who work a minimum of 20 hours per week (1040 annual hours). The Cafeteria Plan allows employees to tax shelter certain expenditures as made possible under Section 125 of the Internal Revenue Code. The Central Texas Conference plan has been developed in conjunction with AFLAC (*American Family Life Assurance Company*). Three classifications of benefits are available: Supplemental Insurance Policies, Dependent Day Care Flexible Spending Accounts and UnReimbursed Medical Expense Accounts. **AFLAC is NOT associated with our Health insurance (HealthFlex) and you do not have to be enrolled in HealthFlex in order to participate in AFLAC. The only requirement is that you work 20 hours or more per week.**

Supplemental Insurance

AFLAC's supplemental insurance programs are designed to pay cash benefits directly to you, the employee, during a difficult medical situation. You can use the cash benefits any way you choose to help relieve budgetary pressures such as rent, car payments, household expenses, utilities, etc. These benefits are also designed to protect your assets.

The AFLAC programs that are available to you and your family on a pre-tax basis are: Accident, Cancer Max, Hospital Protection, Short Term Disability, Specified Health Event and Dental.

Flexible Spending Accounts

Flexible Spending Accounts are designed to put aside money on a monthly basis, and then draw from the account as eligible expenses are incurred. Eligible expenses must be incurred during the fiscal year enrolled (new hires – eligible expenses are those which have been incurred since starting employment with the Central Texas Conference - Enrollment date thru the end of the calendar year). These accounts are set up on a "USE IT OR LOSE IT" basis (IRS rules). All participants have until March 31 of the next year to submit expenses incurred in the prior year. Any monies remaining after March 31 cannot, by law, be claimed.

A **Dependent Care Account (DDC)** may be used to pay expenses which meet these qualifications:

- Dependent care must enable you or your spouse to be employed.
- The amount to be reimbursed must not be greater than your spouse's income or one half of your income, whichever is less.
- The child must be under 13 years old and must be your dependent under federal tax rules. Note: If your child turns 13 during the plan year, reimbursements must stop for him/her, however, your contributions must continue.
- Services may be provided in your home or another location, but not by someone who is your minor child or dependent for income tax purposes. If the services are provided by a day care center which cares for six or more children, it must comply with state regulations for day care centers.
- Services are only for the physical care of dependents, not meals or education.

This account may also be used for the care of a spouse or dependent who is mentally or physically incapable of self-care (invalid parent, etc.). In this case:

- Dependent must spend at least eight hours per day in your home.
- Dependent need not be under age 13.
- All other above rules apply.

Five thousand dollars (\$5,000) is the maximum annual deduction allowed by IRS (\$416.66 per month).

UnReimbursed Medical (URM) can be used to pay out of pocket expenses incurred by an individual even when health insurance is available. This includes non-covered items, prescriptions, co-pays, and deductibles. Five thousand dollars (\$5,000) is the maximum amount that can be set aside (\$416.66 per month).

GRACE PERIOD FOR UNREIMBURSED MEDICAL PLANS

The Central Texas Conference has adopted a "grace period" for the Un-reimbursed Medical Plan (URM) only. The grace period will begin on the first day of the Plan Year following the Plan Year to which it relates and will end two (2) months and fifteen (15) days later. For example, the plan year ends December 31st, the grace period begins January 1st and ends March 15th. Eligible medical expenses incurred during the grace period and approved for reimbursement will be paid first from available amounts that were remaining at the end of the plan year to which the grace period relates and then from any amounts that are available to reimburse expenses incurred during the current plan year. Claims will be paid in the order they are received. Expenses incurred during the grace period must be submitted before the end of the run-off period (March 31st). Any unused amounts that are not used to reimburse eligible expenses incurred either during the plan year to which the grace period relates or during the grace period will be forfeited if not submitted before the end of the run-off period.

You may visit the IRS website www.irs.gov and view **Publication 502** for complete listing of Medical and Dental Expenses and **Publication 503** for Child and Dependent Care Expenses.

Why should I consider *AFLAC*?

- ◆ Pays **regardless of any other insurance**.
- ◆ Pays benefits **directly to YOU** to use as you see fit.
- ◆ Helps with **out-of-pocket expenses, copays, deductibles**.
- ◆ Provides funds to help cover **lost wages, household bills**.
- ◆ Allows **freedom of choice** of providers - NO networks.
- ◆ **Pays claims quickly** – usually 1 to 2 weeks.
- ◆ Covers you and your dependents **INEXPENSIVELY**.
- ◆ Allows premiums to be paid with **tax-free dollars**.
- ◆ Gives you **PORTABLE** coverage that **you own**.
- ◆ Provides great rate stability – **no increases in years!**

Who is *AFLAC*?

Number One Provider: *AFLAC* is the number one provider of guaranteed-renewable **voluntary benefits**. We insure over 40 million people worldwide and more than 280,000 groups.

Outstanding Financial Strength: A Fortune 500 company with over \$45 billion in assets, *AFLAC* is one of the prestigious companies in the ***S&P 500***.

A+ (Superior): *AFLAC* is rated A+ by A.M. Best.

Prompt, Satisfactory Claims Service: A poll conducted by the Opinion Research Corporation shows that 9 out of 10 *AFLAC* claimants agree that we paid their claims fairly and promptly, and that they would recommend our products to others.