

FLEXIBLE BENEFITS PLAN

Karnack Independent School District

Employer ID NBS266731

PLAN HIGHLIGHTS

Login at: my.nbsbenefits.com



Congratulations! Karnack Independent School District has established a "Flexible Benefits Plan" to help you pay for your out-of-pocket medical expenses. The benefits you elect are paid for with a portion of your pay before Federal income or Social Security taxes are withheld. This means that you will save money by paying less taxes and have more money to spend. However, if you receive a reimbursement for an expense under the Plan, you cannot claim a Federal income tax credit or deduction on your return.

GENERAL PLAN INFORMATION

Plan Year:.....September 1st through August 31st

Maximum Health FSA Limit.....Current IRS limit \$3,300
.....See Code Section 125(i)(2) or current enrollment information

Maximum Dependent Care Limit:.....\$5,000

Carryover

If you have unused contributions in your Health Flexible Spending Account following the Plan run-out period, you may roll forward a limited dollar amount into the following plan year.

Health FSA Carryover.....Up to \$660 following the Plan run-out
Amounts exceeding \$660 will be forfeited

Grace Period

If you have unused contributions in your Flexible Spending Accounts from the immediately preceding plan year, you may have a limited period to incur additional qualifying FSA and/or Dependent Care expenses.

Dependent Care (DCAP).....30 days

Deadlines to Incur Expenses on Elected Funds

Health FSA.....August 31 Plan Year End
DCAP.....September 30 following Plan Year End

Deadlines to File for Reimbursement

Run-out Period:.....90 days

Health FSA and DCAP.....November 29 following plan year end

Mid-Year Terminations

FSA30 days following termination date
DCAP.....30 days following termination date

Orthodontic Reimbursementas paid per service contract
Upfront payment.....not allowed

AM I ELIGIBLE TO PARTICIPATE

Premium Only Plan and DCAP:

If you work 20 hours or more each week for the company, you will be eligible to join the Plan once you have satisfied the conditions for coverage under our group medical plan.

You will enter the Plan on the day in which you meet the above eligibility requirements.

Health Flexible Spending Account:

If you work 20 hours or more each week for the company, you will be eligible to join the Plan on your date of hire.

You will enter the Plan on the first day of the month following the day in which you meet the above eligibility requirements.

Highly Compensated & Key Employees

Under the Internal Revenue Code, "highly compensated employees" and "key employees" generally are Participants who are officers, shareholders or highly paid. If you fall within these categories, you may be limited in the benefits or election amounts that are available to you. Please refer to your Summary Plan Description or your HR Department for more information.

WHAT TYPE OF BENEFITS ARE AVAILABLE

Under our Plan, you can choose the following benefits. Each benefit allows you to save taxes at the same time because the amount you elect is set aside on a pre-tax basis.

Health Flexible Spending Account:

The Health Flexible Spending Account (FSA) enables you to pay for expenses allowed under Section 105 and 213(d) of the Internal Revenue Code which are not covered by our insured medical plan. Your Plan Maximum can be found in the General Plan Information section. Please note: If you participate in a Health Savings Account (HSA) benefit you **cannot** participate in the Full Health Flexible Spending Account benefit, but you **can** participate in the Limited Health Flexible Spending Account Benefit.

NBS Welfare Benefit Service Center

(801) 532-4000 or 800-274-0503

Fax: 800-478-1528

service@nbsbenefits.com



Karnack Independent School District Flexible Benefits Plan

Plan Contact Person:

Velma McGlothlin
655 Fason Street
Karnack, TX 75661
(903) 679-3117
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Flexible Benefits Plan

Highlights Continued

Health Savings Account:

A Health Savings Account is a portable benefit which allows participants insured by a Qualified High Deductible Insurance Plan to save for deductibles and other expenses not covered under the Plan. If you participate in this benefit you **cannot** participate in the Health Flexible Spending Account benefit, only a Limited FSA.

Limited Health Flexible Spending Account:

If you participate in a Health Savings Account, you can choose to participate in a Limited Health Flexible Spending Account which will allow you to be reimbursed for out-of-pocket dental and/or vision expenses incurred by you and your dependents. You may not, however, be reimbursed for the cost of other health care coverage maintained outside of the Plan, or for long-term care expenses.

Dependent Care Flexible Spending Account:

The Dependent Care Flexible Spending Account (DCAP) enables you to pay for out-of-pocket, work-related dependent day-care cost. Please see the Summary Plan Description for the definition of eligible dependent. The law places limits on the amount of money that can be paid to you in a calendar year. Generally, your reimbursement may not exceed the lesser of: (a) \$5,000 (if you are married filing a joint return or you are head of a household) or \$2,500 (if you are married filing separate returns); (b) your taxable compensation; (c) your spouse's actual or deemed earned income.

Premium Expense Plan:

A Premium Expense portion of the Plan allows you to use pre-tax dollars to pay for specific premiums under various insurance programs that we offer you.

Please note: Policies other than company sponsored policies (i.e. spouse's or dependents' individual policies etc.) may not be paid through the Flexible Benefits Plan. Furthermore, qualified long-term care insurance plans may not be paid through the Flexible Benefits Plan.

DETERMINING CONTRIBUTIONS

Before each Plan Year begins, you will select the benefits you want and how much of the contributions should go toward each benefit. It is very important that you make these choices carefully based on what you expect to spend on each covered benefit or expense during the Plan Year.

Generally, you cannot change the elections you have made after the beginning of the Plan Year. However, there are certain limited situations when you can change your elections if you have a "change in status". Please refer to your Summary Plan Description for a change in status listing.

HOW DO I RECEIVE REIMBURSEMENTS

Participant Portal or Mobile App

During the course of the Plan Year, you may submit requests for reimbursement of expenses you have incurred. Expenses are considered "incurred" when the service is performed, not necessarily when it is paid for. Claims may be submitted through your online account or the NBS Mobile App.

In order to have the reimbursements made to you for qualifying Dependent Care expenses, you must provide a statement from the service provider including the name, address, date of service, the amount of expense and proof that the expense has been incurred. In most cases, the taxpayer identification number of the service provider will also be necessary.

Claims for reimbursement must be submitted in accordance with the timelines provided in the General Plan Information section.

NBS Smart Debit Card – FSA Pre-paid MasterCard

Your employer may sponsor the use of the NBS Smart Debit Card to access your Health FSA dollars. You may use the card to pay merchants or service providers that accept credit cards, so there is no need to pay cash up front then wait for reimbursement.

Updated: 6/9/2025

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