

## Associated Students, Incorporated Human Resources Office

### FLEX CASH PLAN

This pamphlet is intended to provide the highlights of the Associated Students, Incorporated (ASI) FLEX CASH PLAN. If you have any questions, please contact the ASI Human Resources Office.

#### OVERVIEW

The ASI offers a Flex Cash plan to help you tailor your benefit package needs. If you have medical, and/or dental coverage outside the ASI, the Flex Cash Plan will pay you cash in lieu of coverage. This allows you to receive only the coverage you and your family need. In order for you to make an intelligent choice, the most frequently asked questions and answers follow:

#### WHAT IS FLEX CASH?

Cash is an optional benefit plan that allows you to waive ASI medical and or dental coverage in exchange for cash, ***provided you are covered by another medical and or dental plan.*** If you waive medical and/or dental insurance coverage, you will receive additional cash in your paycheck. The Flex Cash payment is treated as taxable income and is subject to the same payroll taxes as your regular salary. However, Flex Cash will not be considered compensation for PERS Retirement. The additional cash income will be reported as income on your W-2 form for the year you receive it.

You should ensure that your medical and dental needs are met before you choose the Flex Cash option. **If you decide to join the Flex Cash Plan, you will be**

**required to certify on the Flex Cash Enrollment Authorization form that you have alternative medical and or dental coverage.**

#### HOW MUCH IS THE CASH PAYMENT?

If you choose to receive cash in lieu of medical and/or dental coverage, you will receive the following monthly cash payment:

	Pay Period on 15th	Monthly Total
Waive both medical and dental	\$140.00	\$140.00
Waive medical only	\$129.00	\$129.00
Waive dental only	\$ 11.00	\$ 11.00

The ASI reserves the right to change these amounts in the future.

#### WHO IS ELIGIBLE?

You are eligible for the Flex Cash plan if:

- You meet the eligibility requirements for the ASI's medical and dental benefits;
- You have other, non-ASI, medical and dental coverage through an individual policy, private group coverage, or coverage related to you or your spouse's employment outside of the ASI.
- **You are not eligible to participate in Flex Cash if you are covered as the dependent of another ASI employee.**

#### WHEN CAN I ENROLL?

Every year during the Open Enrollment period, coverage for the full plan year is January 1 through

December 31. New employees may enroll when they become eligible for coverage. Flex Cash will continue each plan year unless you:

- Complete forms to enroll in a medical and or dental coverage during subsequent Open Enrollment periods or,
- Within 60 days of a family status change.

#### CAN I CHANGE MY ELECTION DURING A PLAN YEAR?

You may not start or stop your Flex Cash election in the middle of a plan year, except for allowable family status changes as defined by the Internal Revenue Service regulations. These regulations specify that changes in Flex Cash elections must be necessary or appropriate as a result of the family status changes.

If allowable family changes occur, you can make the following changes by completing a new Flex Cash Enrollment Authorization form within 60 days of the status change:

- If you had chosen cash, you may now elect to have medical and or dental coverage;
- If you had elected medical and or dental coverage, you may now choose the Flex Cash Option.

#### WHAT IS A FAMILY STATUS CHANGE?

Allowable family status changes include:

- Marriage or divorce;
- Death of a spouse or dependent or loss of eligible dependent status;
- Birth or adoption of a child;
- Termination or commencement of spouse's employment;
- Change of full-time to part-time employment, or from part-time to full-time employment, by

either you or your spouse and if that change affects your medical and or dental coverage;

- Gain or loss of alternative non-ASI medical or dental coverage.

#### **WHAT IF I GO ON LEAVE OF ABSENCE WHILE ENROLLED?**

Flex Cash payments continue if you are on a paid leave of absence, but when you take a non-paid leave of absence, then payment from the Flex Cash Plan will stop until you return to active status.

#### **WHAT IF I SEPARATE FROM EMPLOYMENT WITH THE ASI WHILE I AM ON THE FLEX CASH PLAN?**

If you elected to participate in the Flex Cash Plan and have waived your coverage for the ASI's medical and/or dental plan, you have also waived your Consolidated Omnibus budget Reconciliation Act (COBRA) continuation rights as well. This means that you will not be able to continue in the ASI's group medical and or dental coverage if you are separated from your ASI employment.

#### **WHAT IF I RETIRE WHILE ENROLLED IN FLEX CASH?**

Flex Cash payments stop when you retire. You will have 30 days following retirement to enroll in any CalPERS medical plan. If you do not enroll within the 30-day time period you must wait until the next open enrollment period.

#### **WHAT IF I DIE WHILE ENROLLED?**

If you are married and you have waived your medical coverage under the Flex Cash Plan, and you subsequently die without coverage, your surviving spouse and or dependents will not have the right to continue medical coverage as part of the CalPERS surviving spouse benefit package.

**This will not affect your spouse's eligibility for other CalPERS monthly retirement allowances or benefits.**

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