A. **DEFINITIONS**

1. A “covered member” shall be an employee of Schoolcraft College to whom this plan is offered and who shall be entitled to participate in the plan on the first day of his/her employment, or at the beginning of a plan year following an Open Enrollment period.

2. The annual “Open Enrollment period” of this plan shall be November 1st through November 15th.

3. The “plan year” shall be the first day of January through the last day of December.

4. A “change in family status” is an event that involves a change in marital status, death of a dependent, birth or adoption of a child, change in an employee’s or spouse’s employment status, or change in employee’s or spouse’s insurance plans.

B. **ENROLLMENT**

The annual Open Enrollment period is the only time an employee may change an election unless there is a “change in family status”.

C. **INCOME REDIRECTION**

An employee may redirect a portion of their income to pay for uninsured medical expenses; the employee is not required to pay taxes on that part of the income. Using pre-tax dollars could mean a tax savings for the employee. The Internal Revenue Service (IRS) requires that any money left in Medical Spending Accounts at the end of the plan year be forfeited. Employees should allocate only as much to the Account as they are reasonably assured will be spent on reimbursable expenses.
Contributions will automatically be deducted from the employee’s pay before taxes are assessed and deposited into the employee’s spending account. No federal or state income taxes or Social Security taxes will be withheld on these dollars.

In order to change the contribution amount, a participant must notify the Human Resources Benefits Specialist within thirty (30) days of a “status change”.

D. ACCOUNT LIMITATIONS

Under the Schoolcraft College Medical Spending Account Program, the amount of income an employee may redirect to the Spending Account is limited as follows:

- Minimum contribution of $5 per pay period.
- Maximum contribution of $4,000 per plan year.

A written election must be made during the enrollment period, and the amount is not subject to change during the remainder of the plan year unless the employee experiences a “change in family status”.

E. SUBMISSION OF REQUEST FOR REIMBURSEMENT

A “Request for Reimbursement” form may be obtained from the Human Resources Department or by downloading from the Forms “V” drive or the Human Resources webpage @ www.schoolcraft.edu/hr. Each request for reimbursement from the Medical Spending Account must be submitted on a Reimbursement Request form, with appropriate documentation describing the expenses incurred for which reimbursement is requested, along with the appropriate insurance carrier(s) statements, if appropriate.

A claim for reimbursement from the Medical Spending Account may be made no more than once per month.

An employee will have up to three months after the end of each plan year (by March 31st) to submit expenses incurred during the previous year. Claims that are submitted after that time for the prior year will not be reimbursed.
If an employee is reimbursed for expenses that are not covered by the plan, or for more than is allowed, federal law requires that such reimbursement be reported as taxable income to the employee; the employee will then be responsible for paying any tax required on those amounts.

F. FORFEITURES

The Medical Spending Account should be used only for covered expenses that an employee can reasonably predict, because federal regulations require that any unused amount in the Spending Account be forfeited at the end of each plan year.

G. ELIGIBLE EXPENSES

An employee may use money in a Medical Spending Account to receive reimbursement for uninsured medical expenses for the following:

- Copays from the employee and/or spouse’s insurance plans.
- Deductibles from the employee and/or spouse’s insurance plans.
- Charges which exceed specified dollar limits.
- Charges which are ineligible under the insurance plan, based on frequency guidelines.
- Charges not eligible under the employee’s current plan, but which are eligible expenses under another plan offered to the employee through the College.
- Charges for eligible medical/dental services provided by a licensed physician for services, prescription medications not covered by a College program or over-the-counter medications.