

Loudoun County School Board

FLEXIBLE SPENDING ACCOUNT
SUMMARY PLAN DESCRIPTION
Dependent Care

EFFECTIVE DATE: January 1, 2023

FSA016
3320020

This document printed in November, 2023 takes the place of any documents previously issued to you which described your benefits.

Printed in U.S.A.

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Your Flexible Spending Account (FSA) At-A-Glance	
Date my FSA begins:	01/01/2023
Date my FSA ends:	12/31/2023
Plan Year:	Calendar
Date of my first contribution:	01/13/2023
What is the maximum that I can contribute to my FSA?	\$5,000
What is the last date I can send in claims to Cigna for reimbursement?	Claims for expenses incurred between the dates of January 1, 2023 – December 31, 2023 must be submitted to Cigna no later than 11:59 pm on March 31, 2024.
How often will payments be made?	Daily
What can I do to get paid more quickly?	If you sign up for Direct Deposit, you will receive your payments more quickly. You can sign up for this feature by visiting www.myCigna.com.
What can my Dependent Care FSA pay?	A Dependent Care Flexible Spending Account uses your Pre-tax Contributions to cover Dependent Care (usually childcare) expenses. Eligible Dependents include children under 13 years of age, and a Spouse or other Dependent that is physically or mentally incapable of caring for himself/herself.

About This Summary Plan Description

This is the Summary Plan Description (SPD) for the Loudoun County School Board, (hereinafter referred to as your Employer), Dependent Care Flexible Spending Account Plan, referred to as the Plan or the Dependent Care FSA plan. This SPD is also the Dependent Care FSA plan document.

A Flexible Spending Account (FSA), also known as a flexible spending arrangement, is a tax-advantaged financial account set up by your employer. An FSA allows you to set aside a portion of your earnings to pay for qualified expenses as established in the Plan. Money deducted from your pay into an FSA is not subject to payroll taxes resulting in tax savings.

You will be notified of any changes to the Dependent Care FSA through SPD updates or announcements. If you have any questions about the Plan, see information in the “Who To Contact” section.

Explanation of Terms

You will find terms starting with capital letters throughout your SPD. To help you understand your benefits, most of these terms are defined in the “Definitions” section of your SPD.

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Who To Contact

For more information about the topics listed below, contact your Plan Administrator:

- Eligibility
- Enrollment
- Payroll Contributions
- Life Status Changes
- COBRA Continuation
- Covered Expenses
- Claims (call 1-800-Cigna24 or 800-244-6224)

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Eligibility

Enrolling in the Flexible Spending Account (FSA) is optional. You are not automatically covered by the Plan. You are eligible to enroll in the FSA if you are a full-time, non-temporary employee of your Employer, its divisions or its subsidiaries in the United States. Please contact your Plan Administrator for additional details.

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Enrolling

When and How You Can Enroll

There are limited periods (described below) when you can choose whether or not to participate in the Plan. You cannot change your enrollment decision or your coverage amount until the next annual enrollment period, unless you have a Life Status Change, as described below.

If You Are Newly Eligible

You have 30 days from the date you become eligible (by hire, rehire, or job status change) to enroll in the FSA. If you enroll:

- Your Plan coverage starts on the first of the month following the day you enroll and remains effective for the rest of the Plan Year.
- The amount you elect to contribute will be divided by the number of pay periods remaining in the year. Your Employer will begin deducting Pre-tax Contributions from your pay in the next paycheck processed after your coverage begins.
- Only Covered Expenses that you incur on or after the date your coverage starts will be eligible for reimbursement from your FSA.

During the Annual Enrollment Period

If you are eligible, you can enroll in the FSA during the annual enrollment period. You will be told how to enroll before the enrollment period starts. If you enroll:

- Your Plan coverage starts at the beginning of the following Plan Year and remains in effect for the entire Plan Year.
- The amount you elect to contribute will be divided by the number of pay periods in the year. Your Employer will begin deducting your Pre-tax Contributions from your pay in the first paycheck of the Plan Year.
- Only Covered Expenses that you incur during the Plan Year will be eligible for reimbursement from your FSA.

When You Have a Life Status Change

You are allowed to change your enrollment elections during a Plan Year if you have a Life Status Change. You have 30 days after a Life Status Change to enroll in the FSA if enrolling is consistent with the Life Status Change event and you are Actively-at-Work when you elect to enroll. In other words, you may only change your election if the Life Status Change causes you, your Spouse or your child to gain or lose eligibility for coverage under this or another plan. The election change must correspond with the nature of the status change.

To add or delete coverage, notify your Employer. Complete the enrollment requirements, including providing proof, and

paying any required contributions within 30 days of the Life Status Change event. The plan administrator will use its discretion to determine if changes are consistent, and will also determine what information will be required to provide proof of any change in status. If you don't meet the 30-day deadline, you will not be allowed to enroll in the FSA until the next annual enrollment period.

If you enroll:

- Your Plan coverage starts on the first day of the month following the Life Status Change and receipt of the completed enrollment. For birth of a child or adoption, your plan coverage starts on the date of the Life Status Change.
- The amount that you elect to contribute will be divided by the number of pay periods remaining in the year. Your Employer will begin deducting Pre-tax Contributions from your pay with the next available pay cycle after your coverage begins.
- Only Covered Expenses that you incur on or after the date your coverage starts will be eligible for reimbursement from your FSA.

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Cost and Contributions

Cost

Typically you pay the entire cost of the Dependent Care FSA. These contributions are free from federal income and Social Security taxes, as well as most state and local income taxes. The contributions are deducted from your pay and deposited into a trust fund that holds Dependent Care FSA contributions. Your Employer may contribute to your FSA but in most cases the FSA is funded solely by making Pre-tax Contributions each pay period through payroll deductions. Generally, your Employer makes no contributions to your Dependent Care FSA.

Dependent Care FSA administrative expenses are paid for by Loudoun County School Board and by contributions that participants forfeit under the Use-It-or-Lose-It Rule. See the "Definitions" section for more information.

How Much You Can Contribute

The amount you can contribute into your Dependent Care FSA is limited for each Plan Year. Refer to the "Your Flexible Spending Account (FSA) At-A-Glance" section of this document to view your maximum contribution amount.

Excess Contributions: Use-It-or-Lose-It-Rule

If a balance remains in your account after the Plan Year's reimbursements have been processed, this amount will be forfeited. This is an IRS imposed Use-It-or-Lose-It-Rule.

It requires that you forfeit any money that remains in your Dependent Care FSA after you have received reimbursement for all timely claimed Covered Expenses that you incurred during the Plan Year. To avoid forfeiting any remaining FSA Balance, all claims must be received by Cigna no later than the date identified in the section entitled "Your Flexible Spending Account (FSA) At-A-Glance" as the last date to submit claims to Cigna.

When You Make Contributions

Your Employer deducts your Plan contribution from your pay each pay period. These are Pre-tax Contributions. Your Employer credits the deducted amounts to your Dependent Care FSA over the course of the Plan Year. Here is how the deduction amounts are calculated:

If you enroll during the annual enrollment period, the amount that you elect to contribute for a Plan Year is divided by the number of pay periods in the Plan Year. Your first contribution will be on the date identified in the section entitled "Your Flexible Spending Account (FSA) At-A-Glance" and will continue on each pay period for the remainder of the Plan Year.

If you enroll after the beginning of a Plan Year, the amount that you elect to contribute for a Plan Year is divided by the number of pay periods remaining in the Plan Year.

When Your Contributions Stop

Your right to contribute to your FSA will stop when:

- You cancel your coverage, if permitted because of a life status change;
- You transfer to an ineligible employee status;
- Your employment with Loudoun County School Board terminates (including retirement) and you decline continuation of coverage under federal law (i.e., COBRA);
- You fail to make the necessary monthly contributions under COBRA to your FSA;
- You die; or
- Your Employer terminates the Plan.

You or your Covered Dependents may continue to submit claims for reimbursement of Covered Expenses you incur before the date your contributions stop. Those claims must be received by Cigna no later than the timeframe identified on the page titled Your Flexible Spending Account (FSA) At-A-Glance.

Effect of Dependent Care FSA Contributions on Other Plans

Your Dependent Care FSA contributions will not affect other pay-related benefits, such as 401(k), life insurance and

disability income because your “eligible earnings” for those benefit plans is calculated BEFORE your salary is reduced.

Effect of Dependent Care FSA Contributions on Social Security

Your Dependent Care FSA contributions will reduce the amount you pay in Social Security taxes so your future Social Security benefits may be slightly reduced.

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Dependent Care Reimbursement Account

The Dependent Care Reimbursement plan enables you to be reimbursed for dependent care expenses with pre-tax dollars.

Eligible Dependent Care Expenses

Dependent Care expenses are eligible for reimbursement if they meet all of the requirements for such expenses under IRS Code Sections 129 and 21. In general, such requirements are as follows:

- The expenses must be necessary to enable you to work. If you are married, your Spouse also must work, be a full-time student at a qualified educational organization during each of five calendar months during the taxable year, or be physically or mentally handicapped.
- You must maintain a household which includes as a member a physically or mentally handicapped Spouse, a dependent under age 13 or physically or mentally handicapped dependents who are unable to care for themselves. They must be eligible to be claimed as dependents on your federal tax return.
- The expenses must be for qualified household services or for the care of the qualifying Covered Dependent or Spouse.
- If the expenses are for a daycare center that attends to more than six individuals, the center must comply with all state and local laws.
- Payments cannot be made to someone you claim as a dependent on your federal income tax return or to your child if he or she is under age 19. However, payments can be to a relative who is not a dependent, even if he or she lives in your home.

Your Deposit Decision

If you choose to participate in the Dependent Care Reimbursement Account plan, the maximum annual amount that you may elect to have deposited is \$5,000 (\$2,500 if you are married but file a separate tax return) or the lesser of the earned income of you or your Spouse.

The annual amount you choose to have deposited in your Dependent Care Reimbursement Account through salary reductions will be deducted from your pay throughout the year in equal amounts per pay period.

Dependent Care Reimbursement Account Limitations

Reimbursements for outlined expenses will only be made if reimbursement is not made from any other health plan, insurance policy or benefit plan covering you, your Spouse or your dependents.

Reimbursement for outlined expenses will only be made for eligible dependent care expenses incurred during the year (and in the case of new employees, only during the portion of the year after participation began).

The total amount of reimbursement that you will receive from the Dependent Care Reimbursement Account will not exceed the amount in your account at the time of reimbursement.

At Year End

The total deposit amount you designated for the year can be used only to reimburse expenses incurred during that year the end of the Plan Year.

All claims requesting reimbursement for these expenses must be received by Cigna no later than the date identified in the section entitled “Your Flexible Spending Account (FSA) At-A-Glance” as the last date to submit claims to Cigna.

Any balance that remains in your account after the year’s reimbursements have been processed will be forfeited.

Reimbursements Affect Your Eligibility for Dependent Care Credit

You will not be able to claim a federal income tax credit for any dependent care expense reimbursed under this plan. In some cases, especially for employees in lower tax brackets or who have large amounts of other tax deductions, it may be more advantageous to claim the tax credit for such expenses instead of electing to have those expenses reimbursed from salary reduction amounts. You should consult with your tax advisor if you believe this alternative may apply to you.

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Claims For Reimbursement

How to File a Claim for Reimbursement

You can visit www.myCigna.com to use the Online Reimbursement Request form or download a FSA claim form. The following general steps should be followed in order to file a reimbursement claim:

Complete the employee portion of the reimbursement claim form in full. Answer all questions, even if the answer is “none” or “N/A” (not applicable).

Attach all necessary documentation of expenses to the reimbursement claim form.

When you submit claims for dependent care expenses, you must provide a written statement from an independent third party stating that the expense has been incurred and the amount of the expense, a written statement that the expense has been reimbursed or is not reimbursable under any other plan coverage, and a written statement that the amount will not be claimed as a tax deduction.

If you file paper claims, you should submit them for each individual. Please do not attach or staple claims together. If additional information is needed to process your claim, you will be notified. If you receive a letter regarding your claim, prompt completion and return of the letter with any requested attachments will expedite processing of the claim. The claim will be denied for lack of necessary information if the information requested in the letter is not supplied within forty-five (45) days. If you submit the requested information after the 45-day period, this will be treated as a new submission of the claim.

Send complete information to:

Cigna HealthCare
Post Office Box 182223
Chattanooga, TN 37422-7223
Or send by facsimile to: 877-823-8953 or 859-410-2432

If you have questions regarding your claim, please call 1-800-Cigna24 or 800-244-6224.

Reimbursement from your dependent care account will be made up to the amount in your account at the time of reimbursement. All claims will be processed and paid as identified in the section entitled “Your Flexible Spending Account (FSA) At-A-Glance”. Please note Cigna can only receive claims during regular business hours. Claims filed outside of business hours are recorded as received the next business day.

All requests for benefits may be filed at any time during the year and within the 3-month period immediately following the end of the year.

Claims Determination Procedures

The Claims Administrator will provide you with notice of the claim determination within a reasonable period of time, but no later than 30 days after receipt of the claim. This time period will be delayed, if the plan requests additional information, until the requested information is received by the plan. The plan may also request a 15 day extension if matters beyond its control require the extension and notice is provided to you within the 30 day period.

If your claim is denied in whole or in part, the notice will include:

- The specific reason or reasons for the denial.
- References to Plan provisions on which the denial is based.
- A description of any additional information or material needed to approve your claim and an explanation of why such material or information is necessary.
- A description of the Plan’s procedures for appealing the decision.
- A statement that you may request a copy, free of charge, of any internal rule, guideline, protocol or other similar criterion that was relied upon in denying your claim.

When Claims Are Paid

Once a Dependent Care FSA claim is approved, a payment check will be issued.

Dependent Care FSA payments are always made to you and cannot be made directly to the provider of services.

The total amount of reimbursement that you will receive for approved dependent care claims will not exceed the amount in your dependent care reimbursement account at the time of reimbursement.

Deadline for Filing Claims

You must submit FSA claims for Covered Expenses incurred during a Plan Year by the date identified in the section entitled “Your Flexible Spending Account (FSA) At-A-Glance” as the last date to submit claims to Cigna of the following year. Any claim received after that date will NOT be processed.

Under the IRS’s Use-it-or-Lose-it Rule, you will forfeit any funds left in your FSA after payment of all timely submitted claims for expenses you incur during the Plan Year.

FSA Statements

You will receive a written explanation for every Dependent Care FSA payment made from your account. The explanation will show the amount paid and your current account balance.

You will receive paper copies unless you indicate a preference at www.myCigna.com to receive these explanations by online delivery only.

Online FSA Statements: Claims and Balances Statement

You have the ability to customize and access your online health statements based on your preferences. Simply follow these easy steps:

- Go to www.myCigna.com.
- Choose the Manage Claims & Balances tab.
- From the dropdown, choose Claims & Balances Statement.
- Customize as you wish.
- Create the report.

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How To Appeal A Denial Of Reimbursement

If we deny your request to be paid back for a service, you can appeal it. You or your authorized representative may start the appeals procedure.

Appeals Procedure

To initiate an appeal, you must submit a request for an appeal in writing to Cigna within 180 days of receipt of a denial notice. You should state the reason why you feel your appeal should be approved and include any information supporting your appeal. If you are unable to or choose not to write, you may ask Cigna to register your appeal by calling the 800 number on your explanation of benefits, claim form or by calling 800-Cigna24 (800-244-6224). Your appeal will be reviewed and the decision made by someone not involved in the initial decision. We will respond in writing with a decision within 60 calendar days after we receive an appeal for a reimbursement determination. If more time or information is needed to make the determination, we will notify you in writing to request an extension of up to 15 calendar days and to specify any additional information needed to complete the review.

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Administrative Information

If You Have Questions

If you have questions about continuation coverage, you should contact your Plan Administrator.

Plan Administration Information

The Dependent Care FSA is funded by your Pre-tax Contributions to the Plan through reductions of your salary. Contributions to the Plan are deposited into a trust fund and used to pay Covered Expenses. Any forfeited funds are used to pay the administrative costs of the Plan. The Flexible Spending Account is not an insurance contract.

Discretion of Plan Administrator and Claims Administrator

The Plan Administrator has the sole discretion to determine any eligibility/election issues, any issues that are not clearly either eligibility/election issues or coverage/benefit issues and any issues that arise in connection with a request for a voluntary review of a coverage/benefit decision. The Plan Administrator has the authority to interpret any of the Plan's provisions relevant to such issues, including ambiguous and disputed terms, and to make any related factual determinations. The Plan Administrator's determinations and interpretations on these issues are final and binding on all parties.

The Plan Administrator delegates to the Claims Administrator the discretionary authority to interpret and apply Plan terms and to make factual determinations in connection with its review of coverage/benefit issues under the Plan. The Claims Administrator has the authority to interpret any of the Plan's provisions relevant to coverage/benefit issues, including ambiguous and disputed terms, and to make any related factual determinations. The Claim Administrator's determinations and interpretations on these issues are final and binding on all parties, except in cases involving a request to the Plan Administrator for voluntary review of a coverage/benefit decision.

Plan Modification, Suspension and Termination

Loudoun County School Board reserves the right to modify, suspend, or terminate the Plan at any time. Your coverage or benefits during your employment or after retirement may be modified or terminated as a result of such change. Any modification or termination of the Plan will not affect your rights or those of your Covered Dependents as to Covered Expenses you incur while the Plan is still in effect.

Plan Amendments

The Plan may be amended at any time by a written document signed by any duly authorized officer of Loudoun County School Board.

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Definitions

Following are some important terms. They appear with capitalized letters through this document.

Actively-at-Work

You are considered Actively-at-Work:

- If you are performing the regular duties of your work, on a regularly scheduled basis, on any of your Employer's scheduled work days, either at your Employer's place of business, in your home, or at some location to which you are required to travel for your Employer's business;
- On a day which is not one of your Employer's scheduled work days if you were at work on the preceding scheduled work day;
- If you are receiving Short Term Disability Plan benefits from your Employer; or
- If you are on an approved paid or unpaid leave of absence except for a Long Term Disability, Education or Long Term Leave Without Pay leave of absence.

Contribution Frequency

The timing of your Employer's collection of your contributions to your FSA account.

Covered Dependents

Those persons described as Covered Dependents in the section entitled "Eligible Dependent Care Expenses".

Covered Expenses

Expenses that are eligible for reimbursement under the FSA, as described in the section entitled "Eligible Dependent Care Expenses".

Employer

Any corporation or other business entity that is owned by Loudoun County School Board and that participates in the Loudoun County School Board benefits program.

FMLA Leave

A leave of absence under the Family and Medical Leave Act.

FSA Balance

The maximum coverage amount elected for your FSA for the plan year, minus the total amount of claims paid.

Life Status Change

A term defined in accordance with IRS rules that describes when you may be permitted to change your FSA elections, other than during an annual enrollment period. You may make election changes if you have a life status change event and the benefit election change you want to make is consistent with the life status change event. The life status change events are:

- You marry, divorce or have an annulment or a legal separation.
- You have a child, adopt a child or assume legal guardianship of a child.
- Your Spouse or child dies.
- You or your Covered Dependent's employment starts or terminates.
- You or your Covered Dependent changes your work location or residence to a place outside your medical plan's service area, have a reduction or increase in hours of employment (including a switch between full-time and part-time status), begins or ends an unpaid leave of absence, strike or lockout.
- Your Covered Dependent satisfies or ceases to satisfy the requirements for Covered Dependent status due to attainment of age, financial dependency, or any similar circumstances.

If your change is on account of and corresponds with the Life Status Change, you may elect or cancel coverage or change your contributions to an FSA.

Plan Year

The 12-month period identified in the section entitled "Your Flexible Spending Account (FSA) At-A-Glance".

Pre-tax Contributions

Deposits to the FSA that are deducted from your wages before federal, Social Security, and in most cases, state and local income taxes have been withheld.

Spouse

Your lawful Spouse, as recognized under both state and federal law.

Termination of Employment Date

The date your employment with Loudoun County School Board officially ends (usually, your last day of work at Loudoun County School Board).

Use-It-or-Lose-It Rule

An IRS rule requiring that Pre-tax Contributions to plans be used for Covered Expenses incurred during the Plan Year under an FSA or else be lost. Unused Pre-tax Contributions cannot be carried over from one year to the next, nor can they be returned to you.