


Extension Operations

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Please Note January 2, 2015 Deadline

November 19, 2014

TO: Local Unit Offices

FROM: Stacey M. Warner
Leader, Extension Operations 

RE: Cafeteria Benefits Plan for local unit employees (office professionals, program assistants, maintenance staff)

Again in 2015 local Extension boards will have the opportunity to offer to their employees a Cafeteria Benefits Plan (also known as a Flexible Spending Account).

Please note that only employees of counties and districts that offer health insurance to their employees can participate in the uninsured medical expenses option of the plan. This is a change mandated by the Affordable Care Act.

Attached please find materials prepared by Keating & Associates, the Manhattan firm that is administering this Cafeteria Benefits Plan. Please direct all questions regarding this plan to Keating and Associates at 785/537-0366.

What is a Cafeteria Benefit Plan? Employees can set aside a portion of their salary on a pre-tax basis for reimbursement of uninsured medical and dependent care expenses. They save Social Security and income tax on the portion of their salary that is set aside to pay for these expenses.

Who is eligible to participate in this plan? This particular plan is designed for employees of the local unit such as office professionals, program assistants and maintenance staff. Extension Agents can participate in the State of Kansas Flexible Spending Account, but not this plan. Employees must work at least 20 hours per week to be eligible to participate.

New employees or those that have a change in family status (marriage, divorce, death of spouse, etc.) can enroll within 30 days after hire or the change in status.

What are the benefits to the local board? Employers can offer their employees the opportunity to lower their income tax liability. The local board would pay a **one-time fee** of \$10.00 per employer plus a monthly fee of \$5.50 per employee. The local board saves the Social Security tax on the salary that is set aside to pay for medical and dependent care expenses.

What are the steps to participate? The enrollment deadline is **January 2, 2015**. If local extension boards decide to offer this benefit the enclosed information should be distributed to employees. A copy (the local office keeps the original) of the election form is to be mailed or faxed to Keating & Associates by **January 2, 2015**. The address is 1011 Poyntz, Manhattan, KS 66502. The FAX numbers are: Local (785) 537-0747 or toll free (877) 537-0747.

If a local board decides to offer the Cafeteria Benefits Plan to their office professionals, program assistants, and maintenance staff, they must all send Keating & Associates an election form, even if they elect not to enroll. **Employees who participated in 2014 and**

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plan to continue participation must re-enroll for 2015. This year there is NOT a separate mailing sent to current participants. Use the enclosed "Flex Election Form and Salary Reduction Agreement" to enroll or re-enroll.

Keating & Associates will be preparing reimbursement checks or direct deposits daily. Therefore a check or deposit will be mailed or authorized within 24 hours of receipt.

Health Insurance Premiums – If an employee of the local unit participates in the State of Kansas Health Insurance Plan or another plan provided by the local unit they can pay their portion of the premiums with before tax dollars whether or not they are enrolled as an individual in this Cafeteria Benefits Plan. The employee's portion of the premium would be deducted from the pay on a pre-tax basis and mailed directly to the health insurance provider by the county/district.

What other options are available? The Cafeteria Benefit Plan can also be used if the employer, the local extension unit, would like to contribute toward other benefits for their employees. This employer contribution could be used for the following:

- term life insurance
- disability income insurance
- dental insurance
- uninsured medical expenses (only if the employee is eligible for an employer sponsored plan)
- dependent care
- an individual IRA
- a Simplified 401 K
- cash

If a local extension unit is interested in making these employer contributions please contact Rick Nash at Keating and Associates - 785-537-0366 to discuss the options.

msm

pc: Area Extension Directors
Daryl Buchholz
Bob Casey

Enclosures: Flex Election Form and Salary Reduction Agreement
Cafeteria Plan: Flexible Spending Accounts
Estimated Cafeteria Savings Example
What is a qualified receipt?
Website Access
Reimbursement Account Claim Form
Take Care Debit Card
Time to Submit Your Receipts
Employer's Information on Offering Take Care Debit Cards To Their Employees