

THE CITY OF SAN JOSE, CALIFORNIA



FLEXIBLE SPENDING ACCOUNT PROGRAM

Provided by Proves Flexible Benefits

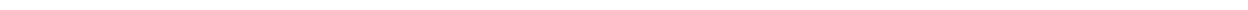
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Proves

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“Tax Free Benefits”



Flexible Spending Account (FSA) Program Explained

What is a Section 125 Cafeteria Plan, also known as a flexible spending plan, and how does it work?

The FSA is a welfare benefit plan authorized by Section 125 of the Internal Revenue Code. You are given a chance to purchase benefits from a “menu” of tax free supplemental benefits offered through the plan. Most importantly, you “pay for” these benefits from your salary *BEFORE* it is subject to Federal and State Income Tax or Social Security Taxes (FICA), thus reducing the amount of taxes you pay.

What “tax free” benefits are available?

Any premiums you contribute on behalf of yourself or your dependents who participate in your company's **health care insurance** package will be paid out of gross income, not net income. *That means your premiums are paid with “tax free” (pre-tax) dollars.*

You have the opportunity to participate in the **Dependent Care benefit**. This allows eligible employees to have their dependent i.e., child care expenses taken out of their paycheck on a “tax free” basis. This benefit will save you a minimum of 25% of your dependent care expenses. Your children must be under the age of 13 and cared for by someone with a Social Security or Federal Tax I.D. number. Under your plan, each year you can use up to \$5,000 pre-tax, whether you have one or more children. There are certain guidelines to follow when using this account. You can only adjust your plan allocation if your child care provider increases your rates during the plan year, or you experience one of the IRS defined family status changes. You cannot use the child care credit on your income taxes at the same time as the dependent care account under the cafeteria plan. (Please consult with your tax professional.)

The next plan benefit is the **Medical Reimbursement Account**. This is a way you can be reimbursed from the first dollar you spend for medically related expenses that are not covered by your major medical health insurance. This includes expenses for you and



Example Medical Expenses

Acupuncture
Alcoholism/Drug Abuse
Ambulance
Anesthetist
Artificial Limbs
Birth Control
Blood Donor
Braille Books/Magazines
Childbirth Classes
Chiropractor
Christian Science Practitioners
Crutches
Dental
Diathermy
Examinations (Physicals)
Eye Examinations
Family Counseling
Food and Beverages (for specific ailments)
Glasses
Guide Dogs
Gynecologists
Halfway House Residency
Hearing Devices
Hospital Bills
Insulin
Laboratory Fees
Oral Surgery
Orthodontia
Over the Counter Items (for specific ailments)
Physiotherapist
Practical Nurse
Psychiatrist or Psychoanalysis
Psychologist
RX – Prescription Drugs
Rental of Medical Equipment
Sanitarium
Sex Therapist
Support or Corrective Devices
Telephones for the Hearing Impaired
Therapy
Transplants
Vasectomy
Vitamins (for specific ailments, with prescription)
Wheel Chairs
X-Rays

your dependents, including co-pays, co-insurance, and deductibles covering medical, dental, vision, as well as costs for prescription drugs, and many other non-covered medical expenses.

Once you elect how much to allocate to this account, you cannot change until the beginning of the new plan year.

You'll want to be very careful how much you set aside for this account because you want to use it up. **Unused medical reimbursement dollars** cannot be carried into the next plan year, thus any unused portion will be forfeited to your employer and in some cases may not be returned to you. The annual maximum contribution is \$2,500. In order to be reimbursed, you need to copy billing statements or receipts and submit them with the reimbursement request that you receive each month. The check stub will also provide you with a running balance of your account. The City asks that you turn in your reimbursement request with applicable receipts to Provest, either by mail, e-mail, or fax, as soon as possible in order to be reimbursed. (Provest Flexible Benefits - 4050 Katella Avenue, Ste. 213, Los Alamitos, CA 90720). If you have any questions regarding completing reimbursements, please call the Call Center (toll free) at 866-639-5289.

Finally, you have the opportunity to participate by adding individual **Allstate supplemental voluntary benefits** to your overall benefit package. These additional benefits are available to you on a volunteer basis. However, once elected, these benefits must remain in force until the next open enrollment date. These benefits include:

Allstate Group Accident with Disability Income Plan -

All policy benefits are paid **directly to you** in addition to any other insurance you may have. This policy covers accidental injuries (as outlined in your policy), on or off the job, 24 hours a day. It pays you up to \$1000 or \$2000 a month for up to 12 months for disability due to an accidental injury if you miss more than 3 days of work or due to illness (as outlined in your policy) if you miss more than 7 days of work. It also pays benefits directly to you for frac

Allstate Voluntary Insurance Benefits

ALLSTATE WORKPLACE DIVISION

Allstate is committed to serving middle and moderate income Americans through their place of work.

Allstate is ranked as one of the world's top 100 companies (Forbes), and one of Forbes Diversity Elite - America's Best 50 Companies for Minorities. It was also voted as one of the 100 Best companies for working mothers (Working Mothers Magazine).

Allstate has over \$150 billion in assets, and serves over 20 million customers across 16 million households. Allstate is A+ (Superior) rated by A.M. Best and AA (Very Strong) rated by Standards and Poors.

"YOU'RE IN GOOD HANDS WITH ALLSTATE"

Distinguished Allstate group clients now include the City of San Jose, the State of North Carolina, First Citizens Bank and Trust in West Des Moines, Iowa, Cal-Maine Foods in Jackson, Mississippi, and Christus Health Care Systems of Houston, Texas.

Allstate Workplace Division markets American Heritage Life Insurance products. AHL is a wholly-owned subsidiary of Allstate. (<http://www.ahllcorp.com>)

tures or dislocations, hospitalization (due to injury), initial hospitalization (due to injury), intensive care (due to injury), ambulance or air ambulance, medical expenses, outpatient physician's treatment (for any reason), accidental death, common carrier accidental death, and dismemberment. Family coverage is also available.

Allstate Group Cancer Plan - This policy's benefits are paid **directly to you** in addition to any medical coverage you may have. This policy covers many benefits that your medical insurance may not cover. It pays you for a first time diagnosis of any internal cancer. It pays you for hospitalization, surgeries, radiation or chemotherapy, new or experimental treatment, bone marrow transplants, drugs and medicine, travel costs, family member travel costs and lodging, intensive care, wellness screenings, plus much more. It also covers 29 additional specified diseases. Two different options of coverage for individual or family are available.

Allstate Group Critical Illness Plan - This policy pays a lump sum **directly to you** in addition to any other insurance you may have. This policy covers heart attacks, heart transplants, stroke, coronary artery by-pass surgery, major organ transplant, kidney failure, paralysis, alzheimer's disease, and recurrences. It also pays a benefit for mammographies, and wellness screenings. Individual or family options are available.

For more complete policy provisions, terms and conditions, please see corresponding brochures.

How to Enroll

You have two options for enrollment:

Call the Provest Call Center - toll free at 866-639-5289 and you can enroll over the phone utilizing our state of the art voice signature software; or

Complete the attached application - and mail to Provest Flexible Benefits, 4050 Katella Avenue, Suite 213, Los Alamitos, CA, 90720. If you have any questions regarding completing the application, please call the Call Center (toll free) at 866-639-5289.

***ALLSTATE “BEST IN CLASS”
VOLUNTARY BENEFITS
FOR THE
CITY OF SAN JOSE***

CITY OF SAN JOSE

Interest Page

Attention! The CITY OF SAN JOSE is proud to offer a menu of valuable benefits to all eligible employees. Many of these benefits are tax free to you under your City's "Cafeteria Plan." This means that you may increase your take home pay, add additional benefits, or both. Simply indicate (X) your interest below and fax this form to Provest Flexible Benefits at 866-264-4093.

Flexible Spending Accounts

____ **Dependent/Child Care** - Up to \$5,000 per year/per household.

____ **Unreimbursed Medical** - For 'out-of-pocket' medical expenses such as deductibles, co-insurance (80%-20%), co-pays for medical, dental, vision, prescriptions, chiropractic, etc. There is a maximum limit of \$2500 per year.

Additional Voluntary Benefits

____ **Accident / Illness Plan** - Income Replacement for injury or illness --on-the-job and off-the-job, including breaks and fractures, hospital, emergency room, ambulance, and Accidental Death/Dismemberment Benefits.

____ **Cancer Care Plan** - Hospital, Surgery, Therapies, Bone Marrow Transplants, Travel, Family Member Travel, Wellness Benefits, Intensive Care, plus much more.

____ **Critical Illness Plan** - Pays you a lump sum benefit for heart attacks, strokes, heart transplants, by-pass surgery, angioplasty, organ transplants, multiple sclerosis, Alzheimer's disease, and more.

A Cafeteria enrollment specialist can contact you during business hours to explain this plan, answer your questions, discuss your options, and help complete the necessary enrollment paperwork, upon your request.

Please fax this form to 866-264-4093 immediately!

Remember, if you do not return this form within your eligibility period you have waived your opportunity to enroll until the next open enrollment.

Print Name

Work Telephone Number



Rev. 4/09 Form: CC-8788

This brochure is for use in California.