

# Memorandum

To: ALL EMPLOYEES

From: MR. DION M. DAVIS, DIRECTOR OF HUMAN RESOURCES

Date: MAY 1, 2024

Re: WINSLOW TOWNSHIP SCHOOL DISTRICT  
FLEXIBLE SPENDING PLAN

It's that time of year again when the Board is offering the opportunity for Board Employees to participate in our Section 125 Cafeteria Plan. An annual election should be made by all employees even if there is no interest in participating. Please review the information provided and complete the attached form (Attachment A) and return to me no later than May 31, 2024.

Below is a short summary of each option. The Board has elected to allow for the "Grace Period". This substantially lessens the chance of losing unclaimed funds. Please take some time to read the attached information, so that any questions can be addressed and answered in a timely manner. Questions can be directed to me or Rona Kerbaugh at Bowman & Company LLP at 856-821-6865 or rkerbaugh@bowman.cpa

Medical Flexible Spending Account - The purpose of this plan is to permit each eligible employee, subject to some limitations, to set aside pre-tax dollars into a medical spending account. Then as they incur medical expenses for themselves, their spouse, or their dependents, for which they are not reimbursed by insurance or otherwise, they can submit claims and be reimbursed from their account (Attachment B). **Over-the-counter medications are now available under a Medical FSA; however some are available without a prescription and some will require a doctor's note or prescription specifying medical diagnosis. This includes pain relievers, allergy medicines, antacids, etc.** Please see the attached, partial, list of eligible expenses (Attachments C and D) for further information. FSAstore.com is a wonderful reference source.

Dependent Care Spending Account - The purpose of this plan is to permit each eligible employee, subject to some limitations, to set aside pre-tax dollars into a dependent care spending account. Then as they incur expenses, they submit claims and are reimbursed from their account (Attachment E). Deductions are reported on the employee's W-2 and reduce the amounts that can be claimed on the individual's annual 1040 (Schedule 2441). If dependent care is elected, please fill out Attachment F, Dependent Care Certification Form and return with the election form.

*All expenses for services provided must be incurred during the plan year and during the period that you are employed by the school. If you are planning on retiring or leave work for any reason, expenses for services must have a date of service during your period of employment. You have 30 days from date of termination to turn in receipts to get reimbursed. Any money left will be forfeited.*

Your election will commence with the September 13, 2024 payroll and will be for the period ending June 30, 2025. **If you do not wish to participate you still need to complete this form and check the line "I do not wish to participate (post-tax)."**



**CLAIM FORM**  
**under the**  
**WINSLOW TOWNSHIP SCHOOL DISTRICT**  
**MEDICAL SPENDING ACCOUNT PLAN**

To: Bowman & Company LLP  
P.O. Box 972  
Voorhees, NJ 08043

Phone and Fax: 856-821-1265  
email: rkerbaugh@bowman.cpa  
Client Portal: <https://bowman.lh1ondemand.com>

I hereby certify that I have incurred the following expenses for medical care while employed by the Winslow Township School District and a participant in their Section 125 Cafeteria Plan. I have not been and will not be reimbursed by insurance or otherwise for these expenses and request reimbursement:

Type of Medical Expense	Date Incurred	Amount

Total \$ \_\_\_\_\_

**All provider receipts must show the providers name, patient name, date of service, amount and service provided. Credit card receipts and copies of cancelled checks are not permitted forms of receipts. The dates of service, not payment dates, determines the plan year in which reimbursements are made.**

All invoices and other receipts related to this claim are attached. I understand that reimbursements will be made bi-monthly, via check, on the 15<sup>th</sup> and the last day of each month, and that claims for the 2024-2025 fiscal year must be incurred by September 14, 2025 and submitted no later than October 14, 2025.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Please print Employee's name

\_\_\_\_\_  
Employee Signature

+++++  
For Administrative Use Only

Date Received: \_\_\_\_\_

Approved by: \_\_\_\_\_

Date Paid: \_\_\_\_\_



**Maximize the Value of Your Reimbursement Account** - Your Health Care Flexible Spending Account (FSA) and/or Health Reimbursement Account (HRA) dollars can be used for a variety of out-of-pocket health care expenses. The following is based on a list of eligible and ineligible expenses used by federal employees.

### Eligible Expenses

#### BABY/CHILD TO AGE 13

- Lactation Consultant\*
- Lead-Based Paint Removal
- Special Formula\*
- Tuition: Special School/Teacher for Disability or Learning Disability\*
- Well Baby /Well Child Care

#### DENTAL

- Dental X-Rays
- Dentures and Bridges
- Exams and Teeth Cleaning
- Extractions and Fillings
- Oral Surgery
- Orthodontia
- Periodontal Services

#### EYES

- Eye Exams
- Eyeglasses and Contact Lenses
- Laser Eye Surgeries
- Prescription Sunglasses
- Radial Keratotomy

#### HEARING

- Hearing Aids and Batteries
- Hearing Exams

#### LAB EXAMS/TESTS

- Blood Tests and Metabolism Tests
- Body Scans
- Cardiograms
- Laboratory Fees
- X-Rays

#### MEDICAL EQUIPMENT/SUPPLIES

- Air Purification Equipment\*
- Arches and Orthotic Inserts
- Contraceptive Devices
- Crutches, Walkers, Wheel Chairs
- Exercise Equipment\*
- Hospital Beds\*
- Mattresses\*
- Medic Alert Bracelet or Necklace
- Nebulizers
- Orthopedic Shoes\*
- Oxygen\*
- Post-Mastectomy Clothing
- Prosthetics
- Syringes
- Wigs\*

#### MEDICAL PROCEDURES/SERVICES

- Acupuncture
- Alcohol and Drug/Substance Abuse (inpatient treatment and outpatient care)
- Ambulance
- Fertility Enhancement and Treatment
- Hair Loss Treatment\*
- Hospital Services
- Immunization
- In Vitro Fertilization
- Physical Examination (not employment-related)
- Reconstructive Surgery (due to a congenital defect, accident, or medical treatment)
- Service Animals
- Sterilization/Sterilization Reversal
- Transplants (including organ donor)
- Transportation\*

#### MEDICATIONS

- Insulin
- Prescription Drugs

#### OBSTETRICS

- Breast Pumps and Lactation Supplies
- Doula's\*
- Lamaze Class
- OB/GYN Exams
- OB/GYN Prepaid Maternity Fees (reimbursable after date of birth)
- Pre- and Postnatal Treatments

#### PRACTITIONERS

- Allergist
- Chiropractor
- Christian Science Practitioner
- Dermatologist
- Homeopath
- Naturopath\*
- Optometrist
- Osteopath
- Physician
- Psychiatrist or Psychologist

#### THERAPY

- Alcohol and Drug Addiction
- Counseling (not marital or career)
- Exercise Programs\*
- Hypnosis
- Massage\*
- Occupational
- Physical
- Smoking Cessation Programs\*
- Speech
- Weight Loss Programs\*

#### HRA ELIGIBLE

- Insurance Premiums
- Long Term Care Premiums

**Note:** This list is not meant to be all-inclusive, as other expenses not specifically mentioned may also qualify. Also, expenses marked with an asterisk (\*) are "potentially eligible expenses" that require a Note of Medical Necessity from your health care provider to qualify for reimbursement. For additional information, check your Summary Plan Document or contact your Plan Administrator.

The IRS does NOT allow the following expenses to be reimbursed under Health Care FSAs or HRAs, as they are not prescribed by a physician for a specific ailment.

### Ineligible Expenses

- Contact Lens or Eyeglass Insurance
- Cosmetic Surgery/Procedures
- Electrolysis
- Insurance Premiums and Interest (FSA Ineligible Only)
- Long Term Care Premiums (FSA Ineligible Only)
- Marriage or Career Counseling
- Personal Trainers
- Sunscreen (spf less than 30)
- Swimming Lessons

*Note: This list is not meant to be all-inclusive.*

**Please Note:** The IRS does not allow Over-the-Counter (OTC) medicines or drugs to be purchased with Health Care FSA or HRA funds unless accompanied by a prescription and the prescription is filled by a pharmacist. If you have an OTC prescription, you can use your benefits card for these purchases.

### Ineligible Over-the-Counter Medicines and Drugs (unless prescribed in accordance with state laws)

- Acid controllers
- Acne medications
- Allergy & sinus
- Antibiotic products
- Antifungal (Foot)
- Antiparasitic treatments
- Antiseptics & wound cleansers
- Anti-diarrheals
- Anti-gas
- Anti-itch & insect bite
- Baby rash ointments & creams
- Baby teething pain
- Cold sore remedies
- Contraceptives
- Cough, cold & flu
- Denture pain relief
- Digestive aids
- Ear care
- Eye care
- Feminine antifungal & anti-itch
- Fiber laxatives (bulk forming)
- First aid burn remedies
- Foot care treatment
- Hemorrhoidal preps
- Homeopathic remedies
- Incontinence protection & treatment products
- Laxatives (non-fiber)
- Medicated nasal sprays, drops, & inhalers
- Medicated respiratory treatments & vapor products
- Motion sickness
- Oral remedies or treatments
- Pain relief (includes aspirin)
- Skin treatments
- Sleep aids & sedatives
- Smoking deterrents
- Stomach remedies
- Unmedicated nasal sprays, drops & inhalers
- Unmedicated vapor products

OTC items that are not medicines or drugs remain eligible for purchase with FSAs and HRAs. You can use your benefits card for these items.

### Eligible Over-the-Counter Items (Product categories are listed in bold face; common examples are listed in regular face.)

- **Baby Electrolytes and Dehydration**  
Pedialyte, Enfalyte
- **Contraceptives**  
Unmedicated condoms
- **Denture Adhesives, Repair, and Cleansers**  
PoliGrip, Benzodent, Plate Weld, Efferdent
- **Diabetes Testing and Aids**  
Ascencia, One Touch, Diabetic Tussin, insulin syringes; glucose products
- **Diagnostic Products**  
Thermometers, blood pressure monitors, cholesterol testing
- **Ear Care**  
Unmedicated ear drops, syringes, ear wax removal
- **Elastics/Athletic Treatments**  
ACE, Futuro, elastic bandages, braces, hot/cold therapy, orthopedic supports, rib belts
- **Eye Care**  
Contact lens care
- **Family Planning**  
Pregnancy and ovulation kits
- **First Aid Dressings and Supplies**  
Band Aid, 3M Nexcare, non-sport tapes
- **Foot Care Treatment**  
Unmedicated corn and callus treatments (e.g., callus cushions), devices, therapeutic insoles
- **Glucosamine &/or Chondroitin**  
Osteo-Bi-Flex, Cosamin D, Flex-a-min Nutritional Supplements
- **Hearing Aid/Medical Batteries**
- **Home Health Care (limited segments)**  
Ostomy, walking aids, decubitis/pressure relief, enteral/parenteral feeding supplies, patient lifting aids, orthopedic braces/supports, splints & casts, hydrocollators, nebulizers, electrotherapy products, catheters, unmedicated wound care, wheel chairs
- **Incontinence Products**  
Attends, Depend, GoodNites for juvenile incontinence, Prevail
- **Prenatal Vitamins**  
Stuart Prenatal, Nature's Bounty Prenatal Vitamins
- **Reading Glasses and Maintenance Accessories**

For additional information, please contact your Plan Administrator.



**WINSLOW TOWNSHIP SCHOOL DISTRICT**  
**FLEXIBLE BENEFIT PLAN**  
**DEPENDENT CARE CERTIFICATION**

In support of my claims for reimbursement of dependent care assistance expenses, I certify my eligibility for the reimbursement by representing the following:

1. Qualifying Dependent. The dependent care is being provided for one of the following persons:
  - a) a dependent under the age of 13 for whom I am entitled to claim a tax deduction;
  - b) a dependent who lives with me and is physically or mentally incapable of caring for themselves;  
or
  - c) my spouse who lives with me and is physically or mentally incapable of caring for themselves.
2. Type of Expense. The expenses relate to household services or dependent care for one of the above qualifying dependents.
3. Person to Whom Expenses Were Paid. None of the expenses for which I seek reimbursement were paid to a dependent of mine or of my spouse, or to a child of mine who will not have reached age 19 by the end of this year.
4. Day Care Limitation. If the expense was paid to a day care center, to the best of my knowledge the center is licensed and complies with the applicable state and local laws and regulations, provides care for more than six persons and receives fees for providing services to these persons.
5. Earned Income Limitation. The amount of any claimed reimbursement will not exceed the lesser of my earnings for the year or \$5,000 annually. If I am married, the claimed reimbursement will not exceed the lesser of my earnings, the earnings of my spouse for the year, or \$5,000.
6. Coordination with Tax Credit. I understand that any amount reimbursed to me under this Plan will reduce, dollar for dollar, the maximum credit (\$3,000 for one qualifying individual and \$6,000 for two or more qualifying individuals) I may claim for dependent care expenses.
7. Tax Reporting Requirements. I understand that I am not entitled to exclude from income any dependent care reimbursement under this Plan unless I include on my tax return for the year of reimbursement the name, address and taxpayer identification number of the person to whom the dependent care expenses were paid (in the case of an individual, the ID number is the person's Social Security number). If the service provider is a 501(c)(3) tax-exempt entity, only the name and address of the service provider need to be reported.
8. Miscellaneous. I will actually pay the expenses listed on the salary reduction agreement in the year in which I am seeking reimbursement and will provide substantiation of the payment by receipt. If any event occurs which changes my eligibility for the reimbursement during my current agreement period, I will notify the Firm Administrator of such event.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Please print Employee's name

\_\_\_\_\_  
Employee Signature

**SUMMARY PLAN DOCUMENT**

**WINSLOW TOWNSHIP  
SCHOOL DISTRICT**



WINSLOW TOWNSHIP SCHOOL DISTRICT  
FLEXIBLE BENEFIT PLAN

Winslow Township School District (The "Board") offers this Flexible Benefit Plan (the "Plan").

1. Purpose

The plan is designed to enable employees to choose whether to receive all of their compensation in cash or to convert a portion of their cash compensation for the purchase of certain fringe benefits. It is the intent of the Board that the availability of such choice will result in the efficient utilization of fringe benefits on a tax favorable basis. Under the Plan, employees may elect to enter into a salary reduction arrangement with the Board in order to accumulate funds to pay for benefits under the following plans:

- ❖ Health Premium Conversion Plan
- ❖ Medical Payment Plan
- ❖ Dependent Care assistance Plan

2. Eligible Employees

The term "eligible employee" means any person who is regularly compensated by the Board in the conduct of its business, except independent contractors. An individual who is on leave of absence shall be considered an Employee. Participation will commence with the completion of a salary reduction agreement in accordance with paragraph 4.

3. Covered Expenses

The expenses of all benefits covered by the Health Premium Conversion Plan, Medical Payment Plan and Dependent Care Assistance Plan may be paid for under this Plan. Payment under this Plan is subject to the conditions and limitations specified in such plans.

4. Salary Reduction Agreements

An eligible employee who wishes to participate in this Plan must complete a salary reduction agreement with the Board. The salary reduction agreement shall be substantially the same as the form attached as Attachment A or any other form that the Board may prescribe and shall be subject to the rules that the Board prescribes.

An eligible employee must enter a salary reduction agreement and select the benefits to which the salary-reduced amounts will apply prior to the time the benefit coverage commences. For example, if an employee incurs medical expenses of \$100 per pay period prior to the date as of which the Board adopts the Plan, those expenses will not be reimbursed. Thereafter, only expenses incurred for medical care provided after the salary reduction agreement is entered into qualify for reimbursement. Each participant will be asked to fill out an agreement each December which will remain in effect for the entire next fiscal year. Only new employees, i.e. persons not employed by the Board during the previous annual enrollment period, will be permitted to enroll in the Plan outside of the enrollment period. An agreement entered into by a new employee shall remain in effect until June 30th, of the year in which it is signed.

4. Salary Reduction Agreements (Continued)

Salary Reduction can be in any amount within the limitations specified for each of the constituent plans, provided that the total salary reduction in the aggregate must be at least \$100 but no more than \$3,200 for the Medical FSA and \$5,000 for the Dependent Care per year. The aggregate amount of salary reduction elected by any employee shall be deducted pro rata from every regular paycheck for the year (or such other period to which the agreement may apply). Once elected, a salary reduction agreement may not be terminated or changed except as specifically permitted by each of the constituent plans.

5. Flexible Spending Accounts

The Board will maintain for each of its employees a separate spending account for each benefit the employee elects. These accounts will record the total amount available for reimbursement for the year and the amount of reimbursements charged to the accounts. The total amount available for reimbursement from the medical payment spending account and/or the dependent care assistance account will be the total annual amount of salary reduction elected for the year less accumulated reimbursements during the year. Reimbursements from the health premium conversion account will not be made for more than the amount of actual salary reduction contributions to date less any reimbursements to date in any account. However, if a dependent care claim exceeds the amount, then in an account, the excess claim will be paid as subsequent salary reduction amounts are contributed to the account. All payments of covered benefits will be made solely from these accounts.

No transfer may be made from the balance credited to one of a participant's accounts to another account during a year nor from the account of one participant to another participant. At the end of a fiscal year any amounts left in any account of a participating employee will be forfeited. The amounts will not be carried forward to a subsequent year or paid to the employee in cash or another form of remuneration. EXPENSES INCURRED PRIOR TO JUNE 30TH, MUST BE SUBMITTED NO LATER THAN OCTOBER 15TH.

IMPORTANT: BECAUSE REGULATIONS DO NOT PERMIT TRANSFERS, CASH OUTS OR EVEN CESSATION OF SALARY REDUCTION EXCEPT UNDER CERTAIN LIMITED CIRCUMSTANCES, IT IS VERY IMPORTANT THAT THE SELECTED LEVEL OF SALARY REDUCTION NOT EXCEED ANTICIPATED EXPENSES. IF AN EMPLOYEE FAILS TO USE UP THE ENTIRE AMOUNT, HE HAS AGREED TO CONTRIBUTE THROUGH SALARY REDUCTION, THE EXCESS WILL BE FORFEITED.

All spending accounts maintained under this plan are solely bookkeeping entries and the Board is not required to set aside any specific assets for paying covered expenses. Any amounts credited to the accounts are the general assets of the Board and subject to the claims, if any, of its creditors.

## 6. Claims

No claims need to be submitted for reimbursement of health premiums paid through the Board's payroll system. These premiums will automatically be deducted from an employee's health premium conversion spending account in accordance with the employee's election in the salary reduction agreement.

All claims for reimbursement from a participant's other spending accounts shall be made to the Board's office on a claim form substantially in the form of Attachment B (medical payment) and/or Attachment E (Dependent Care) or any other form that the Board may require. Each form must be accompanied by invoices or other evidence satisfactory to the Board of the expenses incurred. The supporting information shall include the following items: Date of service (expenses incurred not paid); name of person who incurred the expense (Patient); itemized description of expense incurred and its cost. If a claim is approved, it shall be paid to the employee from their appropriate spending account as of the next payroll period. In addition, a Dependent Care Certification, Attachment F must be completed by all employees who voluntarily participate in the Dependent Care Assistance Plan.

## 7. Claim Denials

If a claim for benefits is denied, the Board will provide the employee with a written notice stating the specific reason or reasons for denial, including specific plan provisions relied upon. The notice will also explain what is required to perfect the claim, if possible, and inform the employee that the denial may be appealed. Any appeal shall be in writing to the Board, which shall provide a written decision within 60 days of receiving the request for a review of the denied claim.

## 8. Tax and Payroll Consequences of the Plan

The following example indicates the impact of a salary reduction on an employee's pay. It assumes biweekly earnings of \$800, a 30% tax bracket and salary reduction of \$100 coupled with reimbursement at the same level.

	<u>Without 125 Plan</u>	<u>With 125 Plan</u>
Gross Pay	\$800.00	\$800.00
Before-tax Medical FSA	<u>0.00</u>	<u>100.00</u>
Taxable Gross Pay	800.00	700.00
Taxes (30%)	<u>240.00</u>	<u>210.00</u>
After-tax earning	560.00	490.00
Plus: Reimbursed claims	<u>0.00</u>	<u>100.00</u>
Spendable Income	<u>\$560.00</u>	<u>\$590.00</u>
	Tax Savings	\$30.00

8. Tax and Payroll Consequences of the Plan (Continue)

The previous example shows that moving \$100 in expenses from an after-tax to a pre-tax basis reduces an employee's tax burden by \$30 and increases his take home pay by a corresponding amount. The reduced tax burden includes reductions in Federal and Social Security taxes, and possible subsequent reduction in Social Security benefits. Note that if the employee in this example did not have any reimbursable expenses, he would have after-tax earnings of \$560 without participation. If the claim was not submitted for \$100 in expenses, he would forfeit his \$100 salary reduction for a net loss of \$70.

9. Coordination with Other Benefits

To the extent permitted by the Internal Revenue Code, other benefits provided by the Board to employees that are dependent on the level of an employee's compensation (e.g., retirement benefits and group term life insurance) shall be determined without regard to any salary reduction elected under this Plan.

10. Effective Date

This Plan shall be effective July 1, 2015.  
The plan was amended as of July 2017.  
The plan was amended as of July 2021.  
The plan was amended as of July 2022.  
The plan was amended as of July 2023.  
The plan was amended as of July 2024.

## HEALTH PREMIUM CONVERSION PLAN

Winslow Township School District (The "Board") has adopted this Health Premium Conversion plan (the "Plan") under Sections 105 (b) and (h) of the Internal Revenue Code for Eligible employees of the Board. The purpose of the plan is to permit each eligible employee, subject to the limitations contained in paragraph 3 of the Plan, to pay their share of any health care premiums under the Board's insured health care plan on a pre-tax basis through their health premium conversion spending account. It is the intention of the Board that benefits covered under this Plan shall be eligible for exclusion from the gross income of the employees covered by this Plan as provided by Sections 105 and 125 of the Internal Revenue Code.

### 1. Definitions

#### a. Eligible Employee

The term "eligible employee" means any person who is regularly compensated by the Board in the conduct of its business, except independent contractors.

#### b. Employee Health Premium

The term "employee health premium" means the employee's share of any healthcare premium required under any health care plan of the Board that covers an eligible employee, their spouse and/or their dependents.

#### c. Dependent

"Dependent" means those persons within the interpretation of the term under Section 152 (a) of the Internal Revenue code of the United States as from time to time in effect.

### 2. Benefits

Each Eligible employee who has elected on a salary reduction agreement to have employee health premiums paid under this Plan shall have such premiums paid by the Board from their health premium conversion spending account.

### 3. Limitations on Benefits

Benefits extend only to actual employee health premium expenses incurred while an eligible employee is in the employ of the Board or during the period in which continuation coverage has been validly elected pursuant to COBRA. If continuation coverage has not been elected, coverage under this Plan ceases with the eligible employee's termination of employment. Payment will be made only out of an employee's health premium conversion spending account and only to the amounts actually credited to the account through salary reduction (or in after-tax contributions if COBRA has been elected and salary reduction is not feasible) at the time a claim for payment is made. In no event shall the total payments under this Plan exceed the employee's share of health care premiums under the Board's health care plan.

### 3. Limitations on Benefits (Continued)

Reimbursement provided under this Plan shall be made by the Board only if and to the extent that such reimbursement is not provided for under any insurance policy or policies, whether owned by the Board or the eligible employee, or under any other health and accident plan. If there is such a policy or plan in effect providing for reimbursement or payment in whole or in part, then to the extent of the coverage under that policy or plan the Board shall not reimburse this benefit under this Plan.

### 4. Change in Coverage

The levels of salary reduction and reimbursements shall automatically increase or decrease as the employee's share of premium expenses under the health plan selected by the employee upon commencement of the salary reduction agreement increase or decrease. An employee may not otherwise change the level of coverage under this Health Premium Conversion Plan except under the following circumstances:

- a. If there is a significant increase in premium costs under the health care plan in effect at the beginning of coverage, the employee may revoke his election and select another health care plan with similar coverage;
- b. If the coverage under the health care plan in effect at the beginning of coverage is significantly curtailed or ceases, the employee may revoke his election and select another health care plan with similar coverage;
- c. The employee marries or divorces;
- d. The employee's spouse or dependent die;
- e. A child of the employee is born or is adopted;
- f. The employee's spouse begins or terminates employment;
- g. The employee or spouse changes from part-time to full-time employment or vice versa;
- h. The employee or spouse takes an unpaid leave of absence;
- i. There is a significant change in the health coverage of the employee or spouse under the spouse's Board-provided plan.

Any change in the level of coverage for one of the reasons under (c) through (i) must be appropriate and necessary solely as a result of such circumstances. The Board, in its sole discretion and based on all of the facts and circumstances, shall determine whether a requested change in coverage is appropriate and necessary as a result of change in circumstances.

### 5. Effective Date

This Plan is effective July 1, 2015.

## MEDICAL PAYMENT PLAN

Winslow Township School District (The "Board") has adopted this Medical Payment Plan (the "Plan") under Sections 105 (b) and (h) of the Internal Revenue code for eligible employees of the Board. The purpose of the plan is to permit each eligible employee, subject to the limitations contained in paragraph 3 of the Plan, to pay from their medical payment spending account, the expenditures for medical care they may incur for themselves, their spouse or their dependents, for which they are not reimbursed by insurance or otherwise. It is the intention of the Board that benefits covered under this Plan shall be eligible for exclusion from the gross income of the employees covered by this Plan as provided by Sections 105 and 125 of the Internal Revenue Code.

### 1. Definitions

#### a. Eligible Employee

The term "eligible employee" means any person who is regularly compensated by the Board in the conduct of its business, except independent contractors.

#### b. Medical Care

"Medical Care" means those items within the interpretation of the term as used in the Internal Revenue Code of the United States as from time to time in effect.

On the effective date of the Plan, the term "medical care" is defined by Section 213 (e) of the Internal Revenue code of 1986 to mean amount paid:

- b1. For the diagnoses, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body, or
- b2. For transportation primarily for and essential to medical care referred in subparagraph b1.

Premium payments for other health plan coverage including premiums paid for health coverage under a plan maintained by the Board of an eligible employee's spouse or dependent, cannot be reimbursed through this Medical Payment Plan. An eligible employee's share of health premiums for a plan maintained by the Board may, however, be paid through the Health Premium Conversion Plan.

#### c. Dependent

"Dependent" means those persons within the interpretation of the term under Section 152 (a) of the Internal Revenue Code of the United States as from time to time in effect.

2. Benefits

Each eligible employee who has certified, as provided in paragraph 6 of the Flexible Benefit Plan, that they have incurred expenses for medical care after the effective date of the plan for themselves, their spouse or a dependent shall be eligible to have those expenses reimbursed, subject to the limitations of paragraph 3 from their medical payment spending account.

3. Limitation on Benefits

Benefits extend only to actual expenses incurred while an eligible employee is in the employ of the Board or when coverage is continued under COBRA or under the terms of the Plan following termination of employment. Reimbursement or payment will be made only out of an employee's medical payment spending account and only up to the amount of coverage elected prior to the beginning of a plan year less accumulated reimbursements made to date during the plan year. Total coverage for a plan year must be for a minimum of \$100 but cannot exceed \$3,200. In addition, reimbursement will be made only for expenses incurred during the period for which the medical payment spending account has been maintained. For this purpose, expenses are incurred when an eligible employee, their spouse or dependent is provided with the medical care rather than when a bill is rendered or paid.

Reimbursement provided under this Plan shall be made by the Board only if and to the extent that the reimbursement is not provided for under any insurance policy or policies, whether owned by the Board or the eligible employee, or under any other health and accident plan. If there is such a policy or plan in effect providing for reimbursement or payment in whole or in part, then to the extent of the coverage under that policy or plan, the Board shall not reimburse the benefit under the Flexible Benefit Plan.

4. Changes in Coverage

An eligible employee may not change the level of coverage elected for a plan year under this Medical Payment Plan except under the following circumstances:

- a. The employee marries or divorces;
- b. the employee's spouse or dependent dies
- c. a child of the employee is born or is adopted;
- d. the employee's spouse, but not the employee, terminates employment.

Any change for one or more of the above reasons must be appropriate and necessary solely as a result of the change in circumstances. The Board, in its sole discretion and based on all the facts and circumstances, shall determine whether a requested change is appropriate and necessary as a result of a change in circumstances.



4. Changes in Coverage (Continued)

An eligible employee who terminates employment during a plan year shall continue to be responsible to make payments into the medical payment spending account until the end of the Plan year at the agreed upon amount even if salary payments cease and shall be entitled to receive elected coverage until the end of the plan year (and beyond if COBRA continuation coverage is elected) unless one or more of the above-enumerated circumstances justifies a change in an election.

5. Effective Date

This Plan is effective July 1, 2015.

The plan was amended as of July 2017.

The plan was amended as of July 2021.

The plan was amended as of July 2022.

The plan was amended as of July 2024.

## DEPENDENT CARE ASSISTANCE PLAN

Winslow Township School District (the "Board") has adopted this Dependent Care Assistance Plan (the "Plan") under Section 129 of the Internal Revenue Code for eligible employees of the Board. The purpose of the Plan is to permit each eligible employee, subject to the limitations contained in paragraph 3 of the Plan, to pay from their dependent care spending account, the expenditures for dependent care they may incur for which they are not reimbursed. It is the intention of the Board that benefits covered under this plan shall be eligible for the exclusion from gross income of the employees covered by this Plan as provided by Sections 129 and 125 of the internal Revenue Code.

### 1. Definitions

#### a. Eligible Employee

The term "eligible employee" means any person who is regularly compensated by the Board in the conduct of its business, except independent contractors.

#### b. Dependent Care Assistance

The term "dependent care assistance" means dependent care assistance as this term is defined in Sections 129 (e) (1) and 21 (b) of the Internal Revenue Code as amended from time to time. As of the effective date of this Plan, dependent care assistance includes the expenses incurred by an eligible employee for household services or for services for the care of certain "qualifying individuals" in order to enable the employee to gainfully employed.

#### c. Dependent

A qualifying individual is defined to mean:

1. A dependent of the employee who is under age 13 and for whom the employee is entitled to take a personal deduction for income tax purposes; or
2. A dependent or spouse of the employee who is physically or mentally incapable of caring for themselves.

### 2. Benefits

Each eligible employee who has certified, as provided in paragraph 6 of the Flexible Benefit Plan, that they have incurred expenses for dependent care after the effective date of the plan for a dependent shall be eligible to have those expenses reimbursed, subject to the limitations of paragraph 3 from their dependent care payment spending account.

### 3. Limitation on Benefits

Benefits payable under this Plan are limited as follows:

- a. Benefits extend only to actual expenses incurred while an eligible employee is in the employ of the Board and which are incurred during the period for which the Board has maintained the dependent care spending account from which the payments are to be made. For this purpose, dependent care expenses will be treated as having been incurred when the dependent care is provided and not when the eligible employee is billed or pays the expense.
- b. No benefit will be provided under this Plan to the extent dependent care assistance expenses for a fiscal year exceed the lesser of (i) the amount in the employee's dependent care spending account for the year for which reimbursement is requested; (ii) the employee's earned income for the year; or (iii) \$5,000 (\$2,500 if married and filing a separate tax return).
- c. No benefit will be paid for expenses that are paid to a child of the employee who is under the age of 19 at the close of the fiscal year or who could be claimed as a personal exemption of the employee or their spouse for income tax purposes for the fiscal year.
- d. No benefit is payable under the Plan to the extent the employee takes account of the expenses in claiming a tax credit for dependent care services under Section 21 of the Internal Revenue Code.

### 4. Changes in Coverage

An eligible employee may not change the level of coverage elected for a plan year under this Dependent Care Assistance Plan except under the following circumstances:

- a. The employee marries or divorces;
- b. The employee's spouse or dependent dies;
- c. A child of the employee is born or is adopted
- d. The employee's spouse, but not the employee, terminates employment;
- e. The employee or spouse changes from part-time to full-time employment or vice versa;
- f. The employee or spouse takes an unpaid leave of absence.

Any change for one or more of the above reasons must be appropriate and necessary solely as a result of the change in circumstances. The Board, in its sole discretion and based on all the facts and circumstances, shall determine whether a requested change is appropriate and necessary as a result of a change in circumstances.

### 5. Effective Date

This Plan is effective July 1, 2015.

PROVISIONS COMMON TO THE FOLLOWING PLANS:

FLEXIBLE BENEFIT PLAN  
HEALTH PREMIUM CONVERSION PLAN  
MEDICAL PAYMENT PLAN  
DEPENDENT CARE ASSISTANCE PLAN

This document sets forth the provisions of the above-named plans that are common to all of them.

1. Related Benefits

Medical benefits under these plans are supplemental to benefits provided under the Board's health insurance plans. The coverage of these other plans is described in the benefits booklets that are available from the Board's Office.

2. Plan Administration

The plans are administered by the Board, which possesses all powers necessary for their administration, including the sole authority to interpret the plans, to determine eligibility and to determine entitlement for benefits. The Board may designate in writing other persons to carry out its duties under the plans. The Board is the Named Fiduciary and Plan Administrator as these terms are used in the Employee Retirement Income Security Act of '74 ("ERISA").

To the extent not covered by insurance, the Board will indemnify any employee acting in its behalf under these plans against any and all claims, loss, damages, expenses and liability arising from any action or failure to act.

3. Amendment and Termination

The Board has the right to make any amendment to the plans at any time and retains the right to terminate the plans at any time. No amendment or termination shall diminish or take away any benefit incurred prior to the amendment or termination except to the extent required by the Internal Revenue Code or rules and regulations issued under that Code.

4. Miscellaneous Information

Plan Sponsor: Winslow Township School District

Sponsor's Board Identification Number: 21-6000136

Plan administrator and Agent for Service of Legal Process:

Natasha Daniels  
Confidential Secretary/Human Resources

Telephone Number: 856.767.2850

Plan Year End: June 30th

5. Statement of Participant Rights

As a participant in the plans you are entitled to certain rights and protections. These rights and protections have been summarized in government regulations which require that we inform you of them in the following statement:

You can examine, without charge, at the plan administrator's office and at other specified locations, such as worksites, all plan documents, including insurance contracts, and copies of all documents filed by the plan with the U.S. Department of Labor, such as detailed annual reports and plan descriptions.

Date: \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

