

Section 803.04

Flexible Benefit Options

The benefit of the "flexible benefit" plan is made available to all employees who are eligible for benefits. Authorization for the establishment of a flexible benefit program is found in the Internal Revenue Service Code, Section 125, and the Board of Regents program has been approved by the Internal Revenue Service and the State of Georgia Attorney General. The following are offered in the flexible benefit program and are briefly described below. Complete details may be requested from the Department of Human Resources.

1. **Flexible Premiums** - An employee may elect to participate in the flexible premium program for supplemental life insurance. Essentially, the employee selects the group insurance coverage desired and then advises the Department of Human Resources to pay these premiums with pre-tax dollars. The salary reduction for premiums avoids federal, state and social security taxation on the premium amount. Group health and dental insurance premiums are paid with pre-tax premium dollars automatically.
2. **Spending Accounts** - This option takes two forms, dependent care and non-reimbursed medical expenses. The basic principal is the same as with the premium account; however, employees must make reasonable estimates of cost to insure the salary reduction is not excessive. The spending accounts are more difficult to determine in certain situations and excess reductions which are not spent for the designated expense are lost at the end of the year.
 - a. **Dependent Care** - Those individuals having a qualified dependent for which they incur day care or similar expense in order to work may elect to reduce their salary for the amount of such charges and pay the expenses on a pre-tax basis. Employees pay for such expenses, and upon completion of a reimbursement voucher are "paid back" from their spending account.

- b. Medical Spending Account** - The payroll and reimbursement procedure is the same as with dependent care; however, the reduction is more difficult to project in certain cases. Non-reimbursed medical expenses are "paid back" to the employee from the spending account upon receipt of the required documentation.