

New rules make losing money almost

IMPOSSIBLE

In addition to the normal change in family status rules allowing a participant to change their election, (ie: due to marriage, divorce, birth/adoption/death of child, unpaid leave of absence of either parent, either parent terminating employment or either parent changing from full to part-time or part to full-time) the following new rules have been added effective March 23rd, 2000.

- Your dependent reaches age 13 and no longer qualifies for the benefit (you can elect out of the program).
- Your care provider goes up on the cost (you can automatically increase your childcare deduction to the new amount if the care provider is not your relative).
- Your care provider reduces their charge (you can automatically decrease your childcare deduction to the new amount charged).
- You change care providers (you can adjust your childcare deduction up or down to the amount charged by the new care provider even if one of the providers is your relative).
- Your need of coverage changes. Example: your school-age child who normally requires after-school care only needs full-time care during the summer (you can increase or decrease your childcare deduction to the new amount charged).
- You give your nanny a raise (you can increase your childcare deduction to the increased wages).
- Employment status. Events that change your employment status or the employment status of your spouse or dependent including: a termination or commencement of employment, a strike or lock out, a commencement of or return from an unpaid leave of absence and a change in worksite.

You have 30 days from the date of your status change to make changes to your spending account election(s). The change you make must be consistent with the status change. For example, if you acquire a new dependent through adoption, you would be able to begin or increase contributions to a spending account, but you would not be able to decrease or stop contributions. Please contact your Human Resources Department, if you have questions about status changes.

Often, the \$5,000 annual maximum available through the benefit is not enough to completely cover the day care cost. In order to maintain the parent's "no checks to write" benefit, BENEFLEX will handle any excess expense through a post-tax redirection at no additional cost to the employer.