



RIVERSIDE SCHOOL DISTRICT

RIVERSIDE CAFETERIA BENEFITS PLAN PLAN YEAR 2025-26

Educational Association

Our Flexible Spending Accounts and Health Plan Benefit Waiver Options under a Cafeteria Benefits Plan for Eligible Employees

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WHAT IS A CAFETERIA BENEFITS PLAN ?

The Riverside School District has adopted benefit options for all eligible Educational Association personnel.

The Collective Bargaining Agreement (CBA) between the District and the Associations contains a medical "Waiver Option". The Waiver Option Plan was part of the Riverside Cafeteria Benefits Plan, in which an Employee who has medical plan coverage can "waive" the RSD Medical Plan offered. An employee covered under the RSD through their spouse or parent's coverage may waive the RSD Medical Plan offered to the employee and receive the benefit in accordance with the CBA.

Through your collective bargaining agreement this year, the District and the Riverside Educational Association negotiated a Pre-Tax arrangement through the Dis-

trict's Payroll Department that will let an Employee deduct an amount of funds to cover uncovered Medical's expenses and/or day care expenses over and above any Plan's benefits before the District calculates the payroll taxes. The 'bottom line' effect is the Employee will save money, versus an Employee who pays the expense and use his/her coverage after the gross pay is fully taxed. See Page 6 and read an example concerning the "Pre-Tax" effect.

ARE THE AFLAC PLANS IN TACT WITH THIS NEW ARRANGEMENT?

As in the past, RSD is extending the "AFLAC Plans". These plans are optional insurance plans that allows eligible employees to pay their premium through payroll deduction. The Plan Administrator has decided to place any employees' AFLAC premium "After-Tax". The decision is based on the tax rule regarding the effect

of a benefit claim. In short, the claim will be not taxable if the premium is taxable.

You have received this document, called a "Summary Plan Description" ("SPD"), for a two-fold purpose: (1) to inform you about these optional benefits and the rights and responsibilities of these options and (2) to "qualify" this special benefit plan with the Internal Revenue Service. The IRS is the main regulatory arm that oversees such benefits (Dept. of Labor is the other). The three current benefits options, "Waiver Option" "Post Tax AFLAC Plans" & the "Flexible Spending Accounts" are the whole of the "The RSD Cafeteria Benefits Plan".

FLEXIBLE SPENDING ACCOUNTS

The part of our RSD Flexible Benefits Plan is our new "Flexible Spending Accounts", or "FSAs". FSAs are optional saving accounts that Employ-

(Continued on Page 2)

"The Purpose of the Benefits Waiver Policy is to allow an eligible Employee an additional Cash payable in-lieu-of covering the District-provided Medical Plan, when the Employee has Medical coverage from another Plan or source."

** NEW HEALTH INSURANCE BENEFIT**

Virtual Medicine

You have the choice of two virtual Medicine providers:
Doctor-on-Demand by Video only
and
Amwell by Video and Phone

You may contact either one with primary care or behavioral health concerns
\$0 COPAY

Websites:
Doctorondemand.org
Amwell.org



RIVERSIDE SCHOOL DISTRICT

The RSD Flexible Benefits Plan: Flexible Spending Accounts, Benefit Waiver Policy and AFLAC Insurance Plans Options (from Page 1)

ees can establish for the purpose of paying uncovered Medical and Dependent Care expenses. The contribution for an Employee's FSAs are "Pre-Tax". Using FSAs save money, because any dollar into FSAs are federally tax-free. Unlike the AFLAC premium, most claims or benefits through your FSA is tax-free!

FSAs are easy to use. You earmark a set amount from your payroll for the use of any medical and/or dependent care costs that you will not cover with any insurance or other plans through the Plan Year. By earmarking your dollar amount, your money is placed into a legal trust. More importantly, your money is virtually tax-free; for Medical expenses, tax-free from all federal, state and local taxes; for Dependent Care expenses, tax-free from all federal taxes. To claim your money, you will complete an easy claim form and attach the bill or invoice to the claim form. You or your service provider will receive the money from DeHey McAndrew; DM pays claims on the 1st and 15th of each month. See Pages 4-6 for more information.

WHO IS ELIGIBLE FOR FLEX PLAN AND THE BENEFITS WAIVER PLAN?

If you are eligible of the RSD's Medical Plan(s), you are eligible to participate in the RSD Flexible Benefits Plan. However, you may participate in the Benefits Waiver Policy (Medical Plan for Cash), but *only if* you have a alternative coverage. Your alternative coverage will need to be the like kind and quality as the RSD Medical Plan. As an eligible employee who may desire to enroll to the RSD Benefits Waiver Policy, you will need to require proof of coverage to this policy's third party administrator. On the Benefits Waiver Policy

Enrollment Form (Page 7-8 of this SPD), you must complete Section D, "Evidence of Other Coverage".

Married couples who are both employed by the Riverside School District are eligible for duplicate health, dental and vision family coverage. The waiver amount is payable to an Employee who leaves the RSD Medical plan and moves into his/her Spouse's RSD Medical Plan; the waived employee will be the spouse whose birthday is earlier in the calendar year. The amount for waiving Coverage will be paid in two installments. The payments are treated as taxable income, subject to applicable payroll withholding taxes. Your payment of the Benefit Waiver will not be included in your PSERS calculation for retirement.

WHEN ARE YOU ELIGIBLE?

You are eligible to participate at the same time as you enroll in the Health Insurance Plan or during the Plan's open enrollment period. Participation is totally voluntary.

HOW TO ENROLL?

To enroll in the Plan, you must complete an election form included in this SPD (Page 7-8). This must be submitted no later than the 30-Days timeframe of our open enrollment period, usually before the first day of the new Plan Year. The Flexible Benefits Plan begins July 1, 2025 and terminates June 30, 2026.

Eligible Employees hired on or before July 1, 2025 will be covered immediately; new employees who elect the Benefits Waiver Policy could receive a prorated amount with

the first payment for his/her first Plan Year.

Once you enroll in the Benefit Waiver Program, your participation is irrevocable for the remainder of the year, unless your family status changes or your termination of employment. Examples of changes in family status, for which you are allowed to modify your election, are:

- marriage or divorce;
- death of your spouse or a dependent;
- birth or adoption of a child; and
- termination of your spouse's employment.

If you must reenroll or newly enroll in the District medical plan prior to a full year of disenrollment due to a loss of alternative medical coverage or other emergency circumstances, you may do so subject only to limitations imposed by the medical insurance plan, health plan, or benefit carrier.

If you must reenroll in the District's health plan, due to the loss of your alternative medical coverage, you will receive the prorated portion of the Benefits Waiver for each month of your disenrollment.

THE "BOTTOM LINE" OF USING THE CAFETERIA BENEFITS PLAN

You can save pre-tax money by using the Flexible Spending Accounts. The "RSD Cafeteria Benefits Plan" gives you the option to choose the benefit plan(s) which best meets your own family needs.

"Benefit Waiver Payment is 50% of the Monthly Derived Premiums, with a maximum payment of \$333.34 per month. The qualified amount will be sent through payroll and are treated as taxable income..."



CASH AS A BENEFIT

Can I *really* take the Money?

If you are eligible of the RSD's Medical Plan, you are eligible to participate in the RSD Flexible Benefits Plan's Benefits Waiver Policy. The Benefit Waiver Policy is a plan that an employee can *eschew* the RSD's Medical, Vision & Dental Plans for Cash. However, you may participate in the Benefits Waiver Policy, but *only if* you have a secondary coverage by the RSD Medical Plan *or* covered by another medical/health insurance plan with the like kind and quality as the RSD Medical Plan.

As a eligible employee who may desire to enroll to the RSD Benefits Waiver Policy, you will need to require proof of coverage to this policy's third party administrator. On the Benefits Waiver Policy Enrollment Form (Page 7-8 of this SPD), you must complete Sections D&E, "Evidence of Other Coverage".

Married couples who are both employed by the Riverside School District are eligible for duplicate health, dental and vision family coverage. The waiver amount payable to an Employee who leaves the RSD Medical plan, but only moves into his Spouse's RSD Medical Plan coverage will be entitled up to \$3000 annually payment.

You should be aware that if you elect to waive your health insurance and receive Cash, it will be subject to Federal Income Taxes, FICA, State and Local Taxes. However, if you elect to place any of the "Cash" into a Section 403(b) Plan, such "Cash" is, generally, non-taxable as long as annual S. 403(b) maximums do not exceed the IRS guidelines. You may also use this Cash to fund your Flexible Spending Accounts with "Pre-Tax" dollars (See bottom of Page 6) or other RSD-sponsored benefits.

To be eligible for the Benefits Waiver Policy, a teacher must provide evidence coverage under another medical/health plan outside of the Riverside School District's sponsored health and/or dental plans. If you planning to waive the District's plans, please complete Sections C & D and the Signature Requirement on the District's Flexible Benefit Enrollment Form.

The Medical Spending Account

Perhaps you or your family routinely spend money on medical care expenses that not covered by the typical health insurance plan. It may be that the family dentist has prescribed braces



for you or your children. Those orthodontic expenses may not be fully covered; as a result, the dentist requires a per Pay payment from you. Or it may be that the cost of prescription drugs, aids for illness or injury, or other benefit copays means that you pay several hundred dollars during the course of the year that are not fully covered. Well baby-care, eye glasses, hearing aids and health plan deductibles & copayments require employees to reach into their pockets for payment.

Through the RSD Flexible Benefits Plan, the IRS has OK'd a significant tax break for an employee who saves through payroll to pay for these medical expenses. It's called the **Medical Spending Account** (Medical FSA) and here's how it works:

You are allowed to set aside up to \$3,300 per plan year to pay for anticipated medical expenses. The IRS & the Commonwealth of PA say that an employee can do so *before* it taxes his/her paycheck. So, much in the manner of Tax-Sheltered Annuities, the money you set aside for the payment of medical expenses is virtually tax-free. Contributions to a Medical FSA are exempt from an employee's portion of FICA (7.65%), PA state income tax (3.07%), your applicable federal income tax (10-

39.6%, most common is 25%), and your applicable local income tax (usually between 1-3%). Using the 25% federal income tax rate and a local income tax rate of 1%, the net effect is that for every \$100 contributed to a Medical FSA, you save \$36.72! See Page 6 regarding your Section 125 effect and the Pre-Tax savings. When you receive a bill or pay for an expense not covered, you merely submit a copy of the bill and an easy-to-complete Medical Spending Reimbursement Form to **DeHEY McANDREW**. You will be reimbursed, usually within 2 weeks. It's that simple. Participation in this Plan is completely optional.

If you incur your annual savings amount as an expense before having set aside the annual amount, have no fear. The annual amount you target will always be available to you, even though you may not have saved the full amount at the time you receive your medical bill.

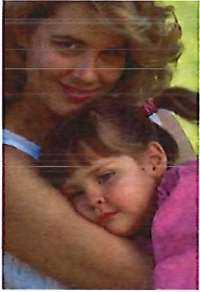
Use-It-Or-Lose-It Rule and New Carryover Provision

The IRS has allows for participants to carryover up to \$660 of unused Medical FSA funds into the next plan year. Any balance above the allowable carryover is still subject to the use-it-or-lose it rule. Please contact DeHEY McANDREW for assistance in using any excess balance. The \$660 carryover will not affect the \$3,300 annual maximum. You can carryover the maximum of \$660 and still set aside the maximum of \$3,300.

FSA Carryover Rules

\$660 MEDICAL FSA CARRYOVER—If you have a balance of \$660 or less in your Medical FSA, the balance will be carried over into the next Plan Year. You will have the full subsequent 12-month Plan Year to use the balance that is carried over, plus any new election for that plan year. Any balance over \$660 left in an FSA at the end of the Plan Year is forfeited to the Plan. The Carryover does not apply to Dependent Care Flexible Spending Accounts.

Dependent Care Spending



The roles that employees fill are certainly different from those our grandparents filled when they worked. Dependent Care, whether for children or adults, typically was not as great a need as it is today. Dual wage earners, single parents and employees who must provide care to elderly, incapacitated parents or relatives make up a significant percentage of the American workforce.

That's why the "Dependent Care Spending Account" is a part of District's Flexible Benefits Plan.

Similar to the District-sponsored Tax-Sheltered Annuity, Riverside School District employees can elect to make payroll contributions into a savings account **before** Federal, PA State & Local taxes are calculated on your paycheck. Contributions to a Dependent Care FSA are exempt from an employee's portion of FICA (7.65%), federal income tax (10-39.6%, most common is 25%), PA Income Tax (3.07%) and Local Income Taxes (usually between 1-3%). Using the 25% federal income tax rate, the net effect is that for every \$100 contributed to a Medical FSA, you save \$32.65! Here's how it works:

An employee is allowed from the IRS regulation to set aside "tax-free" up to \$5,000 per year (or \$2500 if you are planning to file your IRS Form 1040 as "Married Filing Separately") for the purposes of paying any Provider of day care services to a dependent of the employee in order for the employee to remain gainfully employed. A "Provider" may be a professional organization, a relative (over age 18), a neighbor or any other individual not claimed by you as a dependent. "Providers" will be sent all necessary income tax forms from the Plan Administrators.

Who can you claim as needing dependent care? Children under age 13 or any dependents who are incapable of caring for themselves due to a physical or mental problem are eligible "beneficiaries" of your Dependent Care Savings.

Dependent Care Spending Account (DCSA) expenses will qualify for payment or reimbursement for services rendered by a provider during work and commute times only.

How to program your DCSA? Easy! Look at your expenses in this area last

year, or make a reasonable prediction of what they'll be this year. Then complete the Plan Enrollment Form with the per Pay amount you'll need.

When you receive a bill or pay for a dependent care expense, you merely submit a copy of the bill and an easy-to-complete Dependent Care Spending Form to DeHEY McANDREW. You will be reimbursed or have paid directly to the provider your tax-sheltered savings, usually within 2 weeks. It's that simple.

Use-It-Or-Lose-It Rule and New Carryover Provision

But beware! Uncle Sam says that your savings for dependent care must be "used up" within the Plan Year you sign up. If not, the savings must be surrendered to the Plan. In the past, participants have been able to utilize a 2.5 month Grace Period to submit claims after the Plan Year has ended. **FSA participants are no longer be able to submit claims during the Grace Period against the previous Plan Year. As such, Dependent Care claims must be submitted within the Plan Year they are reimbursed.**

FSA PARTICIPANT PORTAL

Participants of the Flexible Spending Account have access to an FSA Participant called DMFLEX where you can view transactions, submit claims and documentation, track the balance of your accounts, and the status of your claims.

Web-Based Address: mywealthcareonline.com/dmflex

Mobile Application: **"DM FLEX"**

To get started you will need to register on the web-based site to create a username and password. After that you can login on the website or download the mobile app and login to access your account information and submit claims securely.

Please contact your plan administrator to register and create an account on our online Portal:

Simon McAndrew—tele: 570-346-9960 or email: simonmcandrew@deheymcandrew.com

Medical Flexible Reimbursement Account Worksheet

MEDICAL CARE REIMBURSEMENT EXPENSES

Deductibles/Co-payments/Coinsurance	\$
Chiropractor Fees	\$
Childbirth (portion not covered by insurance)	\$
Contraceptives	\$
Hearing Care (exams, hearing aids, batteries)	\$
Immunizations	\$
Medications requiring a Prescription	\$
Psychiatric Therapy/Psychologist Treatment	\$
Transportation to receive Health Care	\$
Well-Baby Care	\$
Over-the-Counter Medical Expenses	\$
DENTAL	
Deductibles/Co-payments/Coinsurance	\$
Dentures	\$
Exams	\$
Fillings/Bridges/Restoration	\$
Orthodontic expenses (if medically necessary)	\$
X-ray Fees	\$
Other Dental Expenses	\$
VISION	
Deductibles/Co-payments/Coinsurance	\$
Eye Exams	\$
Frames/Lenses/Contacts	\$
Contact Lens Maintenance Items	\$
Other Vision Expenses	\$
REQUIRES DOCTOR'S NOTE	\$
Pain Treatment (hot tub, massager/chair, shoes, etc)	\$
Wellness (gym memberships, vitamins, etc)	\$
Sauna, Steam or Other Wellness Therapy	\$
TOTAL ESTMATED EXPENSE (July thru June)	\$
DEDUCTION PER MONTH: Total Expenses Divided by 12	\$

To take advantage of the savings of using a Flexible Spending Account, please follow these easy steps:

Step 1

Look through the list on this page and see which services you and your family may have that are not completely covered by insurance for the upcoming plan year.

Step 2

Estimate your annual health related expenses NOT covered under by either your or your spouse's benefit plan. It may help to review what you've paid for eligible services for the past plan year. You can use insurance records, tax receipts, check-book register and other personal records you have kept. You may elect to defer up to \$3,300 per plan year with a minimum amount of \$200.

Step 3

Complete this worksheet with your estimated Semi-Annual Expenses. Enter this amount and the per Month amount on your Enrollment Form.

If you have any questions on a specific expense being eligible for reimbursement or have questions on expenses that become eligible with a doctor's note, please contact the District's FSA Administrator:

DeHEY McANDREW

tele: 570-346-9960 email: simon.mcandrew@deheymcandrew.com

RIVERSIDE SCHOOL DISTRICT

Flexible Benefits Plan Enrollment Form: Educational Association & Administration

July 1, 2025 - June 30, 2026

A. Name _____

(Please Print)

Social Security Number: XXX-XX-_____

Mailing Address (FSA Participants): _____

B. Please check the reason you are completing this form:

☐ Open Enrollment ☐ New Employee ☐ Change in Family Status.

C. Benefits Plan Waiver Policy Options: Please complete this section *ONLY* if you are waiving the Medical, Prescription, Dental and Vision Plans in exchange for \$3,000.00 per your CBA. You will receive your Cash Payments in two installments. The amounts are taxable as regular income. Maximum Cash Amount for waiving Health coverage is \$3,000.00 per Plan Year in accordance with the CBA. Only complete this section if you are waiving Health and Prescription Insurance Coverage and wish to receive the Cash Payments.

☐ I would like to Waive the Medical, Prescription, Dental & Vision Insurance Coverage
through the Riverside School District

*If your Total is greater than \$250.00, your total monthly amount will be \$250.00, per collective bargaining agreement (CBA).
\$3,000.00 is the maximum Cash Payments for employees waiving Health Insurance.*

NOTE: Benefits Waiver Policy payment amounts are in accordance with the CBA. Benefits Waiver Policy payments are made to you in two equal lump sums—one in December and another in June. If you elect to enroll in the Benefits Waiver Policy, you must complete Section D&E of this Form annually. If you elect the Benefits Waiver Policy, you must disenroll from the Riverside School District benefits for a minimum of one (1) year, except for qualified changes in your election. If you have elected the Benefits Waiver Policy and reenroll in the Medical Plan within twelve months of your election due to a qualified change in election (including loss of alternative medical coverage), you may do so subject to any limitations imposed by the insurer. NOTE: If you are enrolled in Medical, Prescription, Dental and Vision coverage and you wish to add an individual to your policy, you MUST complete the insurance carrier's corresponding application.

D. Evidence of Other Coverage: If you are waiving Medical Plan coverage, please complete provide following on your coverage:

Insurer/Plan _____ Policy # _____

Plan Sponsor (e.g. Employer) _____

Spouse' Social Security # (if applicable) _____

E. AFLAC Benefit Plans(s): Please complete the monthly premium for any AFLAC Insurance Plan(s) Election(s). The amounts paid through payroll deduction will AFTER-TAX deduction:

Disability Income Plan Monthly Premium: \$ _____

Hospitalization Plan Monthly Premium: \$ _____

F. FLEXIBLE SPENDING ACCOUNTS (See Pages 4-5): Enter the amounts you wish to defer from your payroll for qualified Medical and Dependent Care expenses you expect to incur in the plan year:

Flexible Spending Accounts Contributions

Plan Year Contributions

I. Medical Spending (max. \$3,300 per Plan Year): \$ _____

II. Dependent Care Spending (\$5,000 per Plan Year): \$ _____

**Riverside School
District**



300 Davis Street
Taylor, PA 18517

DEHEY MCANDREW

101 S. MAIN AVE.
SCRANTON, PA.
18504

T: (570) 346-9960

F: (570) 346-3411

DEHEYMCAANDREW.COM

FSA Participant Portal:

Mywealthcareonline
.com/dmflex

G. SIGNATURE REQUIREMENTS

I understand all of the provisions associated with the choice I have made, as described on this Form and in my Summary Plan Description (SPD), in electing between Medical Insurance, the Benefits Waiver Policy and Flexible Spending Accounts. Under this agreement, I attest that I maintain replacement medical/health plan coverage through another source, as indicated in Part "D" of this Form for myself and my dependent(s). If I have elected the Benefits Waiver Policy Option, I understand that the applicable health and medical insurance costs incurred by myself and/or my dependents experienced by my "Other Medical Coverage" will be filed against such medical plan, cited in Part "D" & "E" of the Form as "Evidence of Other Medical Coverage". I understand that any medical expenses I or my family incur as a result of waiving the District's medical plan coverage will be my and/or my family's sole responsibility. I hereby agree to indemnify and hold my employer harmless from any and all claims, causes of action, suits, demands, costs, expenses, including attorney's fees and litigation-related costs liabilities and losses, however caused, which may result or arise from my election of the cash settlement in lieu of medical plan coverage. Furthermore, I understand the information regarding the Flexible Spending Accounts, especially in the "Use-It-Or-Lose-It" rule and any rules concerning service dates and the plan year claims. I authorize the attendant elections and payments for the next 6 months and that I may not change this election but for a qualifying change in my family status, loss of medical coverage, or change in the employment of myself or my spouse. I attest to the fact that the following information as provided by myself on this form is true and accurate, to the best of my ability and was made of my own volition.

Employee Signature: _____

Print Name: _____

Date: _____

Plan Rights Statement

Although the RSD is a government agency and therefore exempt from most ERISA requirements, regulations under IRC Section 125 and salary reduction monies toward a legal Trust have responsibilities similar rights and protections as non-exempt ERISA employers. Therefore, the members of this Plan shall be afforded the following ERISA rights. The Employee Retirement Income Security Act of 1974 (ERISA) was enacted to help assure that all employer-sponsored group benefits programs conform to standards set by Congress. An employee who is a participant in the Benefits Waiver Option Policy is entitled to certain rights and protections under ERISA, which provides that all participants will be entitled to (1) examine, without charge, at the Business Office, all Plan documents and copies of documents filed with the U.S. Dept. of Labor, such as detailed annual reports and Plan descriptions; (2) obtain copies of all Plan documents and other Plan information upon written request to the Business Office, subject to a reasonable charge for the copies; and (3) receive a summary of the Plan's annual financial report. Plan records are kept on a plan year basis. In addition to creating rights for Plan participants, the Dept. of Labor (DOL) imposes duties upon those responsible for the operation of a Plan who are called "fiduciaries" and who have a duty to operate the Plan prudently and in the interest of participants and beneficiaries. If a claim for a benefit under a Plan is denied in whole or part, the claimant must receive a written explanation of the reason for the denial. The claimant has the right to have the claim reviewed and reconsidered. Under DOL, there are steps an employee covered under a Plan can take to enforce the above rights. For instance, if the person requests materials and does not receive them, the person may file suit in a Federal court. In such a case, the court may require Riverside School District to provide the materials and pay a fine until the person receives the materials, unless the materials were not sent

because of reasons beyond the RSD's control. If a person has a claim for benefits which is denied or ignored, in whole or in part, the person may file suit in a state or federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if an employee covered under a Plan is discriminated against for asserting his or her rights, the person may seek assistance from the U.S. Dept. of Labor, or may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If the claimant is successful, the court may order the RSD to pay these costs and fees. If the claimant loses, the court may order the claimant to pay these costs and fees, for example, if it finds the claim to be frivolous. If an employee covered under a Plan has any questions about the Plan, the employee should contact the Business Office. If an employee has any questions about this statement of the employee's rights under ERISA, the employee should contact the nearest Area Office of the U.S. Labor-Management Services Administration, Dept. of Labor.

ADMINISTRATIVE FACTS

The Benefits Waiver Policy is sponsored by Riverside School District which is located at 300 Davis Street, Taylor, PA 18517, (570) 562-2121 and will act as Plan Administrator. The Administrator manages the operations of the Plan and decides all questions that come to it on a fair and equitable basis for participants and their beneficiaries. The District has authorized certain responsibilities to this Plan to a third party administrator (TPA). The District's TPA is DeHey McAndrew of Scranton, PA. The Employer Tax Identification for the Riverside School District is 23-1667981. The Plan Number (PN) assigned to the Cafeteria Benefits Plan and Flexible Spending Accounts by Riverside School District is 510.