Section 125 Cafeteria Plan for Mennonite Church USA

The Corinthian Plan
Together, providing health care for pastors and church workers

Premium Expense, Dependent Care, Medical Expenses

The Section 125 Cafeteria Plan allows you to save money on the following expenses:

- Health, dental, and vision expenses through the medical expense reimbursement account,
- Work-related dependent care expenses through the dependent care reimbursement account, and
- Premiums for employer-sponsored coverage (health, dental, or vision). This is automatic when you're paying a portion of premiums.

The Section 125 Cafeteria Plan is established under Section 125 of the Internal Revenue Code. It permits you to pay for certain expenses with pretax dollars. These expenses must be unreimbursed by any health plan or reimbursement programs.

Determining value for you

You can determine whether you will benefit from the Section 125 Cafeteria Plan by answering the following questions and reviewing the annual maximums allowed:

For health, dental, or vision expenses (medical expense reimbursement account)

- Do you have health, dental, or vision expenses not reimbursed by a health plan or any other source?
- Maximum allowed for 2027 is $3,400.

For dependent care (dependent care reimbursement account)

- Do you have a child under age 13 who lives with you and for whom you pay child care so you and your spouse can be employed or attend school full time?
- Do you have a dependent who lives with you, who is physically or mentally incapable of self-care, and for whom you pay dependent care?
- Maximum allowed is $7,500 if you are married and filing a joint tax return or single and filing as head of household; $3,750 if you are married and filing separate tax returns.

Clarification on taxes

Paying for expenses on a pretax basis through the Section 125 Cafeteria Plan means that you are reducing your taxable income. You will pay less Social Security tax and also may be eligible for less Social Security benefits later.

Receiving reimbursements

How to submit a request

When you want to access the funds in your medical expense or dependant care reimbursement account, you simply complete a reimbursement form and attach any relevant receipts. For health-related expenses, you will need a copy of the original bill, an itemized receipt, or an *Explanation of Benefits* showing what portion of the medical bill was not reimbursed by a health plan.

When you can access funds

For health-related expenses, you can take out as much money from your medical expense reimbursement account in the beginning of the year as you have elected to contribute for the whole year (your regular contributions, in effect, will pay your account back).

For dependent care, you can take only as much money out of your dependent care reimbursement account as you have deposited in it.

Funds in accounts remain separate

If you make contributions for both dependent care and health-related expenses, you will have two separate "accounts." The funds cannot be mixed. For example, if you run out of money in your medical expense reimbursement account before the end of the year, but have money left in your dependent care reimbursement account, you cannot use this money to pay for medical care.

Cautionary notes for the Section 125 Cafeteria Plan:
You need to keep the following things in mind with the Section 125 Cafeteria Plan:

- You must spend all the money in your reimbursement accounts each year or you lose it. If you contribute $500 in a year and have qualifying medical expenses of only $450, you will lose the $50 you did not spend. You cannot keep it until the next year.
- Because you cannot carry money over to the next year, you will want to estimate conservatively what your expenses will be. When estimating your dependent care, do not forget to allow for vacations or sick days when you wouldn't be paying for care

Changing elections
You may be able to change your elections if you have an eligible event such as marriage or divorce, death of a spouse or dependent, birth or adoption of a child, change in your employment or your spouse's employment, etc. Specific guidelines apply as outlined in the summary plan description for the Section 125 Cafeteria Plan.

Changing jobs
If you are moving from one church to another church who is eligible to participate in The Corinthian Plan, then your elections continue uninterrupted. You may continue to access your reimbursement accounts for expenses, and your new employer should continue to withhold the election amounts you had chosen previously.

If you are retiring or going to an employer who is not eligible to participate in The Corinthian Plan, you will no longer fund any of your reimbursement accounts. For dependent care, you may continue to submit reimbursement requests for care that occurred within the plan year. However, for medical care, any reimbursement requests must be for dates of service that precede your date of termination.

Regular reports
You will receive periodic reports on the balances in your reimbursement accounts. In addition, all reimbursement checks will include the current balances of your accounts.

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