OPEN ENROLLMENT
PLAN YEAR
JANUARY 1, 2026 TO DECEMBER 31, 2026

CAFETERIA PLAN

A Section 125 Cafeteria Plan is simply a tax savings plan which allows participating employees to deduct certain expenses from gross earnings before the computation of federal, state, and social security taxes.

Change for 2026
Base Health Plan and HSA

The **BASE** Health Plan is the State of Mississippi High Deductible Health Plan (HDHP). With a HDHP you qualify to participate in a Health Savings Account (HSA) through payroll deduction. If interested, please be sure to read the information about HSAs below and how this will affect those that are participating in the Medical Flexible Spending Account (FSA).

CURRENT INSURANCE DEDUCTIONS ELIGIBLE TO PRE-TAX

1. **Insurance:** State Health and Life Insurance, Dental, Vision, Accident, Cancer,
2. **Health Savings Account (HSA) Contributions**
3. **Flexible Spending Accounts:** Option 1. Dependent Care Expenses
   Option 2. Unreimbursed Medical Expenses

1. INSURANCE

All eligible insurance premiums are automatically deducted on a before tax basis. This lowers your W-2 reported wages by the amount of the premium(s) and gives you an increase in your spendable income.

2. HSA

An HSA is a tax-advantage savings account for those enrolled in a High-Deductible Health Plan (HDHP). It allows you to pay for qualified medical expenses with pre-tax dollars. If you are enrolled in the **Base** Plan, you are eligible for an HSA and may choose to have your contributions deducted pre-tax through our cafeteria plan. Additionally, HSA funds roll from year to year. *If you choose the Base Plan and participate in an HSA, you are still eligible to participate in the Flexible Spending Account (FSA) for Limited Purposes (LPFSA) only. An LPFSA can only reimburse* ***dental and vision*** *expenses. Below are some examples of how you may use LPFSA.*

Dental: routine cleanings, exams, fillings, crowns, bridges, orthodontia (braces and retainers), implants
Vision: eye exams (including vision co-pays), prescription glasses, contacts, contact solution, laser eye surgery
Over-the-Counter: only items that are directly related to dental or vision care

3. FLEXIBLE SPENDING ACCOUNTS

Option 1. Dependent Care Expense

NOTE: Maximum allowed has increased from $5,000 per calendar year, ($2,500 if married filing a separate return) to $7,500 per calendar year, ($3,750 if married filing a separate return).

If you have qualified dependents that require care while you and your spouse work, participation in this part of the plan can save taxes by pre-taxing the expense. Simply estimate your dependent care expenses for the **plan year,** up to a maximum of **$7,500 per calendar year, ($3,750 if married filing a separate return).** Your annual election will be divided by the number of pay periods in the plan year and deducted pre-tax. When you pay your dependent care provider, you will obtain a receipt and forward it to SABC along with a Request for Reimbursement form to be reimbursed.
For more information click here: www.sabcflex.com/content/dependent-care

Option 2. Unreimbursed Medical (URM) FSA

If you have medical expenses which you have to pay out of your own pocket, such as; your medical deductibles, co-insurance, dental expenses, eye care expenses, etc., you may save valuable tax dollars by pre-taxing these expenses. To participate, you must estimate the out-of-pocket medical expenses you will incur during the plan year up to a maximum of **$3,300**. Your plan year election will be divided by the number of deductions in the plan year and deducted pre-tax. After eligible expenses have been incurred, simply submit proof of the expense with a reimbursement form or online, and you will be reimbursed up to the amount you have requested, not to exceed your annual election. Please go to (www.sabcflex.com/content/eligible-medical-expenses**)** for more information on eligible expenses. Expenses may be for you, your spouse or children under age 27.

Should you terminate employment, you may only request expenses incurred prior to your date of termination. If you have a positive balance at the time of termination, you will be eligible for Cobra continuation coverage. Should you elect Cobra, you will continue to be a participant on a self-pay basis, with after tax dollars.

NOTE: If you have an HSA, your Unreimbursed Medical FSA account MUST be limited to Dental and Vision Expenses only. ***Medical expenses are NOT eligible for reimbursement through the LPFSA.***

All elections made under your flexible benefit cafeteria plan are irrevocable unless a Status Change occurs. Examples of Status Changes are marriage, divorce, birth of a child, death, adoption or, a change of your spouse's employment. Election under Dependent Care and/or Unreimbursed Medical should be conservative. Any monies not claimed by the end of the plan year or at least sixty (60) days after the close of the plan year, will be forfeited. **All expenses must be incurred (services rendered) by December 31st.**

To receive reimbursement for expenses incurred during the plan year you must submit a Claim Form (Request for Reimbursement) to Southern Administrators and Benefit Consultants, Inc. You must provide a receipt from the third-party provider for each expense with the claim form. An Explanation of Benefits from your insurance provider is your best receipt and may be required. You may also scan your receipts and submit your claim online through our on-line portal or smart phone app. For more information: https://www.sabcflex.com/content/claim-procedures.

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