

Glossary of Terms

Carryover - is up to \$500 of unused funds from one plan year that can move for usage in the next plan year.

Co-insurance – is the amount or percentage that you pay for certain covered healthcare services under your health plan. This is typically the amount paid after the deductible has been met and can vary based on plan design.

Consolidated Omnibus Budget Reconciliation Act (COBRA) – is a federal legislation act that allows a terminated employee, if they worked at an insured employer group of 20 or more employees, to continue to purchase health insurance for up to 18 months.

Copayment (Copay) – is a set out-of-pocket amount you pay for health care services. This amount may vary based on your insurance plan.

Deductible – is the fixed amount that you must pay for covered medical services/supplies before your health insurance plan begins to pay benefits.

Documentation – is an “Explanation of Benefits” from your insurance carrier or an itemized statement that includes the provider’s name, patient’s name, date of service, breakdown of service/supplies, total charges, and any amount paid by insurance. Unacceptable documentation would be credit card receipts, canceled checks, or balance forward/previous balance statements.

Effective Date – is the date in which a plan goes into effect or the date in which an employee is effective in the plan.

Flexible Spending Account (FSA) – is a reimbursement plan governed by IRS Section 125 that allows employees to contribute a certain amount of their gross income to a designated account(s) pre-tax to pay for out-of-pocket medical or dependent care expenses.

Grace Period – is up to 2 ½ months after a plan year end to incur expenses against the prior plan year.

Health Reimbursement Arrangement (HRA) – is an IRS approved, employer-funded, tax-advantaged employer health benefit plan that reimburses employees for out-of-pocket medical expenses.

Health Savings Account (HSA) – is an account created for individuals who are covered under a high-deductible health plan (HDHPs). The money in the account is saved to pay for medical expenses that the HDHP does not cover. Contributions are made into the account by the individual or the individual's employer. The funding is limited to a maximum amount each year.

High Deductible Health Plan (HDHP) - is a health insurance plan with lower premiums and higher deductible than a traditional health plan. Being covered by an HDHP is also a requirement for having a health savings account.

Premium – is the amount you pay towards your health, dental, or vision insurance each month.

Pre-Tax Deduction – is the deduction to your gross wages that lower your taxable wages.

Qualified Dependent – is a child of U.S. Citizenship or national or a resident of the U.S., Canada or Mexico and; 1) has the same principal residence of the taxpayer for more than half of the taxable year; 2) has a specified relationship to the taxpayer (such as child, stepchild, foster child, sibling or stepsibling or the descendent of one of the above; 3) has not attained the specified age (age 27) at the end of the tax year or is totally and permanently disabled at any time during

the year; or 4) did not provide more than one-half of his/her own support during the year. A qualifying relative is someone who is not a qualifying child but meets the relationship, income and support tests of Code Section 152. Please remember, a child must be under age 13 in order to qualify for dependent care assistance.

Qualified Transportation Plan (QTP) - is a reimbursement plan governed by IRS Section 132 that allows employees to contribute a certain amount of their gross income to a designated account(s) pre-tax to pay for work related transit or parking expenses.

Run-Out Period – is a period of time after the end of your plan year to submit claims for reimbursement.