**TITLE 260. OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES**

**CHAPTER 40.**

**Subchapter 25 - Dependent Care Reimbursement Account Option**

**260:40-25-2. Definitions**

The following words and terms, when used in this subchapter, shall have the following meaning, unless the context clearly indicates otherwise:

"Dependent" means any individual who is:

(A) A dependent of the participant who is under the age of 13 or age 14 for the Plan Year effective January 1, 2020 only and with respect to whom the participant is entitled to an exemption under Section 15(c) of the Internal Revenue Code or, is otherwise, a qualifying individual as provided in Section 21(d)(2) of the Internal Revenue Code, or

(B) A dependent or spouse of the participant who is physically or mentally incapable of caring for himself or herself.

"Dependent care expenses" means expenses incurred by a participant which are incurred for the care of a dependent of the participant or for related household services, and are eligible expenses as allowed under and defined in the prevailing Internal Revenue Code and rules promulgated thereunder and as allowed by the Plan Administrator.

"Dependent care reimbursement account" means the bookkeeping account maintained by the Plan Administrator used for crediting contributions and accounting for benefit payments.

"Eligible period of coverage" means that time period in which the participant contributes to the dependent care reimbursement account and that the participant is on an active pay status.

"Grace Period" means the period from the end of the Plan Year through March 15th of the subsequent Plan Year during which reimbursable expenses can be incurred and attributable to the previous Plan Year's account balance. For the Plan Year effective January 1, 2020, the grace period will be extended for twelve months (12) after the end of that Plan Year. For the Plan Year effective January 1, 2021, the grace period will be extended for twelve (12) months after the end of that Plan Year.

"Run Out Period" means the ninety (90) day period following a Plan Year in which claims can be made for reimbursable expenses incurred during the Plan Year.

**260:40-25-13. Benefit election irrevocable unless a permitted exception exists**

(a) A participant's election of benefits described in this Chapter, made in accordance with subchapter 17 of this Chapter, shall be irrevocable during the Plan Year with regard to any benefit or portion of benefit elected for the period of coverage to which the election pertains except in those situations which qualify as permitted exceptions to the irrevocability rule and are not prohibited as changes by the Plan Administrator. Conversion from one type of benefit to another or modification of the salary adjustment agreement shall not be permitted during the applicable period of coverage.

(b) A participant shall be entitled to modify a benefit election after a period of coverage has commenced for which the election applies or make a new election, subject to acceptance by the Plan Administrator, with respect to the remainder of the current period of coverage, if the modification or new election is on account of and corresponds with a permitted exception to the irrevocability rule as provided for in 260: 40-17-4 and is not a prohibited change as indicated in this subchapter. THE FOLLOWING ARE PROHIBITED CHANGES UNDER THE DEPENDENT CARE REIMBURSEMENT ACCOUNT OPTION:

(1) Significant Changes in Cost will not be allowed to effect any change to the Dependent Care Reimbursement Account Option if that increase is imposed by a dependent care provider who is a relative of the employee. Otherwise the exception is permitted.

(2) HIPAA Special Enrollment Rights will not be allowed to effect any change to the Dependent Care Reimbursement Account (See subchapter 17-4 for Permitted Exceptions)

(3) COBRA events will not be allowed to effect any change to the Dependent Care Reimbursement Account

(4) Judgments, Decrees, or Orders will not be allowed to effect any change to the Dependent Care Reimbursement Account Option (See subchapter 17-4 for Permitted Exceptions)

(5) Neither Medicare nor Medicaid eligibility or loss thereof will be allowed to effect any change to the Dependent Care Reimbursement Account

(c) The participant shall furnish the Plan Administrator with information and documentation relative to a request for an exception to the irrevocability rule. The Plan Administrator shall determine whether a change in benefit election meets the criteria thereunder and is permitted by the Internal Revenue Code and regulations promulgated there under and is allowed by the Plan.

(d) The employee must provide a request for an exception in a timely manner that is compliant with the authorized submission procedure established by the Plan Administrator.

(e) Any request to make a change must be submitted to the Plan Administrator or its designee within 30 days of the event which provides the basis for an exception to the irrevocability rule as provided for in 260:40-17-4 and this subchapter. If the request is not submitted via an authorized submission procedure as determined by the Plan Administrator within thirty (30) days of the event, the participant shall waive the option to make changes under this section.

(f) The Plan Administrator will allow prospective election change requests made between March 15, 2021 and December 31, 2021 to increase or decrease the salary reduction amount for current participants. For this election change, a permitted change to the irrevocability rule will not be required.

**Subchapter 27- Health Care Reimbursement Account Option**

**260:40-27-2. Definitions**

The following words and terms, when used in this subchapter, shall have the following meaning, unless the context clearly indicates otherwise:

"Dependent" means an individual, who qualifies as a dependent under Section 125 of the Internal Revenue Code, taking into account Section 105(b) of the Internal Revenue Code.

"Health care reimbursement account" means the bookkeeping account maintained by the Plan Administrator used for crediting contributions and accounting for benefit payments.

"Medical care expenses" means any expenses incurred by a participant or by a spouse or dependent of such participant for medical care as described in Section 213 of the Internal Revenue Code and subject to the limitations of section 125 and this Flexible Benefits Plan, but only to the extent that the participant or other person incurring the expense is not reimbursed for the expense through insurance or otherwise.

"Grace Period" means the period from the end of the Plan Year through March 15th of the subsequent Plan Year during which reimbursable expenses can be incurred and attributable to the previous Plan Year's account balance. For the Plan Year effective January 1, 2020, the grace period will be extended for twelve months (12) after the end of that Plan Year. For the Plan Year effective January 1, 2021, the grace period will be extended for twelve (12) months after the end of that Plan Year.

 "Rollover Distributions" means distributions to a Health Savings Account of balances remaining at year end for employees who qualify pursuant to State and federal law.

"Run-Out Period" means the ninety (90) day period following a Plan Year in which claims can be made for reimbursable expenses incurred during the Plan Year.

**260:40-27-10. Forfeiture of unused benefits**

Following final payment of all health care expenses incurred during the periods described in OAC 260:40-27-9(b), amounts remaining in the health care reimbursement account shall be forfeited to pay administrative expenses of the Flexible Benefits Plan. For the Plan Year effective January 1, 2021, the Plan Administrator will allow participants with unused benefits remaining in the health care reimbursement account who terminate in 2021 to continue to be eligible to file claims with dates of service after their termination date up to the end of Plan Year 2021. All other provisions of this Chapter shall apply.

**260:40-27-12. Benefit election irrevocable unless a permitted exception exists**

(a) Except as otherwise provided in this Section, a participant's election of benefits described in this Chapter, made in accordance with subchapter 17 of this Chapter, shall be irrevocable during the Plan Year with regard to any benefit or portion of benefit elected for the period of coverage to which the election pertains. Conversion from one type of benefit to another or modification of the salary adjustment agreement shall not be permitted during the applicable period of coverage.

(b) A participant shall be entitled to modify a benefit election after a period of coverage has commenced for which the election applies or make a new election, subject to acceptance by the Plan Administrator, with respect to the remainder of the current period of coverage, if the modification or new election is on account of and corresponds with a permitted exception to the irrevocability rule as provided for in 260:40-17-4 and is not a prohibited change as indicated in this subchapter. THE FOLLOWING ARE PROHIBITED CHANGES UNDER THE HEALTH CARE REIMBURSEMENT ACCOUNT OPTION:

(1) HIPAA Special Enrollment Rights will not be allowed to effect any change to the Health Care Reimbursement Account. (See subchapter 17-4 for Permitted Exceptions)

(2) COBRA events

(3) Significant Changes in Cost or a Change in Coverage

(4) Change in coverage of spouse or dependent under Other Employer's plan (See subchapter 17-4 for Permitted Exceptions)

(c) The participant shall furnish the Plan Administrator with information and documentation relative to a request for an exception to the irrevocability rule. The Plan Administrator shall determine whether a change in benefit election meets the criteria thereunder and is permitted by the Internal Revenue Code and regulations promulgated there under and is allowed by the Plan.

(d) The employee must provide a request to make a change via the authorized submission procedure as defined by the Plan Administrator.

(e) Any request to make a change must be signed by the employee and submitted to the Plan Administrator within thirty (30) days of the event described in subsection17-4 of this document. If the request is not submitted under an authorized procedure and submitted to the Plan Administrator within thirty (30) days of the event, the participant shall waive the option to make changes under this section.

(f) The Plan Administrator will allow prospective election change requests made between March 15, 2021 and December 31, 2021 to increase or decrease the salary reduction amount for current participants. For this election change, a permitted change to the irrevocability rule will not be required.