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Financial Newsletter

Business Services

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From the Business Office.....

Welcome to the second issue of District 211 Benefit Newsletter! In this issue we will focus on financial wellness & security, which can have different meanings depending on where you are on your financial path. In this issue we will briefly cover topics ranging from investing in a tax-sheltered retirement plan (403b), to life insurance to financial protection during a medical disability. Wherever you are along your financial course, we hope you will discover new information that can help you navigate where you want to be.

Thank you again for taking a moment out of your day to read the newsletter. We want the newsletters to be valuable to you so please share your feedback and suggestions to help us improve. You can send your feedback and ideas to MyD211benefits@d211.org.

Each newsletter is also posted on the iVisions employee portal <https://payroll.d211.org/ivisionsess/Self-Service/Information-Center>. Please select the category *Newsletter*.

Benefit Wallet



For those employees enrolling in the PPO-HSA medical plan, you will participate in a Health Savings Account (HSA) through BenefitWallet

HSA Basics

Your HSA BenefitWallet account is a health care “piggy bank” for current and future health care expenses with tremendous tax advantages. Choose to spend it on today’s health care expenses or save and grow it for expenses down the road. Either way, you never pay taxes when using your HSA for qualified health care expenses. Plus, the money is yours and doesn’t expire.

How does it work?

To help pay and save for health care expenses, the government allows individuals covered by HSA-qualified health plans to open HSAs. You and D211 are allowed to contribute to your HSA, but you get to control how you use the account and keep any funds left over at the end of the year. Your HSA offers valuable savings on federal, state and payroll taxes:

- Contributions are tax free
- Account interest and investment gains accumulate tax free
- Dollars spent on qualified medical expenses are tax free

Any balance left over at the end of the year stays with you, regardless of job changes or retirement. Balances earn interest and may be invested (see HSA Investment Account article below), offering you the ability to set aside thousands of dollars for your health care expenses now, in the future, or during retirement.

In addition to medical expenses related to your health plan, you can also use your tax-advantaged HSA dollars to pay for qualified medical expenses, such as for chiropractic care, eyeglasses or other vision expenses, dental expenses, or alternative medical expenses.

For more information on our BenefitWallet HSA, please see <https://payroll.d211.org/ivisionsess/Self-Service/Information-Center>. Category is BenefitWallet – HSA.



HSA Investment Account

If you have a balance of at least \$1,000 in your HSA checking account you can take advantage of investing the funds in your BenefitWallet Health Savings Account (HSA) and give yourself the potential of tax-free investment growth. With a broad range of mutual funds, investing guidance, and an integrated user-friendly investing portal, it’s easy to get started today.

- You can invest HSA funds and pay no federal taxes on any interest and/or investment earnings as long as the money remains in your HSA and is used to pay for qualified medical expenses.
- A flat fee of \$2.90 is charged per month for your investment account regardless of the number of transactions or positions you hold.
- BenefitWallet offers more than 25 funds from a variety of fund families.

For more information, check out the [BenefitWallet Investment flyer](#) on the iVisions employee portal.

403(b) Plans

A 403(b) plan, also known as a tax-sheltered annuity plan, is a retirement savings plan. All Employees can participate in the 403(b) at any time during their employment, it is not tied to our annual open enrollment. Through our plan administrator, TSA Consulting Group (TSACG), traditional 403(b) and Roth 403(b) plans are offered. TSACG's primary role is to ensure District 211 403(b) retirement plans adhere to IRS regulations, as well as approval of distributions, enrollment, exchanges, transfers, 403(b) loans and rollovers.

A simple breakdown of the difference between 403(b) and Roth 403(b):

Traditional 403(b) plans – Contributions on a pre-tax basis and taxes are paid when the funds are withdrawn. You do need to be at least 59½ years of age at the time of distribution or pay a 10% early withdrawal penalty, unless you have a qualified distribution.

Roth 403(b) plans – Roth contributions are made on an after-tax basis and earnings grow tax-free. After you reach age 59½ and five years have passed since your first Roth contribution, you can withdraw the money you contributed and any investment gains tax-free.

Both options require that distributions start at the age of 72. In 2020 & 2021 the maximum amount of employee contributions is \$19,500. If you are age 50 or over, the catch up contribution limit for 2020 & 2021 is \$6,500.

Deciding whether to contribute to a Roth or traditional 403(b) would depend on if you think the tax rate will be higher or lower in retirement. TSA offers several tools under the Financial Resource Center via their website tsacg.com that can help you navigate your financial path. Some highlights include:

[TSA Financial Wellness Center](#)

You will find videos (watch), financial calculators (plan) and helpful articles (read) that address nine important topics:

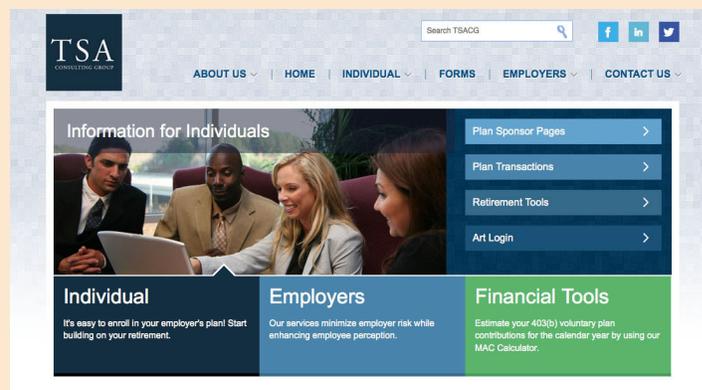
- Paycheck & Benefits
- Budgeting
- Debt Elimination
- Retirement
- Insurance
- Home & Mortgage
- Investing & Saving
- College
- Estate Planning

[MAC Calculator](#) (Maximum Allowable Contributions Limit).

Through a series of questions this online calculator will provide you with the calendar year maximum allowable contributions limits.

[Contribution Guidelines](#)

This section contains all the contribution guidelines such as basic annual limit and age based additional amount, etc.



[TSA Online Distribution System](#)

This new system can be used for immediate processing of requests for loans, transfers, and exchanges and can be used by you or your investment advisor working on your behalf. It allows transactions to process in minutes, not days. Streamlining the process for many types of transactions and, in some cases, allowing for instant approval of the request providing the necessary signed Certificate of Approval. You can find a short video on tsacg.com explaining how the new easy to use online system works.

For more information on our 403(b) plan, please visit the iVisions employee portal <https://payroll.d211.org/ivisionsess/Self-Service/Information-Center>. Category is 403(b) or visit the TSA Consulting Group website at tsacg.com.



Flexible Spending Account (FSA)



An FSA allows you to set aside a portion of your salary, before taxes, to pay for qualified medical or dependent care expenses. Because that portion of your income is not taxed, you end up with more money in your pocket.

Each year during our open enrollment period (November 1 -15), you'll have the opportunity to enroll or change your FSA contributions. There are two types of accounts:



Health FSA (which includes Medical FSA and Limited Medical FSA)

- o If you have traditional medical insurance (PPO or HMO), you'll use a regular Medical FSA for things like coinsurance, copays, prescriptions, medical deductibles and medical equipment.
- o If you have the High-Deductible Health Plan (HSA), you'll use a Limited Medical FSA to pay for dental, vision and medical preventive care until your annual deductible is met.
- o Are you or a dependent going through orthodontia treatment? If so, you can complete an [Automatic Orthodontia Request Form](#) and submit to Discovery benefits. This form is completed each plan year, or as changes occur, when the participant wants to receive automatic reimbursement for orthodontia expenses.
- o Up to \$550 of unused funds will "roll over" to the next calendar year and will be accessible after April 20th.

Dependent Care Account

- o Set aside money for dependent care for children up to

age 13, a disabled dependent of any age or a disabled spouse. To be eligible for this type of account, both you and your spouse (if applicable) must work, be looking for work or be full-time students.

- o If you have recurring dependent care, you can complete a [Recurring Dependent Care Request Form](#) and submit to Discovery Benefits. This allows you to fill out paperwork once, versus each week. It is a real time saver.
- o Our Dependent Care Flex plan has a "grace period" – which means funds that are not expended by December 31st, must be used by March 15th.



Helpful hints on using your Discovery Benefits Debit card:

- For both medical and dependent care purchases made on your Discovery Benefits Debit Card, the IRS requires the expense to be verified. You can upload and save receipts in your online account.
- Don't use the card for amounts that still need to be processed by insurance, such as deductibles and coinsurance. When you receive your final statement from the provider showing insurance has been paid, you can then use your Discovery Benefits debit card for payment.

Our Flex plan is administered by Discovery Benefits. For more information on our FSA plans, please see <https://payroll.d211.org/ivisionsess/Self-Service/Information-Center>. Category is Flex Spending.



Election to Make or Change Voluntary Additional Contributions

Are you an IMRF member?

IMRF's Voluntary Additional Contribution (VAC) program is a way to help you save additional retirement income. With this program you choose to make additional, after-tax contributions (up to 10% of your earnings) to an individual VAC account that earns interest.



At the time of your retirement you will have an option to receive your voluntary contributions as a lump sum or as a monthly annuity, if your balance is at least \$4,500.

For more information, please see the [IMRF Voluntary Additional Contributions form](#) on the iVisions employee portal or by visiting your IMRF account at www.imrf.org.

Life Insurance

Basic Life

If you are a full-time employee, part-time teacher, or Teacher Assistant working at least 4 hours a day, you receive District paid group life and Accidental Death and Dismemberment (AD&D) insurance equal to one times your base salary or \$50,000, whichever is greater, through The Standard.

What is AD&D insurance?

It is insurance that may provide an additional amount in the event of a covered death or dismemberment as a result of an accident.

Our basic life and AD&D insurance reduces by 50% at the age of 70.

Supplemental Life/Additional Life Insurance

The Standard offers employees the ability to purchase additional life insurance that is equal to 1x, 2x or 3x your base salary with a maximum of \$500,000. Also offered is dependent life insurance for your spouse that is equal to \$10,000 or for dependent children from live birth through age 25 equal to \$5,000 for each child. Supplemental life reduces by 50% at the age of 65 for both the employee and spouse. If you are requesting supplemental life insurance for yourself or a dependent, you will need to complete a [Medical Health Form](#). Once the form is complete, please ensure you keep a copy for your records and mail the original form to The Standard (address is on the form) for processing and eligibility.

For more detailed information on all of our life insurance options, please visit the iVisions employee portal - <https://payroll.d211.org/ivisioness/Self-Service/Information-Center>. Category is Life Insurance.



Earnings Protection

If you are a full-time employee, you receive District-paid Long Term Disability (LTD) insurance through The Standard that will help provide financial protection by paying a monthly benefit in the event of a covered disability.

- Monthly Benefit up to 60% of your pre-disability earnings, reduced by deductible earnings (TRS disability, IMRF disability, state disability, etc.).
- The benefit waiting period is the later of the date your salary/sick time ends or 180 days.

For more detailed information on all of our life insurance options, please visit the iVisions employee portal - <https://payroll.d211.org/ivisioness/Self-Service/Information-Center>. Category is Disability Insurance.



TRS Disability

If you are a full-time teacher with at least three years of TRS service credit and have become disabled, you may be eligible for TRS disability benefits as a result of

your medical condition. If your application for TRS disability is approved the benefit is equal to 40% of your contract rate and you continue to earn TRS service credit.

For more information or to obtain forms, please contact TRS at www.trsil.org or at 1-877-927-5877.

IMRF Disability



Locally funded, financially sound.

If you are an IMRF member with at least 12 consecutive months preceding the disability, you may be eligible for IMRF disability benefits as a result of your medical condition if you are unable to perform the duties of your position. If your application for IMRF disability is approved you continue to receive IMRF service credit, receive 50% of your average monthly earnings, and your future pension would be based on your full salary, not your reduced disability benefit.

For more information or to obtain forms, please contact IMRF at www.imrf.org or at 1-800-ASK-IMRF.