

Non-Employer Sponsored Premium Reimbursement Plan

Use **pre-tax dollars** to pay for your individual insurance premiums!

The Non-Employer Sponsored Premium (NESP) reimbursement benefit is an additional plan option under the Cafeteria Plan (FSA) that allows employees to make pre-tax contributions into a separate reimbursement account for insurance premiums that are not employer sponsored. These insurance policies are **individually purchased** by the employee on their own.

Eligible Individually Purchased Insurance Premiums:

- Health insurance for the employee, spouse or dependent.
- Disability insurance (Benefits received are taxable when premiums are paid pre-tax).
- Dental insurance for the employee, spouse or dependent.
- COBRA premium (this premium is not considered “employer sponsored” as the employee is no longer employed by the company sponsoring the insurance).
- Health insurance that may be deducted from retirement benefits provided through a previous employer.
- Dreaded disease insurance (e.g. cancer, stroke, etc. without a premium refund feature).

Ineligible Premiums

- Policies that defer compensation (e.g. cancer and hospital indemnity policies with a premium refund feature).
- Any product which is advertised, marketed, or offered as long-term care insurance.
- Health Insurance coverage provided by another employer (spouse or dependent’s insurance premium through their employer would not be allowed).
- Individual life insurance policies.
- Medicare supplement premiums (per MSP rules*).
- Medicare Part B or D (per MSP rules*).

* Employers subject to Medicare Secondary Payer (MSP) rules, (generally employers with 20 or more employees), may not allow employees to pre-tax their Medicare supplement premiums, Medicare Part B or D under a cafeteria Plan. More information is available on the Centers for Medicare & Medicaid Services website at www.cms.gov.

FlexSystem NESP Plan

Service Features

- Online enrollment and account management
- Multiple ways to request a reimbursement - *TASC website, mobile app, text, fax, or mail*
- Fast reimbursements/daily claims processing
- Reimbursement status via text messaging and E-mail notification



Important Considerations

- Insurance premiums may not be reimbursed through a Medical Out-of-Pocket FSA – only through a Premium Reimbursement Plan.
- The policy may be in the name of the employee, spouse or dependent.
- Participant elections are irrevocable for the Plan Year unless there is a qualifying event.
- Changes made to the election mid-Plan Year must also be consistent with the qualifying event.