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NCFlex Benefits Q&A

General for all NCFlex benefits

- Q.** Are NCFlex benefits offered when you separate employment or retire?
- A.** Some NCFlex plans can be taken with you upon separation of employment or retirement, either through continuation or through COBRA. For a document to show you the options please visit: <https://files.nc.gov/ncoshr/documents/NCFlex/NCFlex-Continuation-Options-at-Retirement.pdf>.
- Q.** What is the NCFlex text number to receive NCFlex updates?
- A.** You may text NCFlex to 22828 to receive the NCFlex monthly newsletter and alerts which are distributed via email.

- Q.** If you did not sign up for NCFlex Benefits for 2020, can you now enroll now?
- A.** You may enroll in NCFlex plans during the October annual enrollment for the following plan year or when you experience a qualifying life event that would allow you to add or drop coverage; such as marriage, divorce, birth, adoption, or loss of other coverage.

Flexible Spending Accounts

- Q.** In the year you retire, how does the HCFSA account work in terms of deductions from the paycheck and reimbursements for expenses before and after retirement? Example, if you elect a \$2,000 deduction amount for the year and you retire in July, how does that work?
- Q.** If considering retiring, what happens if you leave before FSA funds are used?
- A.** When someone retires and has an active Health Care FSA account, it will end at the end of the month of employment or when the last payroll deduction is taken. Any FSA funds not used will be lost, however COBRA is an option until the end of the plan year. COBRA is not pre-tax and does include a 2% fee, however, provides more time to incur claims. If you utilize more than you have contributed to the HCFSA before leaving employment, you will not have to pay back any funds.
- Q.** Does the Health Care Flexible Spending Account need to be used by the end of the year?
- A.** For the Health Care FSA, you have until the end of the year to use the money. However, it has a carry forward feature (or roll over) of at least \$25 up to \$550 into next year which can be used for the entire year on top of any new amount you choose for 2021. Please visit www.NCFlex.org and click on Flexible Spending Accounts for more information.
- Q.** Does the Health Care FSA carry forward/roll over amount get used first before the current amount?
- A.** The new amount is used first, but the carry forward is available once the time period has passed for submitting claims for the previous plan year. You can find a reference document available with details at: <https://www.padmin.com/ncflex/download/NCFlexCarryForward.pdf>

Q. Does the Health Care FSA (HCFSA) cover over the counter medications and menstrual products? Which items are covered and how can I use my convenience card to pay for these items?

A. You can utilize the HCFSA for eligible out-of-pocket medical, dental and vision expenses which includes over 17,000 over-the-counter medications as well as menstrual care items such as tampons and pads. You can also use your funds for expenses for your spouse and eligible dependents, even if they are not on your other plans. Vitamins and supplements are not eligible without a letter of medical necessity.

You can use your convenience card for these purchases, however, if your card does not recognize the item or you have a prior claim going back between now and January 1, 2020, you can file your claim manually to P&A group either via paper form, online, or the mobile app.

Learn more about how to file a claim or get a claim form by visiting www.NCFlex.org and clicking Flexible Spending Accounts. There is a sample eligible list on this page: <https://oshr.nc.gov/document/ncflex-flexible-spending-account-documents>

Q. Does a dependent have to be on our Health, Dental or Vision plan to use the NCFlex Health Care Spending Account?

A. No, your eligible dependent does not have to be on your medical, dental or vision plan to use the HCFSA for their eligible out-of-pocket expenses.

Q. If you swipe your Flex Spending Account card, do you still have to submit a claim form?

A. No, however if you receive a notice from P&A Group to verify the claim, you may be required to submit documentation. It is a best practice to keep all receipts and documentation.

Q. Does the Health Care FSA cover nutritional supplements if prescribed by a physician?

A. Supplements are eligible with a letter of medical necessity from your physician. A letter of medical necessity form can be found at: <https://www.padmin.com/ncflex/download/NCFlex-LetterofMedicalNecessity.pdf>

Q. What is the P&A Group website to check your Flexible Spending Account balance?

A. [Ncflex.padmin.com](https://ncflex.padmin.com) or call P&A Group at 1-866-916-3475

Q. Can I enroll or increase my Health Care FSA (HCFSA) funds because of increased out of pocket expenses related to COVID-19 or even unrelated?

A. As of May 2020, with guidance from the IRS, adding or increasing your HCFSA is allowed with no qualified life event (QLE), even if your reason is unrelated to COVID-19. To request a change, reach directly out to your Health Benefits Rep or HR department.

All changes are made on a go forward basis, however, the amount you add will be allowed for expenses retro back to Jan. 1, 2020. Changes must be requested by Sept. 30, 2020 and only one change due to the current COVID-19 situation will be allowed to be made on your HCFSA for the 2020 plan year.

Q. Are piano or sports activity lessons considered Dependent Day Care FSA expenses?

A. No. For more information on eligible expenses please refer to page 10 of the NCFlex Benefits Guide at: <https://files.nc.gov/ncoshr/documents/files/2020-NCFlex-Benefits-Guide.pdf>

Q. If making a purchase that includes a of variety of items, including Health Care FSA eligible items, do I use the FSA convenience card and then pay for the rest of the non-FSA items via other method of payment?

A. Yes, you can swipe your FSA card first and then another form of payment second. It is a best practice to review your receipt to ensure all eligible FSA items were processed.

Q. If I do not have the Flex Spending Account convenience card for my FSA, how can I get one?

A. You may order a convenience card by contacting the P&A Group at 1-866-916-3475 or logging into your FSA account at ncflex.padmin.com.

July 2020 NCFlex Sensible Savings Q&A

- Q.** Can I use NCFlex Dependent Daycare funds to pay for preschool tuition for a child under kindergarten age?
- A.** For children below kindergarten age, the Dependent Daycare FSA can be used for payments to nursery schools, day care centers, or individuals who satisfy all state and local laws and regulations.
- Q.** Is there an app for FSA? Can my dependent download the app?
- A.** Yes, go to the Apple Store or Google Play Store and search “P&A Group” to get the app. Yes, anyone can download the app.
- Q.** Can you use the Health Care Flex Spending Account to pay for your monthly 80/20 plan and dental/vision premiums?
- A.** The Health Care FSA is for eligible out of pocket expenses from medical, dental and vision plan. Premiums are not an eligible item.
- Q.** Does the maximum contribution amount for Health Care FSA remain the same per year even with COVID?
- A.** Yes, the maximum amount is \$2,700 for 2020. The amount will increase to \$2,750 in 2021.

Cancer and Critical Illness

- Q.** I have a 2019 Critical Illness claim I have not filed, is it too late to file?
- A.** Yes, you may file the claim from a previous year as long as you were covered during the previous year. A claim form may be found at:
<https://files.nc.gov/ncoshr/documents/files/NCFlex-Critical-Illness-Claim-Form-April-2020.pdf>

- Q.** Can you enroll in the Critical Illness if you have had cancer or have cancer?
- A.** Yes, during annual enrollment you may enroll in the Critical Illness plan and/or the Cancer Plan. However, if you have currently have cancer there is a 12-month waiting period before the plan will pay a benefit.
- Q.** Will the cancer plan pay for the wellness screening even if the Health Plan already paid for the screening?
- A.** Yes, you should file a claim in addition to your major medical insurance. The Cancer Plan wellness screening pays a benefit directly to you.
- Q.** With the Cancer and Specified Diseases coverage, is there any exclusion for having been diagnosed with one of the covered diseases in the past?
- A.** The Cancer and Specified Disease plan does not pay benefits for a pre-existing condition during the 12-month period beginning on the date coverage starts. Any covered loss after the 12-month period is payable. Please see page 18 of the NCFlex Expanded Benefits Guide at: <https://files.nc.gov/ncoshr/documents/files/2020-NCFlex-Benefits-Guide.pdf>

Dental and Vision

- Q.** What is the exam co-pay on the Vision plan?
- A.** The copay for routine exam in-network is \$20.
- Q.** I have the low option dental plan, if I want to change my dental plan during annual enrollment will the new dental plan be effective right away?
- A.** You may switch dental options during annual enrollment and the new plan option will be effective January 1, 2021. There is no waiting period on the new dental plan option.

Q. Is COVID a Qualified Life Event to make changes to dental and vision plans?

A. You may choose to add or remove dependents from your dental and/or vision plan(s) if you are already enrolled, however, starting or dropping coverage all together is not allowed without a QLE. Contact your Health Benefits Representative or HR department for additional information.

Q. My spouse has been placed on disability and will be terminating his position. Can I add our Dental and Vision coverage on to NCFlex if we lose coverage through his work?

A. Yes, this would a Qualified Life Event (QLE) of "loss of other coverage". If you wish to change your elections, you must notify your agency's benefits department of any change in status within **30 days** of the event. Online enrollment participants may make status changes online. Valid changes to your elections are effective on the first day of the month following the date of your life event.

Group Term Life

Q. Is there tax on NCFlex Life Insurance when received by the beneficiary or is the tax applied first?

A. The benefit is not taxed when received by a named beneficiary.

Disability Plan

Q. If you are receiving disability pay through another employer and now work for the state and are further disabled and unable to work will you be able to use the NCFlex disability option?

A. The NCFlex Combined Disability Plan has a pre-existing condition clause, any preexisting condition is a mental or physical condition whether diagnosed or misdiagnosed during the 90-day period just before your insurance becomes effective. Please see the NCFlex Combined Disability Booklet, page 7 for further details at:
<https://files.nc.gov/ncoshr/NCFlex-2020-Disability-Booklet.pdf>

- Q.** Does the disability plan include mental disabilities as well as physical?
- A.** You will be considered disabled if, because of physical disease, injury, pregnancy or mental disorder, you are unable to perform with reasonable continuity the material duties of your own occupation. You are not considered disabled merely because your right to perform your own occupation is restricted, including a restriction or loss of license.

Prudential Q&A

- Q.** What is Prudential? Is that what Teachers' and State Employees' Retirement System (TSERS) is based on?
- A.** Prudential is the recordkeeper and administrator for the NC Supplemental Retirement Plans (i.e., NC 401(k) & 457). TSERS (the state's pension plan) is administered by the Dept of State Treasurer's Retirement Systems Division.
- Q.** Can I participate in the 401K retirement as a temporary state employee?
- A.** You may participate in the NC 457 as a temp or as part time employee. You must be contributing to TSERS to make contributions to 401k.
- Q.** How can I start a 401K account?
- A.** Some employees can enroll online at NCPlans.prudential.com or you can contact your local Retirement Education Counselor (REC) for assistance. REC contact information is available at NCPlans.Prudential.com. Select "Find Your Counselor".
- Q.** Can we enroll in a 401k or 457 online? Where do we do that?
- A.** Enrolling online is available for some employees depending on your employer. You can check by going to www.ncplans.prudential.com, and choose log in. If you are unable to enroll online, you can also enroll by calling the Service Center at 866.627.5267 or download a form at www.ncplans.prudential.com.

Q. What is the 403(b) that is mentioned here? Is that the same as my pension?

A. The TSERS or pension payout is a separate payout from your 403b plan.

Q. What are the differences between a 401K and 457plan and 403B plan for general state employees?

A. Please review online information at
[https://ncplans.retirepru.com/ Assets/docs/nc_plan_comparison.pdf](https://ncplans.retirepru.com/Assets/docs/nc_plan_comparison.pdf)

Q. Prudential do you charge a fee for retirement planning?

A. Prudential is the recordkeeper of the NC 401k & 457 for the State. A recordkeeping fee of \$7.75/quarter (or \$31 annually) is deducted from each participant account to provide services such as Retirement Planning Education through local counselors, website, Call Center and other forms or written communication. Prudential does not provide investment advice or tax advice.

Q. Where exactly can I see what investment options that I chose instead of using Goalmaker?

A. Investment information for NC 401(k) & 457 is available at NCPlans.prudential.com, click on, Choose Investments.

Q. How do I increase my 401k Roth contribution? Online, or do I have to fill out a form?

A. You may increase your contribution online if you are registered at NCPlans.prudential.com or by calling 866-627-5267.

Q. Are there any investment options for no-fee index funds?

A. Low fee index funds are available. Visit NCPlans.prudential.com and select "Choose Investments" to locate information on all available funds.

Q. Explain the NC 403(b) program.

- A.** The NC 403(b) program is not available to State Agency employees but is specifically for k-12's school system and community college's faculty and staff. Additional program information is available at [NCPlans.prudential.com](https://ncplans.prudential.com). For more information for our k-12 Educators and Community College Staff:
[https://ncplans.retirepru.com/ Assets/docs/403\(b\)-Plan-Highlights.pdf](https://ncplans.retirepru.com/Assets/docs/403(b)-Plan-Highlights.pdf)
- Q.** How do I get more information about transferring my 457 with Fidelity to my pension?
- A.** Contact Prudential at 866-627-5267 to request Rollover In assistance or Find Your Counselor at [NCPlans.Prudential.com](https://ncplans.prudential.com).
- Q.** Is the one-time contribution to the 401(k) yearly or for just one pay period?
- A.** One Time Contribution forms are used to change your contribution amount for "one pay period". You may submit the form as often as necessary.
- Q.** What is the appropriate time to put your October longevity in a 457?
- A.** For monthly pay frequency, longevity is paid with the pay period just prior to your anniversary month (ex: Sept 30th or Last Business Day of Sept is pay date for an anniversary occurring in October. Oct 31st or LBD is pay date for an anniversary occurring in November. Employees on a bi-weekly pay frequency should confirm longevity payment schedule with their Health & Benefits Officer).
- Q.** If I put the final (and large) check at retirement in a 401(k), and I am only 61, at what age can I withdraw without penalty?
- A.** All 401(k) withdrawals are available without penalty at age 59 1/2 or older.
- Q.** If I have an IRA with Fidelity, 403 and 457, should I join for a 401 (k) with Prudential also?
- A.** The NC 401(k) is an option if you need additional deferral opportunity beyond 457 or Roth IRA annual contribution limits or if you can no longer make contributions to other retirement accounts. If you currently contribute to or have made contributions within the same calendar year to a 403(b), you should coordinate any 401(k) contributions so as not to exceed the IRS maximum annual limits. You are welcome to talk to a Retirement Education

Manager regarding the advantages of owing a North Carolina Retirement Plan. Counselor contact information is found <https://ncplans.retirepru.com/counselors.html>

- Q.** How do I get more information about transferring my 457 with Fidelity to my pension?
- A.** The Transfer Benefit is available at Retirement (or later if not a Law Enforcement Officer (LEO)) and involves the NC Plans only. If you are an active employee, you would need to establish a NC 401k or NC 457 to Transfer.
- Q.** My retirement report says there is no beneficiary on file for my 401k, where do I go to fix that?
- A.** Log into your NC 401k account and choose the blue tab on the left side that says "Personal Information". The beneficiary information can be found on the bottom right hand side of the page.
- Q.** Once you contribute your full and catch-up contributions for the year, does the payroll deduction stop or do we need to notify someone to stop once the max is reached?
- A.** Once you have reached the maximum voluntary contribution for the year, your contributions will stop with the NC Plans. Please know you can own both the NC 401k and the NC 457 and maximize each account, each year.
- Q.** Can I make a large deposit to my 457 before I retire?
- A.** As an active employee, you can contribute up to 100% of your paycheck into the NC 457. Contributions can only be made as a deduction from your paycheck. Once retired, no further contributions will be possible. As a retiree, you can keep your money in the NC 457, you can roll it over, you can withdraw the funds.
- Q.** What are the benefits of consolidating 401k plans from previous employers?
- A.** An advantage to consolidating your accounts is illustrated in the fee schedule provided. The NC Plans are very low-cost plans, allowing you to keep more of your money when you retire.

Q. What is the minimum withdrawal per year at age 70.5?

A. Please know the Required Minimum Distribution age has been changed to 72 and the amount that is required can be estimated using the RMD tool found in your NC 401k, NC 457, NC 403b on line account listed under "Tools".

Q. Can you rollover a traditional IRA into the NC 401K?

A. Traditional Pre-Tax IRAs typically can be rolled over into the NC 401k. Download the rollover form to start the process: www.ncplans.prudential.com, choose forms.

Q. Do you have Jennifer's contact information?

A. Jennifer is available by email, phone or virtually. Email her at jennifer.willis@prudential.com or phone 919-602-8212. Virtual appointments may be scheduled with Jennifer by accessing her calendar at NCPlans.prudential.com, Find Your Counselor, Capital Metro Region or <https://prutimetrade.secure.force.com/cts?Id=a3S3b000000p4Y8EAI>.