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a Cigna Company

Enclosed are three forms to be used when an employee takes a leave of absence that causes an interruption in contributions to the employee's flexible benefits account.

The Unpaid Leave Documentation form should be submitted with the list bill and invoice payment. The employee can elect to continue benefits while on leave or revoke them. If the employee elects to continue, there are three methods of reimbursement available: early reimbursement through payroll deduction, after tax reimbursement during leave, and retroactive reimbursement through payroll deduction after returning from leave. **The employer does not have to offer the third option to employees taking unpaid leave, as long as all employees are treated equally. Also, if the leave crosses over into 2 plan years a retroactive catch-up contribution may be possible (see industry guidance). While pre-payment across plan years is generally prohibited under the no-deferred-compensation rule, for plans that allow the grace period, industry guidance suggests that such pre-payments may be permitted within the 2-1/2 month grace period.**

The Return from Unpaid Leave Documentation form allows the employee different options for reinstating benefits depending on the election made before going on leave. If the employee elected retroactive contributions, the retroactive contribution worksheet should be completed to determine new contributions per pay period.

Please be sure to complete these forms as necessary when an employee takes an unpaid leave. If you have any questions, please call Allegiance and speak to your Reimbursement Account Specialist.

Sincerely,

Allegiance Advantage your Reimbursement Account Specialists

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Unpaid Leave (12 Week Maximum) Documentation

Please complete this form and forward with the List Bill for all employees that are interrupting or ceasing pre-tax contributions to a medical spending account or a dependent care assistance program due to an unpaid leave.

Employer Name: _____ Date: ___/___/___

Employee's Name: _____ Employee's SS#: ___-___-____

Leave Start Date: ___/___/___ Expected Leave Return Date: ___/___/___

Reason for Leave:

_____

_____

Medical Spending Account ❑ amount per pay period $_____
Dependent Care Assistance Program ❑ amount per pay period $_____

1. I elect to continue the benefits listed above while on unpaid leave ❑

Method of reimbursement:

Early reimbursement through payroll deduction ❑
After tax reimbursement during leave ❑
Retroactive reimbursement through payroll deduction ❑

Employee Signature _____ Date ___/___/___

2. I elect to revoke the benefits listed above while on unpaid leave ❑

I understand that if I return from leave within 12 weeks, I may reinstate my benefit elections by either accelerating pre-tax payments to contribute the full year election amount, or by resuming pre-tax payment of previous per pay period amounts. ***I also understand that if I revoke benefits while on leave, I will not be eligible for reimbursement for claims incurred during the period when the coverage was terminated.***

Employee Signature_____ Date ___/___/___

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Return From Unpaid Leave Documentation

Please complete this form and forward with the List Bill for all employees that are resuming pre-tax contributions to a medical spending account or a dependent care assistance program due to return from an unpaid leave.

Employer Name: _____ Date: ___/___/___

Employee's Name: _____ Employee's SS#: ____-___-_____

Leave Start Date: ___/___/___ Leave Return Date: ___/___/___

Medical Spending Account ☐ amount per pay period $_____
Dependent Care Assistance Program ☐ amount per pay period $_____

1. I elected to continue the benefits listed above while on unpaid leave. ☐

I have made all necessary contributions to cover the time of my leave. ☐

I need to make retroactive contributions to cover the time of my leave. ☐

To make retroactive contributions, I would like:
☐ a lump sum for the amount due for the period of my leave to be taken from my first paycheck.
☐ the amount due to be prorated over the paychecks that I will receive during the remainder of the plan year (see worksheet).

Employee Signature _____ Date ___/___/___

2. I elected to revoke the benefits listed above while on unpaid leave ☐

☐ I would like to reinstate my benefit elections by accelerating pre-tax payments to contribute the full year election amount (see worksheet).
☐ I would like to resume pre-tax payment of previous per pay period amounts.

I understand I am not eligible for reimbursement for claims incurred during the period when the coverage was terminated.

Employee Signature_____ Date ___/___/___

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Retroactive Contribution Worksheet

Please use the following worksheet to calculate the additional amount that needs to be withheld pre-tax from each pay period remaining in the plan year in order to make up for payments not made during an unpaid leave of absence.

Medical Spending Account

1) Number of pay periods missed while on leave		_____
2) Amount per pay period elected	X	$_____
3) Total pre-tax contributions unpaid	=	$_____
4) Remaining pay periods in plan year		_____
5) Line 3 divided by line 4		$_____

Line 5 represents the ***additional*** amount that must be deducted pre-tax from each pay period through the end of the plan year in order to satisfy the initially elected medical spending account pledge.

Initial medical spending account election per pay period		$_____
Retroactive amount prorated (line 5)	+	$_____
Total medical spending account per pay period	=	$_____

Dependent Care Assistance Program

6) Number of pay periods missed while on leave		_____
7) Amount per pay period elected	X	$_____
8) Total pre-tax contributions unpaid	=	$_____
9) Remaining pay periods in plan year		_____
10) Line 8 divided by line 9		$_____

Line 5 represents the ***additional*** amount that must be deducted pre-tax from each pay period through the end of the plan year in order to satisfy the initially elected dependent care assistance program pledge.

Initial dependent care election per pay period		$_____
Retroactive amount prorated (line 5)	+	$_____
Total dependent care per pay period	=	$_____