



First Church in Cambridge, Congregational, United Church of Christ

IRS Section 125 Plan

Election and Salary Reduction Agreement
Plan Year January 1, 2024 – December 31, 2024

All employees of the Church are eligible to designate a portion of their compensation for the reimbursement of eligible medical or dependent care expenses. The amount(s) so designated are not considered wages and therefore are not taxable for federal or state income tax purposes and are not subject to FICA or Medicare taxes.

All group insurance premiums may only be reimbursed through the “premium only plan.”

Those employees who participate in a “High Deductible Health Plan” may be eligible to designate an amount to be deposited to their Health Savings Account. These amounts may be changed at any time.

Those employees without a Health Savings Account may participate in the Medical Flex Spending Plan. For Medical Flex Spending, the annual amount must be designated before January 1st and may not be revoked except under a “change of status” as defined by the IRS. For reimbursement, the employee must submit receipts to the church office. Any expense allowed as a deduction on IRS Schedule A may be reimbursed, such as physician care or co-payments, prescriptions, dental care, eyeglasses, or vision care. Reimbursement may only be made for care received between January 1, 2024 and December 31, 2024, regardless of when the employee is billed or pays for it. Up to \$640 may be carried forward to the next Plan Year. **Any Medical FSA amount in excess of \$640 that is unused by the employee after December 31, 2024 will be forfeited to the church.**

For Dependent Care, the annual amount must be designated in advance and may not be changed, with **any unused amount forfeited after December 31, 2024.**

The maximum amounts that may be designated are:

Medical “Premium Only Plan”	up to total salary
Employee contribution to HSA	maximum amount (including employer contributions) up to \$4,150 (individual) or \$8,300 (family plan), with an additional \$1,000 allowed if you’re over age 55
Medical expenses (FSA):	\$3,200, only if employee has no HSA
Dependent care expenses:	\$5,000

A full copy of the IRS summary of Section 125 Cafeteria Plans is available in the church office.

First Church in Cambridge – please return this page to the church office:

Employee name _____

(Check one) _____ I do not wish to participate. _____ I wish to participate in the Plan.

According to the rules of the Section 125 Plan, I elect the following benefits for the Plan Year specified above.

_____	“Premium-only Plan”	\$_____ per _____
_____	Employee contribution to HSA	\$_____ total for 2024.
_____	Medical expenses FSA	\$_____ total for 2024.
_____	Dependent Care expenses	\$_____ total for 2024.

Any previous election and salary reduction agreement under the Section 125 Plan is hereby revoked.

First Church in Cambridge and I agree that my cash compensation will be reduced by the amount(s) listed above as I have elected under the Section 125 Plan, effective January 1, 2024 and continuing for each succeeding pay period until December 31, 2024.

Employee Signature _____ Date _____

This form must be returned to the church office or by email by December 31, 2023.