



Employee Benefits Guide

2024
through
2025
Plan Year



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YOUR CITY OF LUCAS BENEFITS

Welcome to your benefits at the City of Lucas for the 2024-2025 plan year. The City of Lucas views our benefits package as a valuable addition to your overall compensation package. We are dedicated to providing and advocating for employees to receive a high-quality, comprehensive benefits package. We aim to help you live a healthy life and maintain a productive work-life balance.

We understand that choosing the right benefit plans and options is important. We have created this benefits guide as a summary of your benefits package to help you make informed decisions at enrollment and in the future. This guide is an overview and does not provide a complete description of all benefit provisions. We encourage you to review this guide carefully and let Human Resources know if you have any questions.

2024-2025 PLAN YEAR

The City of Lucas is excited to announce our continued partnership with the TX Health Benefits Pool, with Blue Cross Blue Shield of Texas acting as the third-party administrator. As we move into the new plan year starting October 1, 2024, our goal remains to provide comprehensive and cost-effective healthcare solutions for you and your families.

Our plan year aligns with the fiscal year, running from October 1 through September 30. You will continue to enjoy all the benefits and extensive network offered by Blue Cross Blue Shield of Texas. This includes not only healthcare but also prescription drug benefits managed by Navitus, vision benefits through EyeMed, and dental coverage via BlueCare Dental.

TX Health Benefits Pool remains committed to enhancing your healthcare experience. Navitus, our Pharmacy Benefit Manager, brings improvements to streamline your prescription drug access. EyeMed offers a wide network of optical providers and convenient online options, ensuring comprehensive vision care. BlueCare Dental provides access to a national network dedicated to maintaining your dental health.

Life insurance coverage is also provided through TX Health by The Standard Insurance. The City offers a base life insurance benefit amount, with the option for employees to increase coverage for an additional monthly fee.

Additionally, we continue to offer a Health Reimbursement Account (HRA) and a Flexible Spending Account (FSA) through TX Health. The City contributes \$300 annually to employees' HRAs, and employees can elect to contribute to their FSAs. These pre-tax funds can be used for qualifying medical expenses, providing flexibility and financial savings.

The Dependent Care Flexible Spending Account (DCFSA) continues to be available, offering our employees a tax-advantaged solution for managing childcare expenses. This benefit provides valuable support for working parents and their families, helping to ease the financial burden of dependent care.

The City of Lucas is dedicated to providing you with the best possible benefits to support your health and well-being.

ELIGIBILITY & ENROLLMENT

The City of Lucas classifies employees for the purpose of employment status and benefit eligibility. The City defines a regular full-time employee as an employee that is permanent in nature with a scheduled workweek of 40 hours or more (except for non-exempt 24-hour shift Lucas Fire-Rescue employees who work 159 hours during a 21-day period). Generally, regular full-time employees are eligible for the City's full benefits package, subject to terms, conditions, and waiting periods of each benefit program.

Eligible employees are provided the opportunity to enroll in the following benefits: Medical, Dental, Vision, Life, and Accidental Death and Dismemberment (AD&D). Eligible employees also have the opportunity to enroll in additional benefits such as Voluntary Life, Voluntary Accidental Death and Dismemberment (AD&D), and a 457(b) Deferred Compensation Plan.

WHEN DO MY BENEFITS START?

NEW EMPLOYEES

If you are a new full-time employee and enroll within 30 days following your date of hire, you and your dependents (if applicable) will be eligible as of your date of hire depending on the benefit program.

CURRENT EMPLOYEES

If you are a current full-time employee and enroll during the open enrollment period, you and your dependents (if applicable) will be eligible as of October 1, 2024.

WHAT IF I ALREADY HAVE COVERAGE?

If you have coverage under another group health, dental and/or vision plan, the benefits you receive through the City are subject to coordination of benefits (COB) rules, which prevent double payment of eligible expenses. Primary coverage will be responsible for payment first.

DEPENDENT ELIGIBILITY

If you are eligible to enroll in benefits, you may elect coverage for your dependents under the Medical, Dental, Vision, Voluntary Life and AD&D plans. Your dependents are eligible on your eligibility date or the date your dependent is acquired. Your dependents include your:

- Legal spouse
- Dependent children up to age 26
- Dependent children may be covered beyond age 26 if mentally or physically disabled, living with the employee and primarily dependent upon the employee for support
- Any child who is required by law to be covered as the employee's dependent under a qualified medical child support order (QMCSO)

ELIGIBILITY & ENROLLMENT

ELECTING OR MAKING CHANGES TO BENEFITS PLAN

As a full-time employee, the City of Lucas covers 100% of insurance coverage for Medical, Vision, Dental, Basic Life, Accidental Death and Dismemberment (AD&D), Long Term Disability (LTD), and Teladoc. The City also offers dependent medical, dental, vision, and other supplemental coverage on a pre-tax basis. The payroll deduction for your dependent benefits reduces your taxable income, creating a tax savings and increased take home pay for you. However, once an election is made on a pre-tax basis, it cannot be changed until the next annual enrollment unless you have a qualifying family status change.

During Initial Enrollment: You may enroll for benefits by completing your enrollment within 30 days from your date of hire or when first eligible for benefits.

During Annual Enrollment: You have until the end of the designated enrollment period to make changes. If you do not take advantage of enrolling in the benefits program when you are initially eligible, you may be eligible to enroll at a later date (subject to “Special Enrollment” provisions set forth by the IRS). For voluntary life insurance, evidence of insurability may be required.

When Your Family Status Changes: Major life-changing events can generate a qualifying family status change and allow you to make changes to your benefit plan elections outside of the annual open enrollment period.

These family status changes include but are not limited to:

- Marriage
- Divorce
- Birth or adoption of a child
- Qualified Medical Child Support Order (QMCSO)
- Loss or gain of other coverage
- Death of a spouse or dependent
- Disqualification or requalification of a dependent
- Gain or loss of spouse’s employment or coverage



If you have a family status change, you must notify Human Resources within 30 days of the event. Requests received after the deadline will be denied and changes will not be made until the next open enrollment period.

MONTHLY COSTS

The City of Lucas contributes 100% to the cost of employee coverage for Medical, Vision, and Dental. The City's new plan year will be from October 1, 2024 to September 30, 2025. Employees can voluntarily add dependents and supplemental coverage to their plan. Your contribution for the dependent or additional premium cost will be taken out of each pay period on a pre-tax basis based on your selection.

The monthly premium cost for employee and dependent coverage for medical, vision, and dental is listed below.

MEDICAL PLAN			
	Employee Cost	City of Lucas Cost	Total Cost
Employee Only	\$0.00	\$986.64	\$986.64
Employee + Spouse	\$1,016.20	\$986.64	\$2,002.84
Employee + Child(ren)	\$749.86	\$986.64	\$1,736.50
Employee + Family	\$1,923.88	\$986.64	\$2,910.52
VISION PLAN			
	Employee Cost	City of Lucas Cost	Total Cost
Employee Only	\$0.00	\$5.58	\$5.58
Employee + Spouse	\$5.02	\$5.58	\$10.60
Employee + Child(ren)	\$5.58	\$5.58	\$11.16
Employee + Family	\$8.64	\$5.58	\$14.22
DENTAL PLAN			
	Employee Cost	City of Lucas Cost	Total Cost
Employee Only	\$0.00	\$40.66	\$40.66
Employee + Spouse	\$42.80	\$40.66	\$83.46
Employee + Child(ren)	\$47.08	\$40.66	\$87.74
Employee + Family	\$84.14	\$40.66	\$124.80

MEDICAL PLAN

The City of Lucas provides a medical plan for employees through the TX Health Benefits Pool (formerly TML Health Benefits Pool) and the third-party administrator Blue Cross and Blue Shield of Texas. TX Health has partnered with Blue Cross and Blue Shield of Texas to expand your access to providers through a larger network and save you money with better rates.



**BlueCross BlueShield
of Texas**

The medical plan uses a preferred provider network through Blue Cross and Blue Shield of Texas. While you can use any doctor, clinic, hospital, or healthcare facility you want; you save money when you use providers in the Blue Cross and Blue Shield of Texas Blue Choice PPO network. For more details about your benefits, please refer to the individual summary plan descriptions (SPDs), plan document, or certificate of coverage for each plan which will be available on TX Health Online after you have completed enrollment.

The benefits summary of the medical plan is below.

BENEFIT COVERAGE	IN-NETWORK	OUT-OF-NETWORK
Deductible (<i>per plan year</i>)		
Individual	\$500	\$1,000
Family	\$1,000	\$2,000
Out of Pocket Maximum (<i>per plan year; includes deductible, copays and coinsurance</i>)		
Individual	\$2,000	Unlimited
Family	\$4,000	Unlimited
Coinsurance	20%	50%
Office Visits		
Primary Care	\$30 copay	50% after deductible
Specialist	\$60 copay	50% after deductible
Preventive Care	No Charge	50% after deductible
Telehealth	No Charge	Not Covered
Diagnostic Lab/X-Ray (<i>when associated with an office visit</i>)	No Charge	50% after deductible
Major Imaging (<i>CT scan, PET scan, MRI, nuclear medicine</i>)	20% after deductible	50% after deductible
Inpatient Hospital (<i>Prior Authorization required</i>)		
Facility Charges	20% after deductible	50% after deductible
Physician Charges	20% after deductible	50% after deductible
Emergency Room		
Facility Charges	\$500 copay	\$500 copay
Physician Charges	20% after deductible	20% after deductible
Urgent Care	\$75 copay	50% after deductible
Outpatient Surgery	20% after deductible	50% after deductible

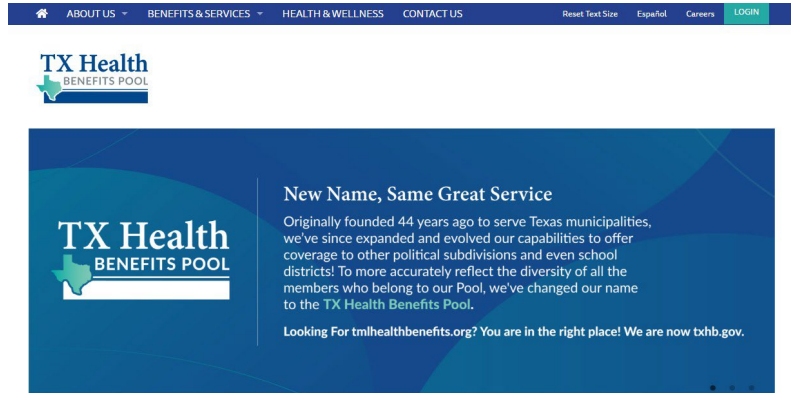
MEDICAL PLAN

TX HEALTH ONLINE ACCESS

Employees can access information online about their plan benefits and claim information through TX Health Online. TX Health Online is an online portal to help you easily manage and track your benefits information on your computer through a secured online account. Through TX Health Online, you can find an in-network provider in the Blue Cross and Blue Shield of Texas network, view your ID card, check claims, deductibles and out of pocket balances.

Log in to TX Health Online

1. Go to txhb.gov
2. Click on **Login** then click on **Login as a Member** or **Login as a Dependent** (if applicable).
3. Click on **Register**.
4. Read the License Agreement and click **Agree**.
5. Create a username, password, and enter answers to your security questions.



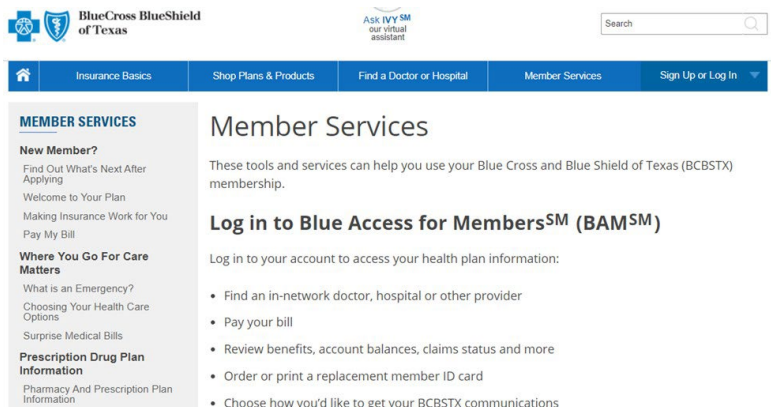
BLUE ACCESS FOR MEMBERS

Blue Cross and Blue Shield of Texas will help you get the most out of your healthcare benefits with Blue Access for Members (BAM). You and your covered dependents (age 18 and up) can create a BAM account. With BAM, you can:

- Use the Provider Finder tool to search for a healthcare provider, hospital, or pharmacy.
- Request or print your ID card.
- Check the status or history of a claim.
- View or print Explanation of Benefits statements.
- Use the Cost Estimator tool to find the price of hundreds of tests, treatments, and procedures.
- Download the app.
- Sign up for text or email alerts.

Log in to Blue Access for Members

1. Go to www.bcbstx.com/member.
2. Under **Log into My Account**, click **New Member? Register Now**.
3. Use the information on your BCBSTX ID card to sign up.
4. Text BCBSTXAPP to 33633 to get the BCBSTX App that lets you use BAM while you're on the go.
5. You can also download the BCBSTX App on your mobile phone from the Apple App Store or Android Google Play.



VISION PLAN

The City of Lucas provides a vision plan for employees through EyeMed offered by TX Health. EyeMed's national network of vision providers includes familiar names such as TSO, EyeMart, Target, LensCrafters, Pearle Vision, and many local providers. The benefits summary of the vision plan is below.



VISION CARE SERVICES	IN-NETWORK	OUT-OF-NETWORK - Reimbursed Up To:
Exam with Dilation as Necessary	\$0 Copay	\$65
Retinal Imaging	Up to \$39	N/A
Exam Options		
Standard Contact Lens Fit and Follow-up	Up to \$40	N/A
Premium Contact Lens Fit and Follow-up	10% off retail price	N/A
Frames		
Any available frame at provider location	\$175 allowance, 20% off balance over \$175	\$125
Standard Plastic Lenses		
Single Vision	\$10 Copay	\$30
Bifocal - Lined	\$10 Copay	\$50
Trifocal - Lined	\$10 Copay	\$70
Standard Progressive Lens	\$65 Copay	\$50
Premium Progressive Lens	Fixed Pricing Includes lens copay Tier 1 - \$95 Tier 2 - \$105 Tier 3 - \$120 Tier 4 - \$185	\$50
Lens Options		
UV Treatment	\$15	N/A
Tint (Solid and Gradient)	\$15	N/A
Standard Plastic Scratch Coating	\$15	N/A
Standard Polycarbonate - Adults	\$40	N/A
Standard Polycarbonate - Kids under 19	\$0	\$5
Standard Anti-Reflective Coating	\$45	\$5
Premium Anti-Reflective Coating	Tier 1 - \$57 Tier 2 - \$68 Tier 3 - \$85	\$5
Photochromatic/Transition - Plastic	\$75	N/A
Contact Lenses		
Elective Contact Lenses	\$175	\$125
Medically Necessary	Covered in full	\$210
Frequency		
Examination	Once every plan year	
Lenses or Contact Lenses	Once every plan year	
Frame	Once every plan year	

DENTAL PLAN

The City of Lucas provides a dental plan for employees from BlueCare Dental Connections through Blue Cross and Blue Shield of Texas offered by TX Health. BlueCare Dental gives you access to a national network and a broad choice of dentists with low out of pocket rates. This plan also includes access to the Dental Wellness center for a library of tools and information to help you make the best dental health decisions. The benefits summary of the dental plan is below.

BENEFIT COVERAGE	IN-NETWORK	OUT-OF-NETWORK
Deductible <i>(per individual)</i>		
Tier 1	\$0 per Plan Year	\$0 per Plan Year
Tiers 2 & 3 (combined)	\$50 per Plan Year	\$50 per Plan Year
Tier 4	\$50 per Lifetime	\$50 per Lifetime
Benefit Maximum <i>(per individual)</i>		
Tiers 1, 2 & 3 (combined)	\$2,000 per Plan Year	\$2,000 per Plan Year
Tier 4	\$3,000 per Lifetime	\$3,000 per Lifetime
Tier 1		
Oral exams	No Charge	No Charge after Reasonable and Customary Charges
Prophylaxis treatments		
Fluoride treatments		
Sealants		
Bitewings X-rays		
Full mouth X-rays		
Periapical/Intraoral X-rays		
Space Maintainers		
Tier 2		
Emergency oral exams	20% after deductible	20% of Reasonable and Customary after deductible
X-rays (non-preventive)		
Fillings		
Crowns		
Extractions		
Anesthesia		
Endodontics		
Periodontics		
Oral Surgery		
Tier 3		
Mouth guards / appliances	50% after deductible	50% of Reasonable and Customary Charges after deductible
Inlays/Onlays - repair/replacements		
Crowns - repair/replacements		
Dentures/partial dentures		
Tier 4		
Orthodontia (Children to age 19 only)	No Charge after Reasonable and Customary Charges after deductible	No Charge after Reasonable and Customary Charges after deductible

PRESCRIPTION DRUG PLAN

The City of Lucas medical plan includes a prescription drug plan managed by Navitus through TX Health. Navitus uses a network of participating pharmacies. To receive benefits, you must use a participating pharmacy. You can get your medicines from either a retail network pharmacy or through the Navitus mail order program. The summary of the prescription drug plan is below.

PRESCRIPTION DRUG PLAN (Per 30-day/60-day/90-day supply/ Retail or Mail Order)	IN-NETWORK			OUT-OF-NETWORK
	30 day supply	60 day supply	90 day supply	
Disease Management Maintenance (generic)	\$0 copay	\$0 copay	\$0 copay	Not Covered
Tier 1 (lowest-cost generics and some brand names drugs)	\$10 copay	\$20 copay	\$30 copay	
Tier 2* (includes most brands and some higher cost generics)	\$45 copay	\$90 copay	\$135 copay	
Tier 2* (covered Insulins)	\$25 copay	\$50 copay	\$75 copay	
Tier 3* (non-preferred drugs)	\$90 copay	\$180 copay	\$270 copay	
Tier 4 (specialty drugs)	\$150 copay	N/A	N/A	
Tier 5 (cost share drugs)	\$175 copay	\$350 copay	\$525 copay	

* If a participant obtains a brand-name drug when a preferred generic equivalent is available, they are responsible for the brand copay plus the cost difference between the brand-name drug and the preferred generic drug.

NAVITUS PORTAL ACCESS

To make the most of your prescription drug benefits, you can access your prescription benefits using the Navitus web portal or mobile app to:

- Compare medication prices to find the lowest cost option for you.
- Locate the most convenient in-network pharmacies.
- Save your preferred pharmacies for quick and easy access.
- See medication and benefit information.
- View your member ID card.



Log in to Navitus Portal

1. Beginning on your effective date, go to the Navitus website at www.navitus.com.
2. Select **Portal Login**.
3. Select **Member Portal Login**.
4. Select the link for **New Registration**.

For mobile app account assistance, contact Navitus customer care (855) 673-6504. Navitus customer care is available 24 hours a day, 7 days a week.

SPECIAL SERVICES



Surgery Plus

SURGERYPLUS

The City of Lucas medical plan includes an additional medical benefit that provides you with access to excellent and affordable care for many planned non-emergency surgical procedures. The SurgeryPlus service provides you with a personalized concierge experience through a dedicated Care Advocate as well as access to quality care through a network of credentialed health providers. By using the SurgeryPlus benefit, you may be able to save money through waived deductibles and coinsurance. In partnership with TX Health, SurgeryPlus covers the most expensive costs associated with your surgery so you don't have to.

Steps to using SurgeryPlus:

- **Contact Surgery Plus** - When your doctor recommends surgery, contact SurgeryPlus at (855) 715-1684.
- **Assigned a Care Coordinator** - A personalized Care Coordinator will help you find a high-quality, board-certified surgeon. The Care Coordinator will then assist you throughout the entire process, from scheduling the initial consultation all the way to the post-procedure follow-up.
- **Negotiations** - SurgeryPlus negotiates all the costs before you have surgery, and handles the payment process for you.

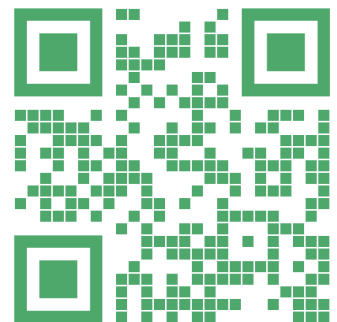
HEADWAY



The easiest way to get quality in-network mental health care. Headway will connect you with a licensed therapist or psychiatrist to support you in your mental health journey. Whether you know what you're looking for or aren't sure where to start, we make it easy for you to find and schedule an appointment with the right mental health provider for you —covered by BCBS Texas.

How it works:

- **Find the right fit in seconds on Headway.co.** - Share your preferences and insurance details. Our personalized matching process will find the right providers for your unique needs within seconds — and calculate the exact cost for your session.
- **Schedule your appointment immediately in one-click.** - Book directly on Headway, and we'll take it from there. You'll only be billed after your session.



Scan and find care at Headway.co

WELLNESS PROGRAMS

TX Health membership also provides you with access to two wellness programs: TX Health’s TX HB Well and Blue Cross and Blue Shield of Texas’s Well onTarget. Between the two programs, you will have access to a robust collection of benefits that are completely free for you to use.

TX HEALTH’S TX HB WELL



\$150 Wellness Incentive - Employees and spouses can earn rewards each year by taking a wellbeing survey and completing either a biometric screening, and individual or group wellness challenges.

Online Wellness Video Library - TX HB Well gives you access to a wealth of online material to learn about mental and behavioral health. Videos cover subjects such as depression, schizophrenia, tobacco cessation, nutrition, and more. Designated video courses can count towards your annual \$150 Wellness Incentive.

BLUE CROSS AND BLUE SHIELD OF TEXAS’ WELL ONTARGET

Blue Points - Earn rewards with Blue Points by regularly participating in healthy activities. Blue Points can be redeemed in an online rewards store through BCBSTX’s Well onTarget program.



Twin Health – Our diabetes management program, launching in January 2025, will connect you with health coaches, nurses, member enrollment advisors, and providers for comprehensive support.

Airrosti –A results-focused program, dedicated to quick recovery from common conditions or injuries through physical therapy for those who wish to avoid surgeries or other unnecessary invasive care options.

Fitness Gym Program - The program gives you access to a nationwide network of fitness locations available exclusively to you and your covered dependents.

Gym Options	Digital Only	Base	Core	Power	Elite
Monthly Fee	\$10	\$19	\$29	\$39	\$99
Gym Network Size	Digital Access	3,000	7,500	12,000	12,400

TELEMEDICINE

MDLIVE

Your TX Health membership provides you with MDLIVE through the Blue Cross and Blue Shield of Texas network. MDLIVE allows you to remotely connect with a board-certified doctor via online video, mobile app or phone, 24 hours, 7 days a week. Virtual visits can address a variety of non-emergency medical conditions and can substitute for a doctor's office, urgent care clinic, or emergency room visit for common conditions like the cold, flu, or pink eye. It is also a great tool for behavioral health concerns as well. MDLIVE doctors can also send prescriptions to nearby pharmacies for many common medical conditions.

Access Your MDLIVE Benefit

1. Log in to TX Health Online at txhb.gov.
2. Go to the **Benefits Center** tab.
3. Click on **Blue Access for Members (BAM)**.
4. Log in to your BAM account to schedule a remote checkup.



TELADOC

The City of Lucas also provides employees with a free account with Teladoc. Teladoc gives you access 24 hours, 7 days a week to a board-certified doctor through the convenience of phone, video or mobile app visits. It's an affordable option for quality medical care. Teladoc provides access to primary care providers, family doctors, dermatologists, therapists, psychiatrists, registered dietitians and medical experts who are ready to help you from wherever you are, 24/7. The City will provide you with a Teladoc card which includes your ID and information on how to access your Teladoc account. Your Teladoc account may be used by your entire household at no charge.



INSURANCE COVERAGE FOR LIFE, ACCIDENTAL DEATH & DISMEMBERMENT (AD&D), AND LONG TERM DISABILITY (LTD)

The City of Lucas provides insurance coverage in the amount of \$50,000 to employees for Life and Accidental Death & Dismemberment (AD&D) which is administered by The Standard Insurance through TX Health. The City sets the benefit amount which you can also increase by choosing to pay an additional fee for supplemental.

SUPPLEMENTAL LIFE AND ACCIDENTAL DEATH & DISMEMBERMENT (AD&D)

Employees may select up to three times their annual salary for Supplemental Life and AD&D insurance for their individual coverage. The costs for supplemental individual coverage are based on an individual's age and the amount of coverage requested per \$1,000 of the employee's annual salary.

Age of Employee	Employee Cost per \$1,000 of Individual
Under 30	\$0.041
30-34	\$0.052
35-39	\$0.091
40-44	\$0.129
45-49	\$0.198
50-54	\$0.332
55-69	\$0.595
60-64	\$0.913
65-69	\$1.513
70 and over	\$2.431

Employees can also add supplemental coverage for dependents. The supplemental coverage amount for a spouse is \$20,000 (\$10,000 guaranteed/\$10,000 with required Medical History Statement) and child(ren) is \$5,000 at the all-inclusive price of \$5.40 per month.

LONG TERM DISABILITY (LTD)

Basic Long Term Disability (LTD) insurance is provided to all eligible employees at no cost. This insurance provides you with coverage in the event you cannot work because of an illness or injury. If you remain totally disabled and unable to work for more than 60 days, you may be eligible for LTD benefits. The City of Lucas automatically provides this benefit to replace 66 2/3% of your pre-disability salary up to a \$6,000 a month maximum.

HEALTH REIMBURSEMENT ACCOUNT (HRA) & FLEXIBLE SPENDING ACCOUNT (FSA)

For the 2024-2025 plan year, the City of Lucas will continue to provide employees with a Health Reimbursement Account (HRA) and the ability to contribute to a Flexible Spending Account (FSA). A health reimbursement account (HRA) is a pre-tax employer-funded plan that allows employees to utilize the funds toward eligible healthcare expenses. A flexible spending account (FSA) allows the employee to set aside pre-tax dollars into an account to be used for eligible medical, dental, and vision expenses. Your contributions to any FSA options are not counted as income when you calculate your income tax.

HRA CONTRIBUTION & FSA ELECTION

The City will contribute \$300 to an employee's HRA in smaller monthly amounts rather than a prefunded annual amount. During open enrollment, employees may choose to elect up to \$3,200 to their FSA. The total elected FSA amount will be deducted evenly out of each paycheck, pre-tax. You cannot change your FSA election during the plan year unless you experience a qualifying life event, such as marriage, divorce, or the birth of a child.

Your HRA will no longer be prefunded but will receive monthly contributions. Unused HRA funds will roll over from year to year. The FSA will be prefunded, allowing you to pay for qualifying medical expenses earlier in the plan year. The FSA annual maximum rollover amount is \$640.

HRA/FSA DEBIT CARD

Employees will be issued a single debit card that will have access to the combined funds of both the HRA and FSA accounts. You can use your HRA/FSA debit card at locations such as doctor and dentist offices, pharmacies, and vision service providers for qualifying expenses. The card cannot be used at locations that do not offer services under the plan, unless the provider has also complied with IRS regulations. The swipe transaction will be denied if you attempt to use the card at an ineligible location.

You should always retain a receipt for your records. While FSA debit cards allow you to pay for services at point of sale, they do not remove the IRS regulations for substantiation. This means that you must always keep receipts and Explanation of Benefits (EOBs) for any debit card charges. If you don't provide proof that an expense was valid, it can result in your card being turned off and your expense being deemed taxable.

GENERAL RULES AND RESTRICTIONS

In exchange for the tax advantages that HRAs and FSAs offer, the Internal Revenue Service (IRS) has imposed the following rules and restrictions for Health Care HRA/FSAs such as expenses must be incurred during the 2024-2025 plan year, dollars cannot be transferred from one FSA to another, and all unused FSA funds over the \$640 limit will be forfeited at the end of the plan year.

HEALTH REIMBURSEMENT ACCOUNT (HRA) & FLEXIBLE SPENDING ACCOUNT (FSA)

QUALIFYING EXPENSES

Health Reimbursement Accounts (HRAs) and Flexible Spending Accounts (FSAs) can be great cost-savings tools. You can use them to pay for qualified medical expenses (QME) for health care, dental, and vision. It is important to know which expenses can be reimbursed and are considered qualified medical expenses. Each year, the Internal Revenue Service (IRS) publishes a list of services that they consider to be qualified medical expenses and thus can be reimbursed using your FSA or HRA account.

Below is a summary list of qualifying medical expenses for 2025:

- Acupuncture
- Ambulance
- Annual Physical Examination
- Artificial Teeth
- Bandages
- Chiropractor
- Contact Lenses
- Crutches
- Dental Treatment
- Disabled Dependent Care Expenses
- Eye Exam and Surgery
- Eyeglasses
- Hearing Aids
- Hospital Services
- Insurance Premium
- Laboratory Fees
- Medicines
- Nursing Services
- Physical Examination
- Psychologist
- Therapy
- Weight-Loss Program
- Wheelchair
- X-ray

Department of the Treasury
Internal Revenue Service

Publication 502
Cat. No. 15002G

Medical and Dental Expenses

For use in preparing
2023 Returns

Future Developments

For the latest information about developments related to Pub. 502, such as legislation enacted after it was published, go to [IRS.gov/pub502](https://irs.gov/pub502).

What's New

Standard mileage rate. The standard mileage rate allowed for operating expenses for a car when you use it for medical reasons is 22 cents a mile. See [Transportation](#) under [What Medical Expenses Are Includible](#), later.

Reminders

Photographs of missing children. The IRS is a proud partner with the [National Center for Missing & Exploited Children® \(NCMEC\)](#). Photographs of missing children selected by the Center may appear in this publication on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling 800-THE-LOST (800-843-5678) if you recognize a child.

Introduction

This publication explains the itemized deduction for medical and dental expenses that you claim on Schedule A (Form 1040). It discusses what expenses, and whose expenses, you can and can't include in figuring the deduction. It explains how to treat reimbursements and how to figure the deduction. It also tells you how to report the deduction on your tax return and what to do if you sell medical property or receive damages for a personal injury.

Medical expenses include dental expenses, and in this publication the term "medical expenses" is often used to refer to medical and dental expenses.

You can deduct on Schedule A (Form 1040) only the part of your medical and dental expenses that is more than 7.5% of your adjusted gross income (AGI).

This publication also explains how to treat impairment-related work expenses and health insurance premiums if you are self-employed.

Pub. 502 covers many common medical expenses but not every possible medical expense. If you can't find the expense you are looking for, refer to the definition of medical expenses under [What Are Medical Expenses](#), later.

See [How To Get Tax Help](#) near the end of this publication for information about getting publications and forms.

Comments and suggestions. We welcome your comments about this publication and suggestions for future editions.

You can send us comments through [IRS.gov/FormComments](https://irs.gov/FormComments). Or, you can write to the Internal Revenue

Get forms and other information faster and easier at:

- [IRS.gov](https://irs.gov) (English)
- [IRS.gov](https://irs.gov)/Spanish (Español)
- [IRS.gov](https://irs.gov)/Chinese (中文)
- [IRS.gov](https://irs.gov)/Korean (한국어)
- [IRS.gov](https://irs.gov)/Russian (Русский)
- [IRS.gov](https://irs.gov)/Vietnamese (Tiếng Việt)

Dec 21, 2023

DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT (DCFSA)

For the 2024-2025 plan year, the City of Lucas continues to offer the Dependent Care Flexible Spending Account (DCFSA), providing our valued staff with a convenient and cost-effective solution for managing childcare expenses. This tax-advantaged account offers valuable support for working parents and their families.

HOW DOES A DEPENDENT CARE FSA WORK?

A dependent care FSA is a flexible spending account that allows you to set aside pre-tax dollars for dependent care expenses, such as daycare, that allow you to work or look for work. You choose an annual election amount, up to \$5,000 per family. The money is placed in your account via payroll deduction, in equal installments, and then used to pay for eligible dependent care expenses incurred during the plan year. You must have funds in your dependent care FSA before you can spend them. Any unused funds that remain in your account at the end of the year will be forfeited.

WHY SHOULD I ENROLL IN A DEPENDENT CARE FSA?

Child and dependent care is a large expense for many families. Millions of people rely on childcare to be able to work, while others are responsible for older parents or disabled family members. If you pay for care of dependents in order to work, you'll want to take advantage of the savings this plan offers. Money contributed to a dependent care account is free from federal and state taxes and remains tax-free when it is spent on eligible expenses. On average, participants enjoy a 30% tax savings on their annual contribution. This means you could be saving up to \$1,500 per year on dependent care expenses.

Qualifying Expenses

What qualifies?

Dependent care FSA funds can cover costs for:

- Before school or after school care for children 12 and under
- Custodial care for dependent adults
- Licensed day care centers
- Nanny/ Au Pair
- Nursery schools or preschools
- Summer of holiday camps

What doesn't qualify?

Certain expenses are NOT eligible, for instance:

- Expenses incurred in a prior plan year
- Expenses for non-disabled children 13 and older
- Educational expenses including kindergarten or private school tuition fees
- Food, clothing, sports lessons, field trips, and entertainment
- Overnight camp expenses
- Late payment fees for child care

TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)

The City of Lucas participates in the Texas Municipal Retirement System (TMRS) which provides retirement benefits to municipal full-time employees. Employees contribute 7% of their gross salary to the TMRS account. The City matches the contributions and interest at retirement using a 2 to 1 match. The City's contributions to fund its match of your contributions and interest are held in the City's TMRS account. When you retire, the City's contributions become part of your benefit.

Contributions are deducted from your pay before taxes, so you are not taxed on your member deposits or the interest they earn until you receive them from TMRS as a benefit payment. You cannot borrow from your member account, nor can you use it as collateral for a loan.

VESTING

Employees are vested when you have five years of service credit. "Vesting" means you have worked enough years and established enough service credit to meet the minimum length-of-service requirement for retirement. Once vested, even if you leave city employment, you may leave your deposits with TMRS and retire with a TMRS retirement benefit when you reach age 60 (or meet other retirement requirements that may be necessary).

RETIRING

Employees can retire when you have at least five years of service credit and are at least age 60. You may also retire at any age if you have 20 years of service credit. Your monthly benefit at retirement is based on your member deposits and interest, the City's matching funds, other credits, your life expectancy (and your beneficiary's, if you choose certain options), future account interest assumptions as set by law, and the monthly payment plan you choose. At retirement, you will choose a monthly payment option to receive your benefit. Besides the Retiree Life Only benefit, six payment options are available that can provide payments to your beneficiary if you die.

COUNSELING SESSIONS

You can schedule a 30-minute FREE counseling session with a TMRS representative to answer your questions about your TMRS benefits, estimate your monthly retirement benefit, or discuss your retirement options. TMRS offers both in-person counseling in office and online counseling from the privacy of your home or anywhere. For online counseling, all you need is a computer or mobile device. A webcam or phone camera is not required but will allow you to see your representative and any documentation they share with you. Your family members and financial advisor are welcome to attend. Spanish-speaking staff are available.



457 RETIREMENT PROGRAMS

The City of Lucas offers all employees the additional opportunity to contribute to their retirement future with an optional 457(b) plan and a Roth 457(b) plan administered by Corebridge Financial (formerly AIG/VALIC). You may select any amount to be deducted from your paycheck up to the maximum election of \$23,000 annually. If you are 50 years or older, the plan allows for an additional catch-up contribution in addition to the \$23,000 maximum. Employees may sign up for a 457(b) account throughout the plan year and change their elections at any time.



457(b) AND ROTH 457(b) PLANS

The City of Lucas offers a chance for all employees to put pre-tax and post-tax dollars from your paycheck into an account to save for retirement. You may select your deferral as a flat amount or a percentage of your paycheck. This amount can be changed throughout the year at any time by contacting Human Resources. You are always 100% vested in employee contributions and rollover contributions, plus any earnings they generate.

FINANCIAL ADVISOR

Your Corebridge Financial account includes a licensed financial advisor to assist you with your retirement planning and goals at no charge. Our financial advisor is an expert at contributions, savings strategies, and helping you define future goals. Our advisor is available throughout the year via phone, in person, or virtually.

ADDITIONAL ENHANCEMENTS:

Loans	Loans shall be made available to participants as limited by tax law
Withdraws for birth or adoption of a child	Our plan allows a withdraw up to \$5,000 for the birth or adoption of a child without penalty
In-service Distributions	A participant may withdraw all or any portion of his/her vested account balance upon the attainment age of 59 1/2
Unforeseeable Emergency Withdraws	A participant may apply to receive the part of value that is reasonable needed to satisfy the emergency need

ADDITIONAL CITY BENEFITS

BENEFIT	DESCRIPTION
Holidays	12 Paid Holidays
Vacation Leave	<p>Full-Time Employees Annual Maximum Total Carryover - 80 hours Annual Accrual: < 5 years - 80 hours 5 to 10 years - 128 hours > 10 years - 160 hours</p> <p>Non-exempt Firefighters Annual Maximum Total Carryover - 120 hours Annual Accrual: < 5 years - 120 hours 5 to 10 years - 192 hours > 10 years - 240 hours</p>
Sick Leave	<p>Maximum Accrual Employees - 480 hours Non-exempt Firefighters - 720 hours</p>
Bereavement Leave	The City provides full-time employees paid time off (up to three workdays).
Compensatory Time	Non-exempt employees can request compensatory time in lieu of overtime and must be used within 90 days of earning the time.
Military Leave	Employees will be paid for military absences of up to a maximum of 15 workdays per fiscal year.
Jury Duty	The City provides paid leave to regular full-time employees required to serve on jury duty.
Longevity Pay	\$4 per month upon completion of a full year of service.
Certification Pay	The City may provide certification pay to full-time employees in the Public Works and Fire-Rescue Departments.
Workers' Compensation	All employees and volunteers of the City are covered by workers' compensation.

IMPORTANT CONTACTS

VENDOR/SERVICE	RESOURCES	PHONE	WEBSITE
Blue Cross and Blue Shield of Texas	Medical benefits, medical procedures, major imaging, cost estimates, claims, deductibles, copayments, coinsurance, Blue Access for Members (BAM)	(855) 762-6084	www.bcbstx.com
SurgeryPlus	Surgical procedures, cost estimates	(855) 715-1684	www.txhb.gov
EyeMed	Vision benefits, eyecare, provider network	(844) 225-3107	https://individual.eyemed.com/
MDLIVE	Non-emergency symptoms, prescriptions, behavioral health	(800) 400-6354	https://mdlnext.mdlive.com/home
Medical Preauthorization Helpline	Medical procedures requiring prior approval	(800) 441-9188	
Mental Health/Chemical Dependency (SUD) Preauthorization Helpline	Mental health and substance use prior authorization	(800) 528-7264	
Navitus	Prescription drugs covered, costs, mail-order pharmacy, network, plan benefits	(855) 673-6504	www.navitus.com
Teladoc	Non-emergency symptoms, prescriptions, behavioral health	(800) 835-2362	www.teladoc.com
TX Health Benefits Pool (Formerly TML Health Benefits Pool)	Benefits enrollment and changes, spending accounts, insurance, access to benefits books, health and wellness resources, general questions	(800) 282-5385	www.txhb.gov
Corebridge Financial (formerly VALIC/AIG)	Deferred compensation plan	(800) 448-2542	www.corebridgefinancial.com
24/7 Nurseline	Healthcare options and decisions, teen health, diabetes, blood pressure, and behavioral health	(877) 351-8392 (800) 386-4424 for Hearing/Speech	
Headway	Mental Healthcare		Headway.co