

No-Cost Employee Benefits not offered to NSU Employees

Flexible Spending Accounts

The IRS, in 2005, issued Notice 2005-42.

This notice modifies the application of the “use-it-or-lose-it” rule by allowing employers sponsoring cafeteria plans [including FSAs] to elect to adopt a grace period (of 2 1/2 months) after the end of the plan year. NSU has not notified us of any adoption of this grace period for our Flexible Medical Spending Accounts, which would benefit some employees, and cost NSU very little.

Roth 403(b)

Congress allowed employers to elect to adopt Roth provisions, beginning 1/1/2006, for 401(k) & 403(b) arrangements. For many of our employees, the Roth provisions would be more advantageous than a 403(b) deferral. This requires an election by the employer to make this effective. The PPA of 2006 made the Roth 401(k) permanent. To my knowledge, NSU has not made this election, which would benefit some employees, and cost NSU nothing.

457 Choices

Employees have a choice of investment vehicles for their 403(b) plans, but it is my understanding that the only choice for 457 investments is TIAA/CREF. The PPA of 2006, passed by congress this fall, made changes to 457 plans, which could make them more beneficial to some employees. Allowing employees the same choices for their 457 investments that they have for 403(b) would benefit some employees, and cost NSU nothing.

High Deductible Health Plans & Health Savings Accounts (HSAs)

Currently, NSU employees can make Flexible Spending Account (FSA) deferrals for current year expected medical expenses. They must use these deferrals each year. Since 2004, employees, if covered by a high deductible health plan (HDHP), could contribute to an HSA, the balance of which could be carried over from year-to-year. NSU (through OSEEGIB) does not offer employees a HDHP, which limits employees ability to contribute to HSAs, which would benefit some employees, and cost NSU nothing