

Get reimbursed for out-of-pocket healthcare and daycare/aged adult care expenses with tax free dollars!

MAXIMIZE YOUR INCOME!

Flexible Spending Accounts (FSAs) allow you to pay certain healthcare and dependent care expenses with pre-tax money. (The key to the Flexible Benefit Plan is that your eligible expenses are paid for with tax free dollars!) You will not pay any federal, state or social security taxes on funds placed in the Plan. You can save approximately, \$27.65 to \$37.65 on every \$100 you place in the Plan. The amount of your savings will depend on your federal tax bracket.

ELIGIBILITY

Participation in the Plan begins on January 1, 2019 and ends on December 31, 2019. Full-time employees working at least 30 hours per week are eligible to participate in the Plan on the first day of the following month. Those employees having a qualifying event are eligible to enroll within 30 days of the qualifying event. Deductions will begin on the first pay period following your plan start date. You must complete an enrollment to participate in the Flexible Spending Accounts each year during the open enrollment period. If an enrollment is not completed during open enrollment, you will not be enrolled in the Plan and you will not be able to join until the next Plan Year or if you have a qualifying event.

ELECTION CHANGES

Once you have enrolled in an FSA, you may NOT make any changes to your election unless you have a change in status such as:

- Marriage or divorce
- Birth or adoption
- Involuntary loss of spouse's medical or dental coverage
- Death of dependent (child or spouse)
- Unpaid FMLA or Non-FMLA leave
- Change in Dependent Care Providers

REIMBURSEMENT SCHEDULE

All claims received in the office of Flexible Benefit Administrators, Inc. will be processed weekly via check or direct deposit. You may also use your Benefits Card to pay for expenses. Please refer to the Benefits Card section for details.

ONLINE ACCESS

Flexible Benefit Administrators, Inc. provides online account access for all FSA participants. Please visit their website at: <https://fba.wealthcareportal.com/> to view the following features:

- View account history & balances
- Submit & track claims
- Sign-up for email/text messages
- Use the FSA calculator to estimate how much you can save by utilizing an FSA

THE HEALTHCARE ACCOUNT IS A PRE-FUNDED ACCOUNT

This means that you can submit a claim for medical expenses in excess of your account balance. You will be reimbursed your total eligible expenses up to your annual election. The funds that you are pre-funded will be recovered as deductions are deposited into your account throughout the Plan Year.

Contribution Limits: The maximum you may place in this account for the Plan Year is \$2,650.

HEALTHCARE REIMBURSEMENT

With this account, you can pay for your out-of-pocket healthcare expenses for yourself, your spouse and all of your tax dependent(s) for healthcare services that are incurred during your Plan Year and while an active participant. Eligible expenses are those incurred "for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body." This is a broad definition that lends itself to creativity.

EXAMPLES OF ELIGIBLE HEALTH CARE EXPENSES

Fees/Co-Pays/Deductibles For:

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| • Acupuncture | • Surgery | • Mileage |
| • Prescription Eyeglasses/ Reading glasses/ Contact lens and supplies/ Eye Exams/ Laser Eye Surgery | • Dental/ Orthodontic Fees | • Take-home screening kits |
| • Physician | • Obstetrician | • Diabetic supplies |
| • Ambulance | • X-Rays | • Routine Physicals |
| • Psychiatrist | • Eye Exams | • Oxygen |
| • Psychologist | • Prescription Drugs | • Physical Therapy |
| • Anesthetist | • Artificial limbs & teeth | • Hearing aids and batteries |
| • Hospital | • Birth control pills, patches | • Medical equipment |
| • Chiropractor | • Orthopedic shoes/ inserts | |
| • Laboratory/ Diagnostic | • Therapeutic care for drug and alcohol addiction | |
| • Fertility Treatments | • Vaccinations & Immunizations | |

OVER-THE-COUNTER EXPENSES

Examples of medications and drugs that may be purchased in reasonable quantities with a prescription:

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| • Antacids | • First aid creams |
| • Pain relievers/aspirin | • Cough & cold medications |
| • Ointments & creams for joint pain | • Laxatives |
| • Allergy & sinus medication | • Anti-diarrhea medicine |

DAYCARE/AGED ADULT CARE REIMBURSEMENT

The Daycare/Aged Adult Care FSA allows you to pay for day care expenses for your qualified dependent/child with pre-tax dollars. Eligible Day Care/Aged Adult Care expenses are those you must pay for the care of an eligible dependent so that you and your spouse can work. Eligible dependent(s), as revised under Section 152 of the Code by the Working Families Tax Act of 2005, are defined as either dependent children or dependent relatives that you claim as dependent(s) on your taxes. Refer to the Employee Guide for more details. Eligible dependent(s) are further defined as:

- Under age 13
- Physically or mentally unable to care for themselves such as:
 - Disabled spouse
 - Children who became disabled prior to age 19.
 - Elderly parents that live with you

Contribution Limits: The annual maximum contribution may not exceed the lesser of the following:

- \$5,000 (\$2,500 if married filing separately)
- Your wages for the year or your spouse's if less than above
- Maximum is reduced by spouse's contribution to a Daycare/Aged Adult Care FSA

ELIGIBLE DAYCARE/AGED ADULT CARE EXPENSES

- Au Pair
- Daycare for an Elderly Dependent
- Daycare for a Disabled Dependent
- Nursery School
- Private Pre School
- Sick Child Center
- Licensed Day Care Centers
- Before and After Care
- Day Camps
- Babysitters

Ineligible Expenses

- Overnight Camps
- Babysitting for Social Events
- Tuition Expenses Including Kindergarten
- Food Expenses (if separate from dependent care expenses)
- Care Provided By Children Under 19 (or by anyone you claim as a dependent)
- Days Your Spouse Doesn't Work (though you may still have to pay the provider)
- Kindergarten expenses are ineligible as an expense because it is primarily educational, regardless if it is half or full day, private, public, state mandated or voluntary.
- Transportation, books, clothing, food, entertainment and registration fees are ineligible if these expenses are shown separately on your bill.
- Expenses incurred while on a Leave of Absence or Vacation.

HOW TO RECEIVE REIMBURSEMENT

To obtain a reimbursement from your Flexible Spending Account, you must complete a Claim Form. This form is available to you in your Employee Guide or on our website. You must attach a receipt or bill from the service provider which includes all the pertinent information regarding the expense:

- Date of service
- Patient's name
- Amount charged
- Provider's name
- Nature of the expense
- Amount covered by insurance (if applicable)

Canceled checks, bankcard receipts, credit card receipts and credit card statements are NOT acceptable forms of documentation. You are responsible for paying your healthcare or dependent care provider directly.

HOW THE FLEXIBLE BENEFIT PLAN WORKS

	Without Flex Benefits	With Flex Benefits
Gross Monthly Income	\$ 2,500.00	\$ 2,500.00
Eligible Pre-Tax employer medical insurance	\$ 0.00	\$ 200.00
Eligible Pre-Tax Medical Expenses	\$ 0.00	\$ 60.00
Eligible Pre-Tax Dependent Child Care Expenses	\$ 0.00	\$ 300.00
Taxable Income	\$ 2500.00	\$ 1940.00
Federal Tax (15%)	\$ 375.00	\$ 291.00
State Tax (5.75%)	\$ 125.00	\$ 97.00
FICA Tax (7.65%)	\$ 191.25	\$ 148.41
After-Tax employer medical insurance	\$ 200.00	\$ 0.00
After-Tax medical expenses	\$ 60.00	\$ 0.00
After-Tax dependent child care expenses	\$ 300.00	\$ 0.00
Monthly Spendable Income	\$ 1248.75	\$ 1403.59

By taking advantage of the Flexible Benefit Plan this employee was able to increase his/her spendable income by \$154.84 every month! This means an annual tax savings of \$1,858.08. Remember, with the FLEXIBLE BENEFIT PLAN, the better you plan the more you save!

FORFEITING FUNDS

Plan carefully! Unused funds will be forfeited back to your employer as governed by the IRS's "use-it-or-lose-it" rule. Employees with a Healthcare account can carry up to \$500 over from one year to the next. Please see the Employee Guide for more information.

HOW TO ENROLL IN OUR FSA PLAN

Step 1

Carefully estimate your eligible Healthcare and Daycare/Aged Adult Care expenses for the upcoming Plan Year. Then use our online FSA Educational Tools located at <https://fba.healthcareportal.com/> to help you determine your total expenses for the Plan Year.

Step 2

Complete your enrollment during the open enrollment period, which instructs payroll to deduct a certain amount of money for your expenses. This amount will be contributed on a pre-tax basis from your paychecks to your FSA. Remember, the amount you elect will be set aside before any federal, social security, and state taxes are calculated.

BENEFITS CARD

The Benefits Card can be used as a direct payment method for eligible expenses incurred at approved service providers and merchants. Using your card allows you instant access to your funds with no out-of-pocket expenses. Please keep all your itemized receipts. Flexible Benefit Administrators, Inc. may request documentation to substantiate Benefits Card transactions to determine eligibility of an expense. Benefits Cards are available upon request of the account holder for dependent(s) over the age of 18. Please contact Flexible Benefit Administrators, Inc. to order additional cards.

