

Flexible Benefit Plan Enrollment Guide

CAMDENTON R-III SCHOOL DISTRICT 2017

07/01/2017-06/30/2018

Instructions for Using This Guide:

1. Review the information and decide how this plan benefits you.
2. Estimate your out-of-pocket health care expenses using the worksheet.
3. Enroll or waive participation by completing the election process.
4. Update or add your Direct Deposit information through the online portal at www.hrbenefitsdirect.com/Med-Pay.
5. Return the completed Form to your employer as instructed by Human Resources. Forms returned after deadline may not be accepted.
6. Call for assistance: Please contact Med-Pay's FSA Customer Service if you have questions regarding your FSA benefits or the enrollment process.

The information included in the Guide is for explanation only and is not intended as tax advice.
In all matters where tax or legal advice is needed the services of professional counsel should be sought.

FLEXIBLE SPENDING ACCOUNT ADMINISTRATION CONTACT INFORMATION

Phone Number for Customer Service: (417) 841-4134 or (800) 777-9087

Fax Number: (417) 841-4117

Email Addresses: **Claims Processing** (For submitting claims and documentation for Benny Card transactions):
flexclaims@med-pay.com flexcs@med-pay.com

Eligibility (For reporting address, name and election changes):
flexplans@med-pay.com

Website: www.hrbenefitsdirect.com/Med-Pay

Mailing Address: Med-Pay, Inc
PO Box 10909
Springfield, MO 65808
Attn: FSA/HRA Department

Physical Address: Med-Pay, Inc.
1650 E Battlefield Ste 300
Springfield, MO 65804
Attn: FSA/HRA Department

Med-Pay, Inc.

Hours of Operation

Monday – Friday; 8:30am –4:30pm Central Standard Time



The Tax Saving Benefit of an FSA Plan

Flexible Spending Accounts (FSAs) are reimbursement accounts that allow you to pay for certain eligible expenses with tax-free dollars. Through pre-tax salary reduction and reimbursement, you convert taxable income into non-taxable benefits. The result is reduced tax withholdings and more take-home pay. FSA participation results in **tax savings of approximately 30%** for all dollars run through the plan.

There are three types of FSA Plans: (Your Employer may not offer all of these plans.)

1. **Unreimbursed Medical FSA (FSA)** can be used to pay for eligible unreimbursed health care expenses (not covered or paid by any insurance) incurred by you, your spouse and your dependents.

Common expenses that qualify for reimbursement are: doctor visits, deductibles, co-payments, prescriptions, mental health care, dental services (including orthodontics), chiropractor services, eye exams, glasses and contacts. A general listing of reimbursable and non-reimbursable expenses is included in this Guide. For further details refer to the list in the Document Library on www.hrbenefitsdirect.com/Med-Pay.

2. **Dependent Care FSA (DCAP)** can be used to pay for eligible dependent care expenses (daycare, childcare) so you and your spouse can work, look for work or attend school full-time. Covered expenses must be for a qualified child who is a *dependent children age 12 and under or is a person of any age whom you claim as a dependent on your taxes and who is mentally or physically incapable of caring for himself or herself and spends at least 8 hours a day in your household*.

Eligible expenses include childcare (nursery, preschool or private sitter), before and after-school care and day camps.

Ineligible expenses include kindergarten tuition, overnight camps, and expenses paid to a tax-dependent.

Please note: A dependent care credit is available on your annual tax return. Whether or not to participate in the daycare portion of this plan depends on your income, filing status, number of dependents and annual daycare expenses. With a DCAP, you will receive your tax savings throughout the year, rather than once a year when you file your taxes.

3. **Adoption Expense Reimbursement FSA (ADOPT)** can be used to pay for reasonable and necessary legal adoption fees, court costs and attorney fees. Covered expenses must be for a qualified child who is *an individual who has not attained the age of 18 as of the time of the adoption or is physically or mentally incapable of caring for himself. A qualified child does not include the child of an individual's spouse*.

Important Notes and Reminders about Your FSA Plan:

Your plan has the "Rollover" option

Current Plan Participants:

- Any remaining funds in your **2016** Plan year account can be used for expenses incurred by 06/30/2017.
- If you do not spend your entire elected amount, you will be allowed to rollover up to \$500 to the following plan year. Any amount above \$500 will be forfeited. (This does not apply to the **Dependent Care FSA (DCAP)**)
- To have any 2016 plan year claims paid with rollover dollars, claims must be **MANUALLY** filed by 09/30/2017. All prior plan year claims filed manually or by card after this date will be deemed ineligible. (Claims must be incurred in the same time period as the contributions are being withheld from your paycheck.)
- If you terminate employment, only claims incurred prior to your termination date are eligible. All claims must be filed within **90** days of termination.
- **If you have ANY amount rolled over to the next plan year, you will be charged the \$4.00 administration fee for the ENTIRE plan year, even if you do not make a new election. Example, if you have \$20.00 roll over, you will pay \$48.00 (\$4.00 / month x 12 months) regardless of how long it takes you to spend the \$20.00.**

New Plan Participants: Effective July 1, 2017 Max FSA will be \$2,600

- Any funds in your **2017** Plan year account can be used for expenses incurred by 06/30/2018.
- If you do not spend your entire elected amount, you will be allowed to rollover up to \$500 to the following plan year. Any amount above \$500 will be forfeited. (This does not apply to the **Dependent Care FSA (DCAP)**)
- To have any 2017 plan year claims paid with rollover dollars, claims must be **MANUALLY** filed by 09/30/2018. All prior year claims filed manually or by card after this date will be deemed ineligible. (Claims must be incurred in the same time period as the contributions are being withheld from your paycheck.)
- If you terminate employment, only claims incurred prior to your termination date are eligible. All claims must be filed within **90** days of termination.
- Your FSA annual election cannot change during the plan year except in the event of a recognized Status Change or Qualifying Event.
- Per IRS regulations, dependent care elections cannot exceed \$5,000 per family per tax year.
- **If you are reimbursed electronically (direct deposit) you will no longer receive a direct deposit notice from Med-Pay FSA department.**
- **If you have ANY amount rolled over to the next plan year, you will be charged the \$4.00 administration fee for the ENTIRE plan year, even if you do not make a new election. Example, if you have \$20.00 roll over, you will pay \$48.00 (\$4.00 / month x 12 months) regardless of how long it takes you to spend the \$20.00.**

Benny Card – Staying Informed

- The Benny Card is a limited merchant category Visa® Card which provides instant access to FSA funds, reducing out-of-pocket expenditures for which you must file a claim and await reimbursement.
- By using the Benny Card, there is less paperwork to submit. It is designed to work at merchants with a health-care merchant category code, such as a doctor's office, hospital, dentist or optometrist. Charges are automatically approved at many of these locations, so you will only need to submit requested receipts instead of submitting all receipts to Med-Pay.
 - Card transactions which match your employer-sponsored plan copays will automatically substantiate. Therefore, you will not need to submit receipts.
 - The Benny Card will also work at retail merchants which have an Inventory Information Approval System (IIAS) in place. The IIAS will provide automatic substantiation at the point of sale for FSA-eligible items. This means you can only purchase eligible items with your card at these locations, and you will not need to submit receipts.
 - A recurring transaction for which the receipt for the first purchase in a plan year was provided to Med-Pay will also automatically substantiate.
- Receipts will need to be submitted for debit card purchases that do not meet the above auto-substantiation criteria. You will receive a statement at the beginning of the month if there are transactions for which receipts are required for substantiation. The receipt must contain the following information: Patient Name, Provider, Date of Service, Details of the Service and the Patient Responsibility. An Explanation of Benefits from the insurance plan or super bill from the provider works best.
- Your card(s) will be mailed to the address on file with Med-Pay's FSA department. Keep your card even if you have used all available funds from your account. The card will not expire for 3 years. Your new election in subsequent years will be loaded to this card. **If you lose your card and need to order another one, a \$10 fee will be deducted from your flex account. Please contact Med-Pay to order new cards.**

Note: According to IRS requirements, **save your receipts.** Even if you are not required to provide receipts for substantiation of the charges, you should keep your receipts in case of a tax audit.

Contact Med-Pay for more information about the Benny Card.

Staying Informed

With 24/7 access to the secure online portal, www.hrbenefitsdirect.com/Med-Pay, you can:

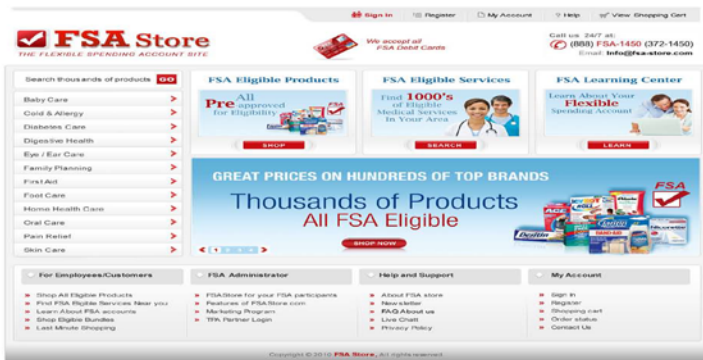
- Make changes to your contact information
- Add or change your direct deposit information
- View account balances
- Fill out and print a claim form
- Check the status of your claims
- View images of claims you have submitted through the portal.
- View Benny

Log into your Med-Pay FSA account online portal:

First Time Users: Go to www.hrbenefitsdirect.com/Med-Pay and scroll down on the page until you see the blue Sign In box. Follow the instructions for "First Time Users" for your initial login. You will be prompted to choose a new user name and password for future use.

Forgot user name and/or password: If you have logged in before but have forgotten your username and/or password, call our FSA department at (417) 841-4134 or (800) 777-9087.

Med-Pay, Inc. will mail direct deposit confirmations or checks with account balances to help you keep track of your account.



The screenshot shows the FSA Store website interface. At the top, there's a navigation bar with 'Sign In', 'Register', 'My Account', and 'Help'. Below this, the main content area features several promotional banners and product categories. On the left, there's a sidebar menu with categories like Baby Care, Cold & Allergy, Diabetes Care, Digestive Health, Eye / Ear Care, Family Planning, First Aid, First Care, Home Health Care, Oral Care, Pain Relief, and Skin Care. The main content area includes sections for 'FSA Eligible Products' (Pre-Approved for Eligibility), 'FSA Eligible Services' (Find 1000's of Eligible Medical Services), and 'FSA Learning Center'. A large banner in the center reads 'GREAT PRICES ON HUNDREDS OF TOP BRANDS Thousands of Products All FSA Eligible'. At the bottom, there's a footer with navigation links for 'For Employees/Customers', 'FSA Administrator', 'Help and Support', and 'My Account'.



FSAStore is the one-stop destination for Flexible Spending Accounts.

With three main channels in their website, they help make purchasing FSA eligible items, finding local and eligible physicians, and finally answering the many questions that come along with having a Flexible Spending Account both simple and rewarding.

FSAStore makes spending your FSA funds easy.

Access **FSAStore** through the link on the flex plan web site home page at <https://hrbenefitsdirect.com/Med-Pay>.

The thousands of products that are available at the **FSAStore** are all FSA eligible and can be purchased with your FSA Debit or Major Credit Card. **FSAStore** offers free shipping promotions and their prices on brand name products are offered at very competitive prices. When you take into account that you are using pre-tax dollars, you are generally saving over 40 percent.



What's Reimbursable?

This non-exhaustive list of expenses reimbursable by your Medical Flexible Spending Account is based on Internal Revenue Code 213(d). Please note that there have been important changes in the way over-the-counter drugs and www.hrbenefitsdirect.com/Med-Pay for further information, or please feel free to contact us if you have any questions about eligible expenses.

Reimbursable Expenses:

| | | |
|---|---|--|
| Acupuncture | Diagnostic fees | Physician fees |
| Ambulance | Diagnostic devices | Practical nurse fees |
| Artificial limbs | Drug & alcohol addiction treatment | <u>Prescribed</u> medicine (if not cosmetic; hair-loss medications are not reimbursable) |
| Artificial teeth | Drug & medical supplies | Psychiatrist's care |
| Automobile modifications (hand controls, lifts, etc.) | Eyeglasses, incl. exam fee | Routine physicals |
| Bandages | Guide Dog | Smoking cessation (prescribed drugs and non-drug program) |
| Birth control | Handicapped persons' schools | Special communications equipment for the deaf |
| Blood pressure monitor | Insulin | Special education for the blind |
| Braille books & magazines | Laboratory fees | Transportation expenses for medical services |
| Care for mental handicap | Lactation expenses | Tubal ligation |
| Chiropractors | Laser eye surgery | Tuition at special school for the handicapped |
| Copays, deductibles, & coinsurance | Learning disability - special school fees | Vasectomy |
| Contact lenses & supplies | Obstetrical expenses (after services have been performed) | Wheelchair |
| Contraception | Operations (medically necessary) | X-rays |
| Costs for physical/mental illness | Orthodontia (special rules apply) | |
| Crutches | Orthotics/Orthopedic shoe inserts | |
| Deductible, all family members | Oxygen | |
| Dentist fees (if not cosmetic: e.g., teeth whitening is a non-reimbursable expense) | Physical therapy | |
| Dentures | | |

FOR A MORE DETAILED LIST PLEASE GO TO:
<https://hrbenefitsdirect.com/Med-Pay>

OTC Drugs and Medicines are Reimbursable with a Prescription:

Over-the-counter (OTC) drugs and medicines require a prescription for FSA reimbursement. The prescription must be written by a physician on an official prescription pad and must include the name of the patient, the specific OTC drug or medicine and the number of refills or duration of treatment. You may submit a copy of the prescription and a receipt for purchase of the product with your reimbursement claim form. The prescription is good for the full plan year.

Some OTC medications are listed below:

- Acid control medication (Prevacid, Prilosec, Zantac, etc.)
- Acne treatment
- Allergy medication (Zyrtec, Claritin, etc.)
- Antacids (Tums, etc.)
- Anti-itch medication
- Cold medication Cough drops
- Nicotine patches or gum
- Pain relievers (Advil, Tylenol, etc.)
- Sleep aid medication
- Stomach remedies (Pepto-Bismol, etc.)

Reimbursable with a Letter of Medical Necessity:

These items may be reimbursable if accompanied by a note from a doctor recommending the item to treat a specific medical condition. This form is available on www.hrbenefitsdirect.com/Med-Pay.

- Cord blood storage
- Home improvements for medical conditions
- Nutritionist
- Orthopedic shoes (not mass-produced)
- Vitamins & nutritional supplements (only if recommended by a doctor for a specific medical condition)
- Weight loss to treat existing disease
- Wigs

Not Reimbursable through your FSA plan:

- Cosmetic surgery (unless restorative)
- Finance Charges
- Food
- Imported drugs (Canada, Mexico)
- Marriage counseling
- Missed appointment fees
- Personal hygiene products
- Teeth whitening
- Toothbrushes
- Vision Club Memberships
- Warranties



Estimating Your Expenses

Use this worksheet to help estimate what out-of-pocket expenses you can pay with tax-free dollars through a Flexible Spending Account (FSA).

1. Medical/Dental/Vision FSA:

What is your estimate of medical/dental/vision costs to be incurred during the plan year and not reimbursed by insurance or another benefit plan? Be sure to include expenses for you, your spouse and all dependents, even if they are not enrolled under your employer's insurance coverage. Confirm the eligibility of an expense on our website (www.hrbenefitsdirect.com/Med-Pay) or call us to discuss.

Medical:

| | |
|---|----------|
| Insurance Deductibles | \$ _____ |
| Copays and Coinsurance (amount not paid by insurance) | \$ _____ |
| Routine Exams (Physicals, Ob-Gyn, etc.) | \$ _____ |
| Prescription Drugs (Including birth control) | \$ _____ |
| Over-the-Counter Medications (only with a prescription) | \$ _____ |
| Over-the-Counter Non-Drug Medical Items | \$ _____ |

Dental:

| | |
|---|----------|
| Insurance Deductibles, if applicable | \$ _____ |
| Copays and Coinsurance (amount not paid by insurance) | \$ _____ |
| Exams, Cleaning, X-rays, etc. (<u>NOT</u> teeth whitening) | \$ _____ |
| Fillings, Caps, Crowns, Bridges, etc. | \$ _____ |
| Orthodontia (Braces) <i>Note: Special rules apply</i> | \$ _____ |

Vision Care:

| | |
|--|----------|
| Exams, Contacts, Glasses, LASIK Surgery) | \$ _____ |
| Hearing Care (Exams, Hearing Aids & Batteries, etc.) | \$ _____ |

Other unreimbursed medical expenses: \$ _____

Total Medical/Dental/Vision Expenses = \$ _____/Year

2. Dependent Care FSA:

If your spouse works or if you are a single parent, how much do you pay for employment-related dependent day care or childcare services for children age 12 and under? Remember to take into account vacation and other time off work during the year. *Only fees for actual care may be reimbursed. Kindergarten tuition, overnight camps and expenses paid to a tax-dependent are ineligible.*

Total Dependent Care Expense = \$ _____/Year

Remember:

- Over-the-counter medicines and drugs require a prescription for reimbursement. Over-the-counter non-drug medical items and insulin are reimbursable without a prescription.
- Reimbursement is based on the date of service, not the date of payment. In order for you to be reimbursed from your FSA funds, *the date the expense is incurred (NOT PAID)* must be within the current plan year and while you are an active participant in the plan.
- Prepayments, such as deposits for surgery, dental work or dependent care summer programs, are not eligible for reimbursement until the service has actually been rendered.
- You have **90** days after the end of your plan year or **90** days after termination to file reimbursement claims for eligible expenses.
- Your Dependent Care and Medical/Dental/Vision FSAs are two separate plans, and funds cannot be transferred between them.
- Please call us or visit our website, www.hrbenefitsdirect.com/Med-Pay, for any questions about eligible expenses.



Acknowledgements

Flexible Benefit Plan and Flexible Spending Accounts

1. My portion, if any, of insurance premiums for eligible employer-sponsored insurance plans elected for myself and my dependents will be automatically pre-taxed unless I sign a Pre-Tax Waiver form provided by my employer. My employer may adjust pre-tax premiums if rates change during the year, but I may not be able to change my election during the Plan Year.
2. I cannot change or revoke my elections prior to the start of the next plan year, unless I have a Change in Status or other Qualifying Event described in the Plan. The Summary Plan Description ("SPD") includes a full explanation.
3. Signing this form does not initiate my coverage under any insurance policy.
4. My Plan Year benefit elections may be slightly rounded, if necessary, to allow per-pay-period salary reductions.
5. Unused amounts remaining in Flexible Spending Accounts for the Plan Year and applicable run out period(s) will be forfeited. *Rollover* If you do not spend your entire elected amount, you will be allowed to rollover up to \$500 to the following plan year. Any amount above \$500 will be forfeited. (This does not apply to the Dependent Care FSA (DCAP)).
6. I can only submit claims for expenses incurred during the Plan Year while I am an active participant in the Plan. Such reimbursement requests must be submitted with appropriate documentation (claim form and proper receipts as defined in this guide) no later than 90 days after the end of the Plan Year or 90 days after termination of plan participation, whichever comes first.
7. All claims filed after September 30th for a charge that was incurred in the prior year, will be ineligible.
8. My benefit account(s) and claim data may be maintained on a computer system providing automated access.
9. Participation in this Plan may mean paying less Social Security tax, which could reduce my future Social Security benefits.
10. Enrollment in the Medical Flexible Spending Account listed covers me and my eligible dependents, if any. I understand that FSA enrollment may impact my eligibility, or eligibility of my spouse or dependent(s), for a Health Savings Account (HSA). I also understand that I cannot change or reduce my Medical FSA during the plan year in order to enroll in an HSA.
11. This document provides general information about a Flexible Benefit Plan. For more specific information, I will review my Plan's SPD.
12. Due to IRS non-discrimination rules for flex plans, in some circumstances the pre-tax elections of Highly Compensated Employees or Key Employees must be adjusted mid-year to meet IRS compliance testing guidelines. If you are deemed to be a Highly Compensated Employee or Key Employee, your election may be reduced or discontinued in such a circumstance. If so, the benefits administrator will provide notice and further details.

Flex Card (If offered by your plan)

After completing the Benny Card - Initial Signup on the Plan Participation Form, as an FSA participant you will receive a *Benny Card*™ Visa Card and agree to use it according to these Acknowledgements and the Cardholder Agreement that will be provided with the card.

1. I understand that the Flex Card is restricted to certain merchant categories and approved IIAS vendors and is not accepted at all Visa Card authorized locations.
2. I understand that I may not obtain a cash advance with the card at any merchant, bank or ATM.
3. I understand that the card is to be used *exclusively* for Qualified Expenses as defined by the plan(s) in which I participate. If the card is used for an expense that is not a Qualified Expense, I understand that I am indebted to my employer and must repay the full amount of the non-qualified expense. Repayment for non-qualified expenses may be in the form of an offsetting claim or a personal check.
4. I acknowledge that IRS rules require me to save all invoices and receipts related to any expense paid with the card. I agree that, upon request, I will submit these documents for review by the Plan Service Provider. I understand that failure to submit a proper receipt in a timely manner will cause the expense to be treated as a non-qualified expense and may cause my card to be suspended.
5. I understand that a proper receipt will contain the following information: Patient Name, Provider Name, Date of Service, Details of Service and Amount of Patient Responsibility.
6. I understand that I will be assessed a \$10.00 replacement card fee if I lose or misplace my card(s). I also understand that if I request more than two cards, I will be assessed a \$10.00 fee for each additional card.

Direct Deposit Reimbursement Authorization Agreement

1. I hereby authorize Med-Pay, Inc. (hereinafter "Plan Service Provider") to initiate credit entries (electronic and otherwise) and, if necessary, debit entries and adjustments for any erroneous credit entries to my Personal Bank Account in the financial institution named (hereinafter "Financial Institution").
2. This authority is to remain in force until the Plan Service Provider has received written notification from me of its termination in such time and manner as to afford Plan Service Provider and Financial Institution a reasonable opportunity to act on it. I can discontinue this arrangement at any time and receive reimbursements monthly by check.
3. I acknowledge that my Flexible Spending Account (FSA) information will be available to me 24 hrs/day by internet (www.hrbenefitsdirect.com/Med-Pay), and that I will not receive written verification each time a reimbursement payment is made.

There is no automatic re-enrollment in your FSA plans.