

## Frequently Asked Questions

This packet is only a brief overview of benefits that may be eligible under your plan. You should consult your Summary Plan Description for specific information about your plan.

### **Who can participate in the Plan?**

All employees who have met the eligibility requirements established by their employer may participate in the Plan.

*Please note:* You must be "eligible" for enrollment in your Employer's Group Health Plan in order to enroll in the Health FSA Account. This rule does not apply to Dependent Care.

### **How do I sign up?**

Your employer will give you the opportunity to sign up prior to each effective date of the Plan, provided you have fulfilled the eligibility requirements.

### **How do I determine how much money to allocate?**

Be conservative! Only consider your known expenses. Do not allow for things that might happen. For dependent care, do not forget to consider vacations or times you will not be paying the dependent care provider. A list of eligible expenses and a worksheet are provided in this packet to help you calculate your expenses for the upcoming plan year.

### **Are there limits to what you may contribute to your FSA?**

Yes, the maximum annual amount for the Health Care FSA and Dependent Care FSA is printed in your Summary Plan Description provided by your Employer and Plan Specific Page included in this packet.

### **I went to the doctor before the plan year began, but I did not pay the expense until after the plan year started. May I include that expense?**

No. Services must be incurred within the plan year. The date of payment does not matter.

### **Can I change my annual allocation anytime during the Plan Year?**

You may change your annual allocation if you experience one of the eligible status changes as defined in your Employer's Plan. Examples of qualifying changes in status are marriage or divorce, death of a spouse or dependent, birth or adoption of a child, and change in your employment or in your spouse's employment. Status changes must be consistent with the status change event. Please consult your Summary Plan Description for complete details.

### **What happens if I do not use all of my annual allocation?**

The IRS has established a "use it or lose it rule." If you do not use all of your annual allocation, you will forfeit any remaining amount. For example, if you allocate \$500 and only submit \$450 in expenses, you will lose the \$50. So, please be conservative when you determine your annual allocation.

### **What expenses are eligible under the Flex Plan?**

To assist you, a brief summary of eligible and ineligible expenses is included in this packet. New rules for Over-the-Counter Medicines are also explained. This rule is effective for all plans effective January 1, 2011. Please pay special attention to the orthodontia claims submission requirements for your Plan which are listed on the Plan Specifics page.

### **Are Over-the-Counter Medicines or Drugs eligible?**

Effective January 1, 2011, *over-the-counter medicines* may not be reimbursed through a FSA, HRA, or HSA, unless the medicine is prescribed by a physician. The new bill *does not apply to items that are not medicines, including equipment such as crutches, supplies such as bandages, and diagnostic devices such as blood sugar test kits.* Such items may qualify as medical care if they otherwise meet the definition in Code §213(d).

Code §213(d) defines "medical care" to include amounts paid "for the diagnosis, cure, mitigation, treatment, or prevention of

disease, or for the purpose of affecting any structure or function of the body."

### **Can I sign up for the Dependent Care plan and still take the Dependent Care tax credit on my annual tax return?**

The amount you pledge towards the Dependent Care account reduces the amount you can claim as a tax credit, dollar for dollar. Most employees (depending on your family income) will experience a higher tax savings on the Dependent Care Plan. You should consult with your accountant to see which option works best for your situation.

### **What happens if I terminate my employment?**

You may still submit eligible receipts for expenses incurred within the time frames established by your Employer. Also, you may be eligible to continue coverage under the Health Care FSA option through federal COBRA regulations.

### **How do I submit a claim for reimbursement?**

Copies of receipts for Health Care FSA expenses must be submitted with a signed claim form. The receipts must be independent third party receipts showing the name of the provider, the date of service, the type of service, the amount of the service and the patient's name. If your insurance company covers the expense, please submit the receipt to the insurance company first. You may then forward a copy of the Explanation of Benefits from the insurance company along with the signed claim form to KBA-FlexPro. Cancelled checks and credit card receipts (unless itemized) are not eligible as receipts for Health Care FSA expenses. The total amount of reimbursement you selected for the Plan Year will be available at all times during the Plan Year.

For Dependent Day Care FSA expenses, send a signed claim form along with copies of statements or receipts, which show the day care provider's name & tax id number, the dates of service, the amount of the service and the dependent's name to FlexPro. If you prefer, you may also complete the dependent care section of the claim form and have the provider sign, including the provider's tax id number. Reimbursement of expenses incurred during the Plan Year shall not exceed the balance of your Plan Year Account at the time of the reimbursement.

If you have not already set up your online account, go to [www.mywealthcareonline.com/flexpro](http://www.mywealthcareonline.com/flexpro) and set up your account today. If applicable, your request for reimbursement may be uploaded to your personal account. Our Claims Administrators will then process your claim(s). Claim forms, including detailed receipts/invoices, may be faxed, mailed or emailed to the address below.

### **Will I receive information throughout the year telling me where I stand on my account?**

Yes, you will receive periodic reports via email showing what has been credited to your account. You may also access your personal account online at any time, by setting up your account at [www.mywealthcareonline.com/flexpro](http://www.mywealthcareonline.com/flexpro).

### **Will my participation in the Flex Plan affect my Social Security?**

You will not pay Social Security taxes on the money you contribute to the Flex Plan. Therefore, your future Social Security benefits may be slightly reduced. However, the tax savings you receive from this plan should be more than any reduction in your Social Security benefits.

