FSA

WELCOME

to your

FLEXIBLE SPENDING ACCOUNT

Through PrimePay

PRIMEPAY®

LET'S GET STARTED

WHAT IS A FLEXIBLE SPENDING ACCOUNT?

Flexible Spending Accounts (FSAs) are among the most popular employee benefit options because it allows you to save money by paying for certain out-of-pocket medical costs, dependent care expenses and insurance premiums with pre-tax dollars. Because the amount you contribute is withheld from your paycheck before federal, state (if applicable), Social Security and Medicare taxes are deducted, your take-home pay is larger.

FSA options may vary from employer to employer, but here is an overview of the most common FSA plans offered. Let's look at a quick example:

	Without FSA	With FSA
Gross Monthly Income	$3,000	$3,000
Pre-tax Medical	-N/A-	$100
Pre-tax Day Care	-N/A-	$400
Pre-tax Premiums	-N/A-	$100
Taxable Income	$3,000	$2,400
Tax Withholdings	$750	$600
Post-tax Medical	$100	-N/A-
Post-tax Day Care	$400	-N/A-
Post-tax Premiums	$100	-N/A-
SPENDABLE INCOME	$1,650	$1,800
ANNUAL SAVINGS	$0	$1,800

HEALTH FLEXIBLE SPENDING ACCOUNT

Your health FSA may be used for common, qualified medical expenses (medically necessary) not covered by your health insurance. Here are examples:

- Deductibles and Co-Pays
- Prescription Drugs
- Medical Supplies
- Dental and Orthodontia Expenses
- Eyeglasses and Contacts

Although money is deducted from your paycheck over the plan year, the entire amount you elect is available starting the first day you participate in the plan!

For examples of eligible medical expenses, see section "Qualified Medical Expenses" in this booklet.

DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT

Your dependent care FSA will reimburse eligible expenses for the care of "qualified dependents" incurred to enable the employee and spouse to be gainfully employed. A "qualified dependent" is a child under the age of 13, or someone who is mentally or physically incapable of taking care of themselves. Some common eligible expenses are:

Day Care and Adult Day Care

Preschool and Before/After School Programs

Summer Day Camp

Money is available for reimbursement as deductions are made and after services are rendered. For example, June day care expenses would be eligible for reimbursement after June 30, assuming funds are available in the account.

PREMIUM REIMBURSEMENT ACCOUNT

Premium Reimbursement Accounts (PRAs) allow you to set aside money pre-tax for approved individual insurance premiums not covered by your employer. Examples of permissible insurance plans include: Vision/Dental, Cancer, Hospital Indemnity, Accident and Disability insurance. Individual medical insurance premiums are no longer eligible for reimbursement due to regulatory changes associated with the Affordable Care Act.

ENROLLING IN YOUR FLEXIBLE SPENDING ACCOUNT

Most employees can benefit from an FSA, but you must carefully calculate your expenses and choose the account that fits your needs. The elections you make are specific to each type of Flexible Spending Account. In other words, dollars set aside for dependent care expenses can only be used with dependent care providers and not for out-of-pocket medical expenses, etc. The specifics of each FSA account offered will be detailed in the Summary Plan Description (SPD) provided by your employer. For full details, please consult your SPD.

Step 1: Determine your annual expenses using our worksheet on **page 17** of this booklet. For examples of eligible medical expenses, see section "Qualified Medical Expenses" on **page 18** of this booklet.

Tip: Estimate carefully! Once you make an election for the year, you cannot change it unless you have a qualifying change of status event. Also, FSAs have limited options for unused balances at the end of the plan year. See section "Avoiding Forfeitures" for details.

Step 2: Enroll! You may enroll during your employer's open enrollment period or at the time of your eligibility. Please see your employer for specific details as to your eligibility and enrollment options. You may also contact our Benefit Success Team at 877.769.3539 for enrollment assistance.

Your employer will take your annual election amount and divide it by the number of payroll periods in your plan year to determine your contribution for each pay period.

CHANGING YOUR FSA ELECTION

Once you make an election amount for the plan year, you may change it only if you have a qualifying change of status event. In this event, you may make a prospective mid-year change to your annual election. The qualifying change of status events are:

- Marriage or Divorce
- Death of a Spouse or Dependent
- Birth or Adoption
- Termination of Employment Effecting Benefit Eligibility
- Change in Work Status Effecting Benefit Eligibility
- Unpaid Leave of Absence

Also each plan year anniversary provides an opportunity to change elections when re-enrolling for the next plan year.

AVOIDING FORFEITURES

FSAs must follow certain IRS regulations governing their set up and administration, and one very important rule is the **"Use-It or Lose-it Rule."** FSAs have limited options for unused account balances. When enrolling in an FSA, you must carefully calculate expected expenses and understand your plan's rollover, grace period and run-out period provisions. Your plan may provide one of these provisions for unused funds at the end of the plan year.

Health FSA Rollover Provision

If your employer has adopted the FSA Rollover provision, then you may rollover up to $500 of unused Health FSA funds into the next plan year. This rollover provision only applies to the Health FSA.

Grace Period Provision

If your employer has adopted the Grace Period Provision, then you have additional time (typically 2 ½ months after the plan year ends) to incur expenses and be reimbursed from your Health, Dependent Care and Premium Reimbursement Account prior year balance.

Run-out Period Provision

Following the last day to incur expenses, your employer may allow a run-out period to submit claims for the previous year. If your plan includes the rollover provision, then any unused funds after the run-out period exceeding the rollover provision limit of $500 in the Health FSA or beyond the grace period will be forfeited.

See Page 17 for FSA Expense Worksheet

FSA

USING YOUR FLEXIBLE SPENDING ACCOUNT

Accessing your account online: You can easily access your account 24-hours a day to check your balance, file new claims, check a status of a claim, set up email/mobile text alerts, and much more!

Go to **https://www.mybenefitfunds.com/PrimeFlex/**

1. Select **"Click Here"** next to "New User".
2. Enter your desired user name.
3. Enter a password with at least 8 characters including at least 1 non-alpha character and 1 capital letter. Please do not use your name within your password.
4. Enter your first name and last name as they were provided to your employer at enrollment.
5. Provide an email address.
6. Enter your Employee ID (often SSN without dashes).
7. Select the ID type you wish to use and then enter either your Employer's Registration ID or your Benefit Debit Card Number (no spaces or dashes).

   My Employer ID is _____
8. Check the Accept the Terms of Service box.
9. Click Register.

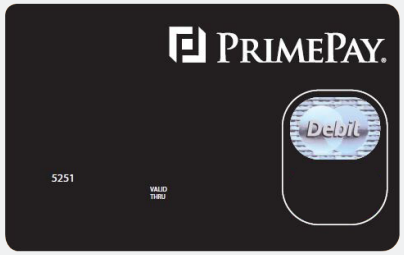
Once you are logged into the system you can check your balance, file claims, view pending or past claims, add a checking/savings account for direct deposit, opt-in/out of electronic communications (email/mobile text), and much more.

Accessing your account through our Mobile App

FIND THE "PrimeFlex Mobile App" IN YOUR APP STORE

Our PrimeFlex Mobile App provides a single access point to manage your account from your phone or tablet. Via the PrimeFlex Mobile App, you may submit claims and upload receipts (saved as picture images on your phone) as substantiation for your claim. You may also access detailed account information including account balances, recent activity, recent communications, the ability to contact PrimePay Benefit Services directly from the mobile application, and more.

Paying with your PrimePay FLEX Card



Your PrimePay FLEX Card

You may receive a PrimePay FLEX Card which can be used to pay for eligible medical expenses at health care related providers (physicians, pharmacies, dentists, optometrists, hospitals, etc.) and non-health care related merchants (grocery stores, discount stores and online pharmacies). It is important to make sure that non-health care related merchants have implemented the Inventory Information Approval System (IIAS) or qualify as a 90% Merchant. If the store does not qualify, your card will be denied and a manual claim will need to be submitted.

The IIAS system is designed to identify FSA eligible items at the point of sale. When an item is scanned at the checkout, the system will keep separate totals for eligible and non-eligible items. Assuming your available balance is high enough, you will be allowed to use your PrimePay FLEX Card to pay for the eligible items. You will be asked to pay for the non-eligible items by some other means (i.e. cash, check, credit or other debit card). The amount debited from your PrimePay Benefit Services account will automatically be approved and in most cases will require no further substantiation.

Your card can also be used at merchants that have not implemented the IIAS system, as long as they certify that 90% of the store's gross items are qualified medical expenses under IRS Code Section 213(d). For stores that adhere to the 90% rule, further substantiation will be required.

SUBMITTING MANUAL CLAIMS FOR REIMBURSEMENT

When you need to file a manual claim for reimbursement, the easiest method is through the Participant Portal or PrimeFlex Mobile App. If you do not have access to the app or the Internet, you may submit a paper claim. A request for reimbursement may be filed at any time during the plan year and run-out period. Please do not send duplicate claims.

Below is a quick Claims Reimbursement Checklist:

- ◯ My claim is for the current plan year.
- ◯ I have incurred an eligible expense.
- ◯ I have filled out the Claim Reimbursement form in its entirety.
- ◯ I have attached all supporting documentation for the expenses incurred.
- ◯ I have not submitted this claim before.

Online Claim Submission through the Participant Portal:

1. Log in to the Participant Portal, click on the **"My Accounts"** tab, and select **"Request Reimbursement".** Click the **"Add New"** tab and enter your claim information for each individual expense for which you are requesting reimbursement. Be sure to choose the appropriate account type when submitting your claim.

2. If you are able to scan your receipts, you may upload those directly using the **"Browse"** button. If you are unable to upload your receipts, print the Receipt Submittal Form and fax/mail it along with your substantiation material once you have submitted the claim.

3. Read the claim certification and confirm you agree to the disclaimer by checking the box under **"Certification"** and click the **"Submit"** tab at the bottom of your screen in order to complete your online claim submission.

Paper Claim Submission:

1. Fill out a "Claim Reimbursement" form provided by your employer or available on our website at www.primepay.com (navigating to **"Resources"** and clicking on **"Forms"** and then selecting **"Pre-Tax Benefits Forms"**). Please provide all necessary information related to the incurred expense.

2. Include all proper documentation in order to substantiate the incurred expense (i.e. EOBs, itemized receipts, invoices, etc.). Voided or cancelled checks, credit card statements, and balance owed statements from a provider are NOT acceptable forms of documentation.

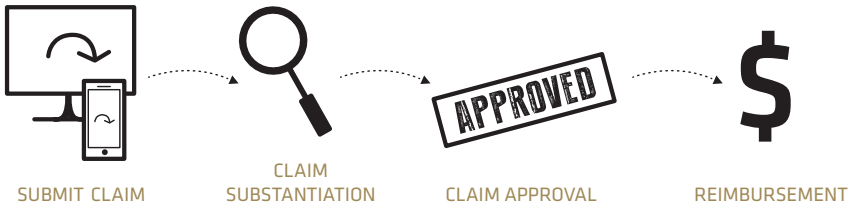
3. Submit the claim form and proper documentation to PrimePay Benefit Services by email, fax or mail.

Email	primeflex@primepay.com
Fax	877.632.9372
Mail	PrimePay; Attn: FSA Claim; 1487 Dunwoody Drive; West Chester, PA 19380

TIP It is very important to retain your receipts for all of your FSA transactions.

TIP It is your responsibility to comply with these guidelines and to avoid submitting duplicate or ineligible claims. Failure to comply may delay payment and/or could result in IRS penalties if audited.

WHAT HAPPENS NEXT?



Once we have received your claim, we will substantiate it. It is important to note that PrimePay Benefit Services must follow strict procedures according to IRS regulations in substantiating a claim. Neither PrimePay Benefit Services nor your employer can offer exceptions.

If your claim is approved, our Benefit Success Team will issue reimbursement. If you are set up for direct deposit, your reimbursement will usually post to your account the day after the file is processed. If you are not set up for direct deposit, a paper check will be issued and will usually arrive in about 7-10 days.

If your claim is denied, no disbursements will be made from your FSA account and you will be responsible for paying incurred expenses by some other means. If you feel your claim was denied in error, you may submit an appeal. For more information about appeals, please contact our Benefit Success Team at 877.769.3539.

Your plan may have been set up to mail payment directly to your medical providers of service. To take advantage of this, check the **"Pay Provider Directly"** box on the claim form and fill in the appropriate information. Attach the medical invoice and substantiation with the claim form and we will take care of the rest!

FREQUENTLY ASKED QUESTIONS

Q: What online capabilities do I have?

A: Our online portal is very comprehensive. You can check your balance, file claims, view pending or past claims, add a checking/savings account for direct deposit, opt-in/out of electronic communications (email/mobile text), and more. If you need help setting up your account please contact our Benefit Success Team and they will be happy to help.

Q: Can I participate in the FSA if I am not enrolled in my employer's health plan?

A: In most cases yes, as long as you are a benefits eligible employee. Contact your employer to determine eligibility.

Q: What happens if I am terminated during the year?

A: There will be a period of time after your termination for which you may submit claims for expenses incurred prior to termination. In some cases, COBRA must be offered, which if elected will allow you to continue to contribute to your FSA and make claims against it. You will be required to pay the monthly amount equal to your payroll deductions on a post-tax basis.

Q: Will I ever have to pay taxes on the money I put into the account?

A: You will not have to pay federal and FICA, however in some cases you may have to pay state and/or local taxes, depending on the state you live in.

Q: If my expenses are less than I anticipated, can I change my election?

A: No. Unless you experience a qualifying change of status, elections cannot be changed for the current plan year. You must wait until the following plan year to make a new election.

Q: What happens if I don't use all of the money in my FSA by the end of the plan year?

A: Depending on your plan you may have a Health FSA Rollover Provision or a Grace Period Provision. The Rollover Provision will allow you to rollover up to $500 of unused dollars into the next year. The Grace Period Provision will permit you to carry over funds up to an additional 2½ months and you may incur additional claims against the prior year health FSA, Dependent Care and Premium Reimbursement Accounts. Any unused money at the end of the Grace Period will be forfeited. Please check with your employer for details about these options. **Reference page 6 for our provision comparison chart.**

Q: What will happen if I incur a large expense at the beginning of the plan year and have not yet contributed enough to my FSA to cover it?

A: If the expense is to be reimbursed by your health FSA then we will pay the claim up to the maximum amount elected for the year. Your payroll deductions will continue throughout the plan year even if all of the funds have been spent. For a Dependent Care Account and Premium Reimbursement Account, claims are reimbursed as money becomes available through payroll deductions.

Q: What do I do if I forgot my user name or password?

A: Please click the **"forgot password"** link online and follow the instructions provided. You may also contact our Benefit Success Team if you have forgotten your password or user name during normal EDT business hours at **877.769.3539.**

Q: How much may I elect into my FSA?

A: For your health FSA, the limit is determined by your employer and can be found in your Summary Plan Description. For Dependent Care Accounts, the calendar year limit is $5,000 for head of household or married couples filing jointly, and $2,500 for married couples filing separately.

Q: If my spouse participates in an FSA through his/her employer, can I also participate?

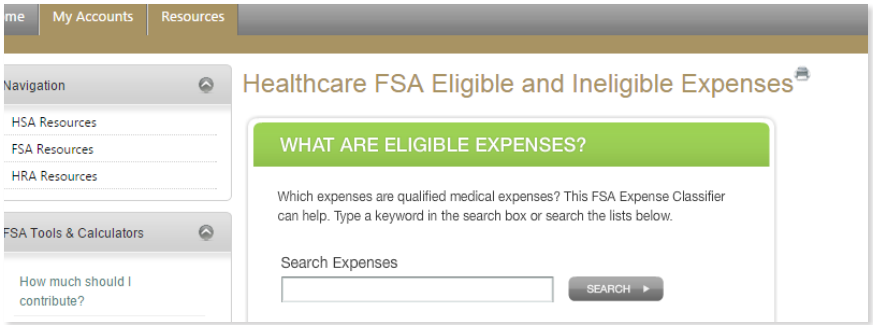
A: Yes, however identical claims may not be reimbursed under both accounts. In addition, if both you and your spouse have signed up for the Dependent Care Account, the maximum election between both accounts is still $5,000.

Q: Can I be reimbursed for over-the-counter (OTC) medicines?

A: As of January 1, 2011, OTC medicines and drugs are no longer eligible for reimbursement under a Flexible Spending Account, unless they are prescribed. If the medicines are medically necessary, you must have your doctor write a prescription for the OTC medicine and it must be filled at the pharmacy. Non-medicine OTC items may be eligible.

Q: Where can I find a complete list of eligible FSA expenses?

A: On **pages 18-19** of this booklet you will find a comprehensive list of qualified medical FSA expenses. For a complete list, please visit **mybenefitfunds.com/PrimeFlex** and select **"Resources"** > **"FSA Resources"** > **"FSA Tools and Calculators"** > **"Eligible FSA Expenses."**



Q: How long will it take my claim to be processed and reimbursed?

A: In general, all claims are processed/reimbursed in 7-10 days. Claim checks and direct deposits are processed daily, but please allow up to 4 days for delivery.

Q: Why did I receive a letter to provide substantiation?

A: In some circumstances we will require a receipt to substantiate a claim in order to comply with the IRS guidelines. The receipt must include the date of service, the dollar amount, and a brief description of the service. Voided checks, credit card statements, and balance due statements are NOT valid forms of substantiation. We ask that you keep all receipts for incurred eligible expenses. Failure to provide us with the proper documentation may result in your account being temporarily deactivated.

Q: Under what circumstances can I participate in a Dependent Care Account?

A: In order to participate in a DCA, both you and your spouse must be working, actively seeking work, or in school full time. Eligible dependents are those younger than 13, or persons mentally or physically incapable of taking care of themselves. It is important to note that summer day camp is an eligible expense, but overnight camp is not.

Q: How do I determine which amount to elect?

A: We have included a worksheet at the end of this booklet to help you figure out just that. Look at last year's receipts and expenses and decide if this year will be similar. Look at what you know for the year coming up and determine if there are big expenses that you know about (i.e. glasses, braces for you or dependents, deductibles/copays, etc.)?

FSA Expense Worksheet

Use this worksheet to help you estimate your expected expenses for the year. Remember that careful planning is essential to avoiding forfeited balances at the end of the plan year.

FSA Store
THE FLEXIBLE SPENDING ACCOUNT SITE

Use your FSA dollars! Go to
www.mybenefitfunds.com/primeflex
Select Resources > FSA Resources

Common Medical Expenses

Coinsurance Insurance	$
Deductibles	$
Prescription Copays	$
Chiropractic Visits	$
OB-GYN, Pediatrician Visits	$
Birth Control Pills	$
Diagnostic Services	$
Hearing Aids & Batteries	$
Maternity Care & Related Services	$
Smoke Cessation Programs	$
Physical Therapy	$

Common Dental Expenses

Teeth Cleanings	$
Dental Exams & X-Rays	$
Orthodontia Expenses	$
Fillings & Crowns	$
Dentures	$
Other	$

Premium Expenses

Individual Insurance Premium	$
Individual Insurance Premium	$

Common Pharmacy Expenses

Birth Control Products	$
Blood Pressure Kits	$
Compression Hosiery	$
Denture Products	$
Diabetic Test Supplies/Insulin	$
Diagnostic Products	$
First Aid Dressings	$
Hot, Cold & Steam Packs	$
Nebulizers	$
Orthopedic Aids	$
Pregnancy & Fertility Kits	$
Reading/Magnifying Glasses	$
Smoking Deterrents	$
Splints, Supports, Braces	$
Thermometers, Fever Strips	$
Wheelchair/Canes/Walkers	$

Common Vision Expenses

Eye Exams	$
Contact Lenses & Solution	$
Prescription Glasses	$
Lasik Eye Surgery	$
Optometrist Expense	$
Other	$

Dependent Care Expenses*

Child Care Expenses for dependent children under age 13	$
Adult Day Care Expenses parents and/or dependents incapable of self-care	$
Summer Day Camp Expenses for dependent children under age 13	$

Subtotal Medical Expenses $ _____

Subtotal Dependent Care Expenses $ _____

Total Estimated Expenses $ _____

Estimated Tax Savings (assume 25%) $** _____

*If applicable to Plan.
**Approximate tax savings. Actual tax savings depends on individual tax bracket.

QUALIFIED MEDICAL EXPENSES

Sample Eligible Health FSA Expenses

Sample Expense	Cost w/o FSA	Cost w/ FSA	Estimated Savings**
Doctor Copay	$20.00	$15.00	$5.00
Rx Copay	$50.00	$37.50	$12.50
Eyeglasses	$200.00	$150.00	$50.00
Braces	$2,500.00	$1,875.00	$625.00
Lasik Eye Surgery	$3,500.00	$2,625.00	$875.00
Annual Dental Care Bill	$5,000.00	$3,750.00	$1,250.00

A
Acupuncture
Adoption (related medical expenses)
Alcoholism treatment
Allergy medication (prescription)
Ambulance and emergency health services
Anesthesia (for non-cosmetic purposes)
Athletic treatments / braces

B
Bandages and related items (over-the-counter)
Birth control
Blood pressure monitor
Blood sugar test kits and test strips
Body scans

C
Childbirth classes
Chiropractic office visit or treatment
Cholesterol test kits and supplies
Christian Science practitioners
Coinsurance
Compression or anti-embolism socks, stockings or hose
Contact lenses & cleaning solutions
Contraceptives (prescription)
Copayment
Corneal keratotomy
Counseling
Crutches, canes or like equipment

D
Deductibles
Dental care (for non-cosmetic purposes)
Dental reconstruction
Dentures, bridges, etc.
Diabetic monitor, test kits, strips and supplies
Diagnostic services
Drug addiction treatment
Dyslexia treatment

E
Eye examinations
Eye related equipment/materials
Eyeglasses

F
Fertility monitor (over-the-counter)
Fertility treatment (employee, spouse or dependent)
First aid dressings (over-the-counter)
Flu shots

G
Guide dog (dog, training, care)

H
Hearing aids and batteries
Hospital services and fees

I
Immunizations
Incontinence products (excludes diapers and diaper services)
Infertility treatment (for employee, spouse or dependent)
Insulin, testing materials and supplies

L
Laboratory fees
Lamaze classes Laser eye surgery
Learning disability treatments
Listening therapy

M
Mastectomy-related special bras
Medical abortion
Medical equipment
Medical monitoring and testing devices
Medical records charges
Midwife
Mileage (for medical care)
Monitors & test kits (over-the-counter)
Motion & nausea (prescription)

N
Norplant insertion or removal
Nursing services (wages and taxes)

O
OB/GYN fees
Occlusal guards to prevent teeth grinding
Occupational therapy (related to a medical condition)
Office visits
Operations (non-cosmetic)
Optometrist / ophthalmologist fees
Organ transplants
Ortho keratotomy
Orthodontia (braces and retainers)
Orthopedic & surgical supports
Ovulation monitors (OTC)
Oxygen

P
Physical exams
Physical therapy
Pregnancy tests (over-the-counter)
Prescription drugs
Prosthesis
Psychiatric care
Psychoanalysis
Psychologist fees

R
Radial keratotomy (RK)
Reading glasses (over-the-counter)
Removal of benign mole, cyst or tumor

S
Sales tax, shipping and handling fees
Smoking cessation (programs / counseling)
Smoking cessation drugs
Speech therapy
Sterilization
Student health fees billed for services actually received (dental / medical / vision / prescription)
Sunglasses (prescription) Surgery (for non-cosmetic purposes)

T
Teeth grinding prevention devices
Therapy (for a medical condition)
Tubal ligation

U
Urological products

V
Vaccinations
Varicose vein removal surgery
Vasectomy
Viagra and similar prescription medications
Vitamins (Doctor's letter of medical necessity)

W
Walking aids (canes, walkers, etc.)
Wart removal treatments (prescription)
Wheelchair and repairs
Wound care - non medicinal (over-the-counter)

X
X-ray fees (dental / medical)

MY FLEXIBLE SPENDING ACCOUNT INFO

My Open Enrollment Period is: .....

My Employer ID is: .....

My User ID is: .....

My Password is: .....

Medical FSA Maximum: .....

Dependent Care Maximum: $5,000 (per calandar year)

MOBILE APP FOR IPHONE & ANDROID USERS

Our PrimeFlex Mobile App provides a single access point to manage your account from your phone or tablet. Via the PrimeFlex Mobile App, you may submit claims and upload receipts (saved as picture images on your phone) as substantiation for your claim. You may also access detailed account information including account balances, recent activity, recent communications, and contact PrimePay Benefit Services directly.

Available for iPhone

Available for Android

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