



Dear Employees:

Your Flexible Spending Account includes these components:

HealthCare Spending Account – pre-tax dollars set aside to cover out-of-pocket medical expenses not covered by your plan.

Dependent Care Spending Account – pre-tax dollars that can be used to pay for day care for tax dependents.

Premium Conversion – allows you to have your benefit premiums deducted pretax from payroll.

Here's how it works. Each payroll, your company places the amount you designate from your pay into your personal health and/or dependent care spending accounts. The money – which is put aside without being taxed – is earmarked for out-of-pocket expenses. Those expenses might include your day care bill, a copay for a visit to the doctor or a prescription.

The money you can save by using your FSA can be significant. For example, Employee A earns \$1,700 per month. She elects to place \$60 in her Health FSA, \$260 in her Dependent Care FSA and also has her \$50 health plan contribution taken out before tax each month. By taking care of these necessary expenses on a pre-tax basis, she could save over \$100 in taxes per month, money she will surely be happy to spend elsewhere.

Every employee's situation is a little different, but there is a reason this plan is called a Flexible Spending Account. It can be used to suit your needs and will save you money.

Participation is easy. Just review the enrollment materials provided for all the rules, calculate your expenses to determine your annual election, enroll via the Empliant Link.

If you have questions about your plan, please contact your HR representative.

FSA worksheet
Estimated HealthCare expenses



Medical	Annual amount	Dependent Day Care	Annual amount
Deductible	_____	(necessary for you and your spouse to work)	
Coinsurance payment	_____	After-school care	_____
Contraceptives	_____	Care of other dependents	_____
Doctor's office visits	_____	Child care/day care center	_____
Immunizations	_____	Child care in home	_____
Insulin	_____	Preschool	_____
Laboratory tests	_____		
Menstrual Products	_____		
Other expenses	_____	TOTAL ¹	_____
Over-the-counter medicine	_____		
Physicals/annual checkups	_____		
Prescription drugs	_____		
Splints, supports, corrective devices	_____		
Therapy treatments (medical reasons only)	_____		
Well-baby care	_____		
SUBTOTAL	_____		
Dental			
Deductible	_____		
Coinsurance payment	_____		
Cleaning Dentures	_____		
Fillings/crowns/bridges	_____		
Fluoride treatments	_____		
Orthodontia (based on expenses incurred for upcoming plan year)	_____		
X-rays	_____		
SUBTOTAL	_____		
Vision			
Deductible	_____		
Coinsurance payment	_____		
Contact lenses and solutions	_____		
Examinations	_____		
Frames	_____		
Laser eye surgery	_____		
Lenses	_____		
SUBTOTAL	_____		
TOTAL	_____		

Unreimbursed HealthCare expenses cannot exceed your plan's maximum.

NOTE: any coordination of benefits with another group plan may reduce your out-of-pocket expenses.

¹ Cannot exceed \$5,000 (\$2,500 if married, filing separately), per calendar year or earned income of employee or spouse, whichever is less.

BENECON

KNOW YOUR ELIGIBLE AND INELIGIBLE EXPENSES Maximize the Value of Your Reimbursement Account

Your HealthCare Flexible Spending Account (FSA) can be used for a variety of out-of-pocket HealthCare expenses. The following lists are some examples of eligible and ineligible expenses.



ELIGIBLE EXPENSES

Baby/Child to age 13

- Lactation consultant
- Lead-based paint removal*
- Special formula*
- Tuition: special school/teacher for disability or learning disability*
- Well baby/well child care

Dental

- Dental x-rays
- Dentures and bridges
- Exams and teeth cleaning
- Extractions and fillings
- Oral surgery
- Orthodontia
- Periodontal services

Eyes

- Eye exams
- Eyeglasses and contact lenses
- Laser eye surgeries
- Prescription sunglasses
- Radial keratotomy

Hearing

- Hearing Aids and batteries
- Hearing exams

Lab Exams/Tests

- Blood tests and metabolism tests
- Body scans
- Cardiograms
- Laboratory fees
- X-rays

Medications

- Insulin
- Prescription drugs
- OTC drugs and medications

Medical Equipment/Supplies

- Air purification equipment*
- Arches and other orthotic inserts
- Contraceptive devices
- Crutches, walkers, wheel chairs
- Exercise equipment*
- Hospital beds*
- Mattresses*
- Medic alert bracelet or necklace
- Nebulizers
- Orthopedic shoes*
- Oxygen
- Post-mastectomy clothing
- Prosthetics
- Syringes
- Wigs*

Obstetrics

- Doula*
- Lamaze class
- OB/GYN exams
- OB/GYN prepaid maternity fees (reimbursable after date of birth)
- Pre- and post-natal treatments

Practitioners

- Allergist
- Chiropractor
- Christian Science Practitioner
- Dermatologist
- Homeopath
- Naturopath*
- Optometrist
- Osteopath
- Physician
- Psychiatrist or Psychologist

Therapy

- Alcohol and drug addiction counseling (must be treating a medical condition)
- Exercise programs*
- Hypnosis*
- Massage*
- Occupational therapy
- Physical therapy
- Smoking cessation programs*
- Speech therapy
- Weight loss programs*

Medical Procedures/Services

- Acupuncture
- Alcohol and drug/substance abuse (inpatient treatment and outpatient care)
- Ambulance
- Fertility enhancement and treatment
- Hair loss treatment*
- Hospital services
- Immunization
- In vitro fertilization
- Personal trainers*
- Physical examination (not employment-related)
- Reconstructive surgery (due to a congenital defect, accident or medical treatment.)
- Service animals
- Sterilization/sterilization reversal
- Transplants (including organ donor)
- Transportation*

INELIGIBLE EXPENSES

Note: This list is not meant to be all-inclusive

- Cosmetic surgery/ procedures
- Electrolysis
- Marriage or career counseling
- Swimming lessons
- Sunscreen (SPF less than 15 needs RX)

The IRS allows Over-the-Counter (OTC) medicines or drugs to be purchased with HealthCare FSA funds. If you have an OTC prescription, you can use your FSA for these purchases.

Sample List of Eligible Over-the-Counter Medicines and Drugs

- Acid controllers
- Acne medications
- Allergy & sinus
- Antibiotic products
- Antifungal (Foot)
- Antiphrastic treatments
- Antiseptics & wound cleansers
 - Anti-diarrhea's
 - Anti-gas
- Anti-itch & insect bite
- Baby rash ointments & creams
 - Baby teething pain
 - Cold sore remedies
 - Contraceptives
- Cough, cold & flu
- Denture pain relief
- Digestive aids
 - Ear care
 - Eye care
- Feminine antifungal & anti-itch
- Fiber laxatives (bulk forming)
- First aid burn remedies
- Foot care treatment
- Hemorrhoidal preps
- Homeopathic remedies
- Incontinence protection & treatment products
- Laxatives (non-fiber)
- Medicated nasal sprays, drops, & inhalers
- Medicated respiratory treatments & vapor products
 - Motion sickness
- Oral remedies or treatments
- Pain relief (includes aspirin)
 - Skin treatments
- Sleep aids & sedatives
- Smoking deterrents
- Stomach remedies
- Unmedicated vapor products

Savings Snapshot



You can increase the money you take home each pay period by using a Flexible Spending Account. Here is an example of the tax savings an employee earning \$2,200 a month can experience using this great benefit.

	Without 125 Plan	With 125 Plan
Monthly income before taxes	\$2,200.00	\$2,200.00
Pre-tax salary deductions		
Health FSA contribution	\$0.00	\$60.00
Dependent Care FSA contribution	\$0.00	\$260.00
Employee contribution to health plan	\$0.00	\$50.00
Total	\$0.00	\$370.00
Payroll taxes		
FICA (7.65%)	\$168.30	\$140.00
Federal income tax (12.16%)	\$267.52	\$222.53
State income tax (4%)	\$88.00	\$73.20
Total	\$523.82	\$435.73
After tax expenses		
HealthCare expenses	\$60.00	\$0.00
Dependent care expenses	\$260.00	\$0.00
Employee contribution to health plan	\$50.00	\$0.00
Total	\$370.00	\$0.00
Spendable income	\$1,306.18	\$1,394.27

Employee's spendable income **increases**

\$22.03 each week

\$88.09 each month

\$1,057.08 each year

General Information

Why should I participate in the Flexible Spending Account?

There are some great advantages to using a Flexible Spending Account!

- Reduced taxes - the money contributed to an FSA is not subject to taxes (federal income and FICA taxes and most state and local income taxes).
- Increase your take-home pay – less taxes, more money in your pocket
- The Benefits Card – pay for expenses at point of purchase

A Flexible Spending Account applies to out-of-pocket expenses you cover with your spendable income, but allows you to pay for these expenses with income before you are taxed.

Another advantage to participating in the Plan is the opportunity it offers for you to budget for HealthCare expenses by withholding a small amount from each paycheck. Even those with coverage for medical, dental and vision usually have deductibles, copays and other out-of-pocket expenses to cover.

Enrollment

How do I enroll?

To enroll in either or both the Health and Dependent Care FSA, you simply need to go to the Empliant Link.

Do I have to keep the same election each year?

No. Each year, you will have to re-enroll before the beginning of the Plan Year. At that time, you will have the opportunity to evaluate the need to participate in the Plan as well as budget for all HealthCare and/or dependent care expenses. You may decide to keep the same election, change your election or in some cases waive participation.

Do I have to elect both the Health and Dependent Care FSAs?

No. You may choose to participate in one or both depending on your individual needs.

Health FSAs

What is a HealthCare Flexible Spending Account (FSA)?

You may set aside pre-tax dollars to cover eligible medical expenses that are not covered by any other type of insurance. The account helps you budget for planned expenses such as deductibles, copayments and prescriptions. You may refer to the FSA Worksheet for a list of some eligible and ineligible expenses.

Are insurance premiums an eligible expense?

No, insurance premiums are not reimbursable from a HealthCare FSA. However, you may pay your required premium contributions (for coverage under the employer's health plan) on a pre-tax basis outside of the Health FSA.

If I terminate employment or retire, can I receive the remaining balance in my Health FSA?

No. However, you can continue to submit claims incurred prior to your termination date before the end of the 90 day run-out period (defined in your Summary Plan Description).

Example: Your plan has a 90-day run-out period following termination. Your termination date is September 13. Your physician sees you on September 12, but you do not receive the Explanation of Benefits from your insurance carrier until October 31. You can still submit this expense as it was incurred prior to your termination date, and prior to the end of the 90-day run-out period following your date of termination. Any expense incurred after September 13 is not eligible.

If I terminate employment or retire can I be reimbursed for expenses incurred after my termination date?

No. In order to be considered an eligible expense, the expense must be incurred prior to your termination date. However, you may be able to continue your Health FSA coverage under COBRA.

Dependent Care FSAs

What is a Dependent Care FSA?

You can use pre-tax dollars to cover eligible work-related dependent care expenses for qualified dependents, or if you are married, while you and your spouse work or your spouse attends school full-time.

Who is a qualified dependent under the Dependent Care FSA?

- Dependent under the age of 13
- Dependent or spouse of employee who is mentally or physically disabled and whom the employee claims as a dependent on his or her federal income tax return

Can an adult be a qualified dependent?

Yes, an adult may qualify as a dependent provided that the employee is providing more than half of that individual's support for the year and the dependent lives with the employee.

Do I have to use a day care facility?

No. You can be reimbursed for expenses of an individual providing care for your dependent in your home as long as the expenses are incurred for you and your spouse (if married), to work, look for work or attend school full-time.

Does my day care provider have to be licensed?

No. However, you are required to submit their Tax Identification Number or Social Security Number when filing your federal income tax return.

Does my day care provider have to be 18?

No, but the individual must claim the money as income on their tax return.

My child attends camp during the summer. Is this eligible?

Generally, no; however, if the camp is day camp and your dependent attends to allow you and your spouse (if married), to work, look for work or attend school full-time, then yes this would be an eligible expense. Overnight camps are specifically excluded.

When can I be reimbursed for dependent care expenses?

Expenses are eligible for reimbursement when they have been incurred, not when you are billed or when you pay for the services.

Example: Your day care provider requires you to pay for the month of September on September 1. You can be reimbursed as the services are incurred, not when you paid for the services. You can submit claims after each week, every two weeks or on October 1.

Changing Your Election

What if I discover that I elected too much for the Health and/or Dependent Care FSA, can I change my election?

Generally, your election is irrevocable unless you experience an IRS Change in Status. Your election change must be consistent with the Change in Status event:

- Change in legal marital status (marriage, death of spouse, divorce, legal separation, annulment)
- Change in number of tax dependents (birth, death of dependent, adoption or placement for adoption)
- Change in dependent's eligibility
- Change in employment status of employee, spouse or dependents
- Other changes that may permit an election change under the Dependent Care FSA are:
 - Change of dependent care provider
 - Change of rate charged by unrelated dependent care provider
 - Child attaining age 13

Election changes must be consistent with the event. If you experience a Change in Status, please review your Summary Plan Description, as it will provide you with important information on the deadline for reporting this event.

If I elected too much in my Health FSA but not enough in my Dependent Care FSA, can I move money from one account to the other?

No, Health and Dependent Care FSA elections are separate. You cannot move contributions from one account to another. Also, it is very important to note that the elections you make are for the entire year. Your elections cannot be changed unless you experience an IRS Change in Status as noted above.

What happens if I don't use all the money elected in my FSA?

The IRS has issued guidance that allows a Health FSA to carry over up to \$550 to the next plan year by plan design based on the plan sponsor's decision. You also have a run-out period following the end of the plan year to submit expenses that were incurred during the plan year. It is important to estimate your expenses carefully before making your elections.

You can minimize possible forfeitures by scheduling routine exams, purchasing glasses or contact lenses and scheduling dental appointments, etc., at the end of the plan year to use up your election amounts.

Submitting Claims for Reimbursement

How do I submit a claim for the Health or Dependent Care FSA?

You can file your claim online or via mobile app and upload your receipts. Remember to attach supporting documentation for the claim. You may also use your CDH Health Payment Debit Card. Please remember to always save your receipts/invoices in case we need to substantiate the debit card transaction.

May I submit expenses for my spouse and children for reimbursement through my Health FSA?

Yes, you may be reimbursed for expenses incurred for you, your spouse and any IRS dependents, regardless of where you are insured. It could be that you are not covered through your employer's health plan, but have coverage through your spouse's employer's plan. You may still submit your family out-of-pocket expenses to be reimbursed under the Health FSA.

What supporting documentation must I file with each HealthCare FSA claim?

Each time you submit claims to your health insurance carrier, you will receive an Explanation of Benefits (EOB) detailing what the health plan will pay and what you must pay. For expenses that are partially covered under another insurance plan, you must attach a copy of both EOBs.

For expenses that are not submitted to another insurance plan, you must attach a copy of an itemized billing containing the following information:

- Name of patient
- Name and address of provider
- Description of service
- Date of service
- Amount of service

Following these guidelines will ensure you receive your reimbursement without unnecessary delays.

What supporting documentation must I file with each Dependent Care claim?

The valid receipt must include the following information:

- Name and address of provider
- From/through dates of service
- Amount of charge

How long after the end of the Plan year do I have to submit claims?

Claims must be submitted prior to the end of the 90 day run-out period for the Plan. The 90 day run-out period is defined in your Summary Plan Description.

Will I receive reimbursement that is greater than the current balance of my HealthCare FSA and Dependent Care FSA?

No, you will only receive reimbursement for the amount that has been contributed at the time you submit your claim.

Can I submit claims for Dependent Care expenses that are greater than the current balance of my Dependent Care FSA?

Yes, however, you will only receive reimbursement for the amount that you have contributed to your Dependent Care FSA. For example, if you contribute \$150 each month to your Dependent Care FSA, then you will only receive \$150 in reimbursement each month. The excess amount of expenses will be pended and automatically paid to you as contributions are posted to your account.

What happens if a claim exceeds the amount currently available in my Dependent Care FSA?

The claim will be processed and approved. The amount that is currently available will be disbursed and the remaining portion will be pended until you make another contribution.



How do I know that you received my claim and whether or not it was paid?

Generally, within two business days of submitting a claim, you can view your account to check on the status of the claim at <https://benecon.lh1ondemand.com>.

When can I expect to receive my reimbursement?

Claims are generally processed within two business days of receipt. Reimbursements are then processed and released according to the disbursement schedule and funding option of the employer. Generally, disbursement schedules are daily. This means that reimbursements are processed each day and include any claims that were processed the previous day. The release of your reimbursement depends upon the funding option chosen by the employer.

How do I know what my account balance is?

You can use one of the following methods to check your account balance:

- You can view your account at <https://benecon.lh1ondemand.com>.
- You can view your balance on the mobile app.
- Your account balance will be displayed on the reimbursement check or direct deposit notification each time you submit a claim.

How do I know why my claim was denied?

You will receive a letter indicating the reason for the denial along with instructions for submitting the requested documentation. The letter will also be available in the Message Center within your online portal.

Why may the amount of my reimbursement differ from the amount of my request?

There are reasons that you may see a different reimbursement amount. For example:

1. If the request was for more than the balance of your account.

Annual election	\$1,000.00
Total amount disbursed to date	\$700.00
Available balance	\$300.00
Total amount of request	\$500.00

You will only be reimbursed \$300.00, as this is your available balance.

2. If the request was for a dependent care claim, you may only be reimbursed for the total amount that you have contributed.

Annual election	\$5,000.00
Total amount contributed	\$3,000.00
Total amount of request	\$4,250.00

You will only be reimbursed \$3,000.00, as this is the amount that you have contributed to the account. The entire request of \$4,250.00, will be processed and the remaining \$1,250.00 will be disbursed as contributions are made.