



FSA

Welcome to your
Flexible Spending
Account



Let's Get Started

WHAT IS A FLEXIBLE SPENDING ACCOUNT?

Flexible Spending Accounts (FSAs) are among the most popular employee benefit options because they allow you to save money by paying for certain out-of-pocket medical costs such as dependent care expenses 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 could be 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 & OTC
Medicines



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 listed on the right.



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.

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.

- 1 **STEP 1:** Determine your annual expenses using our worksheet on page 9 of this booklet. For examples of eligible medical expenses, see section "Qualified Medical Expenses" on page 10 and 11 of this booklet.
- 2 **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 855-892-6272 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.

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.

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
- Change in Work Status Affecting 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 **\$610** 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 FSA or Dependent Care 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 a rollover or grace period provision, then any unused funds after the run-out period exceeding the rollover provision limit of **\$610** in the Health FSA or beyond the grace period will be forfeited.

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 **primepay.com/login** and select Benefit Portal under Employee Access.

- 1 Select 'Get Started' under the New User icon. Enter the required personal information to begin the registration process.
- 2 Create your Username and Password
- 3 Answer selected security questions
- 4 Update your profile preferences such as your payment method, beneficiaries, dependents, and much more.

ONCE LOGGED IN

Once you are logged into the system you can take the following actions, plus much more:

- 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)

Accessing your account through our Mobile App

FIND THE “PRIMEPAY BENEFIT SERVICES APP” IN YOUR APP STORE

ACCESSING YOUR ACCOUNT THROUGH OUR MOBILE APP

Our PrimePay Benefit Services Mobile App provides a single access point to manage your account from your phone or tablet. Via the PrimePay 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.

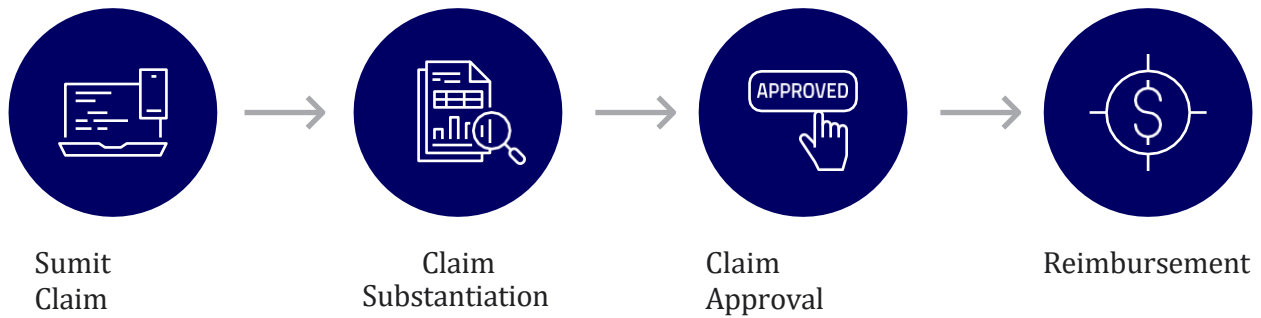
PAYING WITH YOUR PRIMEPAY FLEX CARD

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.

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.

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 be deposited to your bank account approximately 2 business days after your claim is approved. If you are not set up for direct deposit, a paper check will be issued and will usually arrive in about 7-10 days. Reimbursements by check will incur a \$5.00 fee. Direct Deposit reimbursements will incur no additional charge.

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 **855-892-6272**.

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.

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. You can review the full user guide [here](#).

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 event, 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 \$610 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 and Dependent Care 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, 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 **855-892-6272**.

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: OTC medicines are now eligible for reimbursement without a prescription. Common OTC medicines such as Tylenol and Claritin may be purchased with FSA dollars. Menstrual care products are also now eligible for reimbursement.

Q: WHERE CAN I FIND A COMPLETE LIST OF ELIGIBLE FSA EXPENSES?

A: You can find a comprehensive list of qualified medical FSA expenses [here](#).

Q: HOW LONG WILL IT TAKE MY CLAIM TO BE PROCESSED AND REIMBURSED?

A: In general, all claims are processed in 7-10 days. Claim checks and direct deposits are processed daily.

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, the patient's name, 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.



COMMON MEDICAL EXPENSES

Coinsurance Insurance & Deductibles	\$
Prescription Copays	\$
OTC Medicines	\$
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	\$



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	\$



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	\$

Subtotal Medical Expenses	\$
Subtotal Dependent Care Expenses	\$

Total Estimated Expenses	\$
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Estimated Tax Savings (assume 25%)**	\$
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*If applicable to Plan. **Approximate tax savings. Actual tax savings depends on individual tax bracket.



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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
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
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 (unless related to diagnosed medical condition)
Infertility treatment (for employee, spouse or dependent)
Insulin, testing materials and supplies

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L

Laboratory fees
Lamaze classes (to extent class relates to birth)
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
Menstrual/Feminine Products
Midwife
Mileage (for medical care)
Monitors & test kits (over-the-counter)
Motion & nausea

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
OTC Medicines
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
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: _____

Medical FSA Maximum: _____

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

MOBILE APP FOR IPHONE & ANDROID USERS

Our 'PrimePay Benefit Services' Mobile App provides a single access point to manage your account from your phone or tablet. Via the 'PrimePay Benefit Services' 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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