



FLEXFACTS
a company of grant benefit solutions

Flexible Spending Account Plan
Enrollment Materials – 2016

It is time to enroll in your company's flexible spending account plan.
Please fill out the enclosed enrollment form and return it to your employer.

This Plan Administered by Flex Facts
Phone: (877)94-FACTS(32287) Fax: (877)747-8564
Email: support@flexfacts.com Website: www.flexfacts.com

What is a flexible spending account plan?

Authorized through Section 125 of the IRS code, pretax dollars are used to pay for eligible health premiums, certain medical/health care expenses and dependent day care costs. The plan allows you to avoid taxation on a portion of your income. You save taxes on every dollar you deposit.

How does it work?

You elect to deposit a portion of your salary pretax into a flexible spending account. This account is used to reimburse you for eligible expenses. You determine how much money you will spend on an annual basis for eligible expenses and elect to take a monthly salary reduction for those expenses. The funds are placed into a special account that you may withdraw when eligible claims are submitted and processed. The reimbursement is completely tax free for the covered expenses.

What can I enroll for?

Health Care/Flexible Spending Account Expenses

- Most out-of-pocket medical, dental and vision expenses

Health care expenses include amounts paid for the diagnosis, treatment or prevention of disease, and for treatments affecting any part or function of the body for you and your eligible dependents. The expenses must be to alleviate or prevent a physical defect or illness. Expenses solely for cosmetic reasons generally are not reimbursable expenses under the flexible spending account plan. (IRS Code 105 & 213 Medical Expenses) If you have a question on a specific expense, please call FLEX FACTS.

You will elect an amount for the entire year. This amount will be equally divided by your number of payrolls per year.

Dependent Day Care Account

- Day care expenses for your tax dependent under the age of 13
- Adult, elder or child day care expenses for your tax dependent who is mentally or physically handicapped.

Dependent day care expenses include expenses incurred for the care of a dependent so that you and your spouse can work, look for work or be a fulltime student. School tuition may not be reimbursed.

You will elect an annual amount which will be equally divided by your number of payrolls per year. The dependent care account does not pay out more than has been withheld YTD, therefore you can only be reimbursed the amount you have paid in. Submit claims for daycare expenses after the dates of service have been incurred.

How much should I enroll for?

Every household is unique. You don't want to put away too much or too little. Fill out the worksheet to determine what to enroll for annually. You will need to claim all your funds by the end of the plan year's run out period.

If you have any questions please call Flex Facts.

Flex Facts

1200 River Avenue, Suite 5C, Lakewood, NJ 08701
 (877)94-FACTS (32287) Fax: (877)747-8564
 email: support@flexfacts.com
 Visit us on the web at www.flexfacts.com

Health Care Expense Worksheet

Medical

Insurance Deductibles \$ _____
 Co-Pays \$ _____
 Routine Exams \$ _____
 Prescriptions \$ _____
 Medical Equipment \$ _____
 Chiropractor Visits \$ _____
 Physical Therapy \$ _____
 Other \$ _____

Total Annual Medical Expenses \$ _____

Vision

Insurance Deductibles/ Co-Pays \$ _____
 Eye Exams \$ _____
 Glasses \$ _____
 Prescription Sun Glasses \$ _____
 Contacts \$ _____
 Contact Lens solutions \$ _____

Total Annual Vision Expenses \$ _____

Dental

Insurance Deductibles/Co-pays \$ _____
 Cleanings \$ _____
 X-Rays \$ _____
 Fillings \$ _____
 Crowns \$ _____
 Other \$ _____

Total Annual Dental Expenses \$ _____

Orthodontics

Orthodontia \$ _____
 Retainers \$ _____

Total Annual Orthodontia Expenses \$ _____

Total of all Health Care Expenses \$ _____

What types of over-the-counter products are eligible?

Effective January 1st, 2011, OTC items such as cough medicines, pain relievers, acid controllers and diaper rash ointment will not be reimbursed under a health FSA, HRA or HSA unless accompanied by a doctor's prescription. If the doctor's prescription is written as a refillable prescription then it only needs to be submitted with the initial claim. Flex Facts will maintain a copy of the prescription on file, however with each new plan year a new prescription will be required. Insulin and some other OTC items, such as band-aids, will continue to be eligible for reimbursement without a prescription. Personal use, cosmetic and general care items are not eligible. If you have any questions as to what kinds of expenses are eligible, please call our office.

Are dietary supplements eligible for reimbursement?

Dietary supplements, nutritional supplements, vitamins and herbal supplements will **not** be eligible for reimbursement if taken for general health. If recommended by a medical practitioner to treat a specific medical condition, they **may be** eligible for reimbursement. Contact your plan administrator for further information.

How much money may I deposit each year?

You may deduct a total of \$5,000 in the Dependent Day Care Account (\$2,500, if married filing taxes separately). Health care reimbursement expenses (FSA) will be limited to an annual maximum chosen by your employer. *For plan years beginning on or after January 1, 2015, the employee's annual maximum contribution to a health care reimbursement account (FSA) cannot exceed \$2,550.* Any funds left in your accounts at the end of the year that you are unable to use, will revert to the company and you will lose them. **Only deduct what you know you can use.**

Can I participate in the pretax Dependent Day Care Account and still receive a tax credit for my dependent care?

You cannot participate in the plan and receive a tax credit for the same dependent care expenses. Also, the maximum amount of expenses that may be taken into account to determine your available federal tax credit will be reduced, dollar for dollar, by the amount of your reimbursement under the plan. (For example: You shelter \$1,800 under the Flexible spending account plan. At the end of the year, your dependent day care expenses are \$2,000. You may claim the additional \$200 on your federal tax form.)

How are taxes handled?

Again, there are no taxes payable for the amounts deducted pretax. The reimbursement is handled as a fringe benefit provided by your employer. Dollars designated to a pretax account are deducted from your paycheck prior to the computation of taxes. Please be aware that the lower income figure is reported to Social Security and could result in a slightly lower retirement benefit for you.

How do I get my reimbursement?

Send a completed claim form along with documentation to Flex Facts and they will prepare a distribution for you. If you have a benefits card, use it at the point of sale to pay for your health care expenses, eliminating the need for a claim form. Card transactions or claims submitted for reimbursement must be for services incurred in the plan year. The IRS requires the date of service, not the date of your payment to the provider, to be in the plan year. Claims submitted representing expenses from the prior plan year will be denied.

When you use your benefits card or submit a claim for reimbursement, keep all original receipts or invoices in your files for income tax purposes or in the case that your transaction is audited and you need to send us a copy. The copies should be clean and clear so they can be read in this office. Please make sure the receipts show date(s) of service, type of service, and the amount charged for the service. We are unable to accept credit card charge slips as proof of service. We cannot reimburse finance fees or late charges.

What happens if I don't spend all the money in my account?

You must incur expenses for all the money in your pretax accounts for services received (incurred) during the plan year or forfeit your money remaining in the account to your employer. This is the IRS "Use or Lose Rule." You will have a set number of days after the end of your plan year to submit claims for your funds. You can only claim expenses incurred during your plan year. If your employment terminates before the end of the plan year, your plan year will also terminate unless you are eligible for, and elect, COBRA coverage. Some plans incorporate a 2.5 month grace period added to the end of the plan year to incur claims. If your plan offers this you will have your plan year including grace period to incur claims.

Can I switch dollars between accounts?

No. The dollars must be used in each account as you specified on your enrollment form.

Can I change the amount I deposit?

You may change the amount you deposit once a year during the annual open enrollment period. You may only change your amounts during the plan year if you experience an IRS-defined Qualified Family Status Change. IRS Qualified Family Status Changes include: marriage, divorce, death of a spouse or child, birth or adoption of a child, change in job status from full-time to part-time or part-time to full-time by the employee or the employee's spouse, termination or commencement of employment of a spouse, the taking of an unpaid leave of absence by the employee or the employee's spouse, a significant change in hours of work of the employee or the employee's spouse, a return from FMLA leave, and the issuance of a Qualified Medical Child Support Order. Any changes to your pretax account must be consistent with the family status change event. (For example, if you go from full-time to part-time or part-time to full-time employment, you may reduce or increase your dependent day care deduction.)

What if I have questions?

You may call our office during normal business hours and speak to a customer service representative. You may email us any time and we will get a response back to you within one business day.

Flex Facts

Phone: (877)94-FACTS (32287) Fax: (877)747-8564
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Please return this form to your human resources representative.

Flexible Spending Account Enrollment Form

Personal Information

Employer: _____

Full Name: _____
Last *First* *M.I.*

Address: _____
Street Address *Apartment/Unit #*

_____ *City* *State* *ZIP Code*

Phone: () _____ Alternate Phone: () _____

E-mail Address: _____

Social Security Number: _____

Birth Date: _____ Effective Date: _____

Signature: _____

Date: _____ Plan Year Start: _____

Benefit Election

Date of First Deduction: _____ Number of Remaining Pays _____

Medical FSA Annual Election: _____ Per Pay: _____

Dependent Care Annual Election: _____ Per Pay: _____

Parking Monthly Contribution: _____ Per Pay: _____

Transit Monthly Contribution: _____ Per Pay: _____

Direct Deposit Information (Optional)

Bank Name: _____

Routing Number: _____

Account Number _____

Type of Account (Checking or Savings): _____

Signature: _____

- By signing this form I agree that my cash compensation will be redirected by the amounts set forth above.
- If you do not return this form to your employer by your effective date you will not be able to participate in the plan until the following plan year.
- You must sign a new election form each year at open enrollment, your accounts will not automatically renew.
- You cannot change this election during the plan year unless you have an eligible change in status.
- This agreement is subject to the terms of the company's Flexible Benefits Plan.
- By completing the Direct Deposit Section and signing I authorize Flex Facts to initiate credits to my bank account indicated above.



Please send this form along with all applicable receipts to:

1200 River Ave, Suite 5C, Lakewood, NJ 08701

Fax: 877-747-8564 E-Mail: Claims@flexfacts.com

Spending Account Claim Form

Personal Information

Full Name: _____
Last *First* *M.I.*

Employer: _____

Last Four Digits of Your Social Security Number _____

Phone: () _____ E-mail: _____

If your address has changed please list the new address below.

New Address: _____

City, State, Zip _____

Claim Information

Please enter in Medical FSA, Dependent Care FSA, HRA, Transit or Parking as the "Type of Expense" below.

Type of Expense: _____ Amount: _____

Dependent Care or Transit Certification

Please complete the following information if you are not able to get a receipt from your transit or daycare provider.

Provider Name *Service Start Date* *Service End Date*

Dependent Care Only: _____
Provider Tax ID # *Provider Signature*

Employee Signature: _____

Date: _____

- By signing this form I agree to have my account reduced by the amount requested.
- This claim for reimbursement is only for expenses incurred by eligible plan participants during the plan year.
- These expenses have not been reimbursed nor will I seek reimbursement for these expenses from any other source.
- If additional information is required you will receive a denial letter letting you know what additional information is needed.
- Claims incurred during a grace period will be paid out of the prior year first.
- Orthodontia expenses are paid based on the employer's interpretation of the regulations. Please contact your employer to see if advance payments for orthodontia expenses are allowed.