

# Flexible Spending Arrangements

Enrollment Information

**Save 25-40% on your eligible expenses!**

*Save money on your common medical and day care expenses and  
put more money in your pocket!!!*

## **SAVE MONEY ON:**

- \* Copays
- \* Prescriptions
- \* Day Care
- \* Over-the-counter Drugs
- \* Glasses
- \* Contacts
- \* Dental Work
- \* Physical Therapy
- \* Chiropractic
- \* Orthodontia

## CONTACT US

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# YOUR BENEFITS

A Flexible Spending Arrangement (FSA) program enables you to set aside money on a pre-tax basis to pay for health and day care costs. An FSA is the only benefit that actually saves you money on the cost of health and day care expenses.

## CHOICES, CHOICES, CHOICES

There are three (3) components to an FSA program and each has its own rules.

Deductions for your company-sponsored benefits are taken pre-tax from your paycheck and then paid to the insurance carrier through the **Premium Conversion** portion of the plan.

The **Health Care FSA** reimburses out-of-pocket health care expenses for you and your dependents.

The **Day Care FSA** reimburses day care expenses for your child. The Day Care FSA can also be used for elder day care expense, but there are some extra considerations you will need to take.

## HOW DOES IT WORK?

Estimate your expenses for the **Plan Year** and enroll in an FSA for that amount. The money is deducted pre-tax from each paycheck and held by your employer. Claims for expenses are submitted to the Flex-Plan and the reimbursement is issued to you accordingly.

Here are some things to keep in mind:

- The money deducted from your paycheck will be pre-tax, so you don't pay FICA (7.65%), Federal Income Tax (10-35%) or any state income tax.
- Anybody claimed as a dependent on your federal tax return is eligible for this benefit.
- You can enroll in more than one FSA arrangement, but the money in one cannot be transferred to another.
- Your benefit operates on a plan year basis. The plan year will be indicated on the enrollment form. The claimed expenses must have dates of service that fall within the plan year and grace period.

## SOME BASICS ABOUT ENROLLMENT

**Open Enrollment** is the time period before the start of each plan year to enroll in these benefits. Once open enrollment is over you cannot enroll or change your election. Here are some important things to keep in mind when enrolling.

1. Your election amount will be deducted evenly out of each paycheck during the plan year.
2. Once enrolled, we will send you a confirmation letter with general plan information, instructions, and a claim form.
3. You cannot change your election after the plan year starts unless you experience a **Qualifying Event**. Common qualifying events include birth, death, adoption, marriage or divorce.
4. Some plans have a **Grace Period** in which a participant can continue to incur claims. This **Grace Period** extends 2 ½ months after the end of the plan year. Contact your Human Resources department to find out if your plan has this feature.
5. The **Claims Run-Out Period** allows you to submit claims that were incurred during the plan year or grace period. The plan will be closed at the end of the run-out period and no further claims will be processed.
6. Money left in the plan at the end of the run-out period cannot be refunded to you; this is referred to as the **Use-it or Lose-it** rule.

## REIMBURSEMENTS

Receiving a reimbursement is simple; all you need is a claim form and proper documentation. The documentation needs to show the date of service(s), cost, and the type(s) of expense you are claiming. The date of service for your expense must be within the current plan year.

Let's take a look at how you get reimbursed:

1. Complete and sign a claim form and attach your documentation showing the date, type, and cost of service (bills from your providers or statements from your insurance company are perfect forms of documentation). Do not submit copies of cancelled checks, credit or debit card receipts.
2. Fax, email, or mail the claim to Flex-Plan.
  - a. Fax – (425) 451-7002 or toll free (866) 535-9227
  - b. Email – [claims@flex-plan.com](mailto:claims@flex-plan.com)
  - c. Mail – Flex-Plan Services, PO Box 70366, Bellevue WA 98007
3. Your claim will be processed within a few days and a reimbursement will be issued according to your employer's reimbursement schedule. Specific information regarding your reimbursement schedule and method will be sent with the enrollment confirmation.

## ONLINE ACCOUNT ACCESS

View account balance and other account information through our Website [www.flex-plan.com](http://www.flex-plan.com). Select any of the links labeled 'Participant' which will direct you to the participant information page. From here you can access your account by selecting 'Manage My Account'. If you are new to the Website you will be required to register.

To register for online account access you will be requested to provide the following information:

- Last Name, First Initial
- E-mail Address (*E-mail addresses are required to access your account online, if you have not provided an e-mail address to Flex-Plan you must do so in writing prior to registering for account access.*)
- 3 Letter Company Code (specific to each employer)
- Choose a User Name
- Date of Birth

Do not forget to review and accept the 'Terms and Conditions'. Shortly after registering for online access you will receive an e-mail confirmation with a temporary password. You can then change your password to something that is easy to remember.

# HEALTH CARE FSA

## WHAT CAN I USE IT FOR?

The Health Care FSA reimburses out-of-pocket medical expenses. Common eligible expenses are prescriptions, office visit copays, over-the-counter (OTC) drugs, glasses, contacts, dental work, orthodontia, and expenses applied to your plan deductibles. Expenses that improve your general well-being or are cosmetic in nature or are not medically necessary are not eligible. A more detailed list of eligible and noneligible expenses is included in this packet.

## PRE-FUNDED

The Health Care FSA is **Pre-funded**. This feature gives you full access to your annual election amount at any time during the plan year—regardless of how much you have contributed. Think of the Health Care FSA as a tax-free, interest-free loan to help you pay for those larger medical expenses.

## TERMINATION

If you cease employment during the plan year and your account is underspent, you have some options. Here are the choices:

1. **STOP** – Your final paycheck will have the normal deduction and the account will be closed. We will record a termination date and you will be reimbursed for services incurred before the termination date.
2. **ACCELERATE** – You can authorize your employer to take the remaining deductions from your final paycheck. This deduction will be pre-tax and you can participate in the plan through the end of the plan year.
3. **COBRA** – Under certain circumstances, you may be eligible to continue participation on an after-tax basis through COBRA. To maintain eligibility you must make the monthly payments to your employer.

Any unclaimed funds will be forfeited back to your Employer and unavailable to you.

## DOCUMENTATION

When you submit a claim, make sure that your documentation includes the following information:

- Dates of Service
- Cost of Service
- Type of Expense

Except for reimbursement of orthodontia expenses proof of payment is not necessary.

## OVER-THE-COUNTER DRUGS

Visit our website for a list of what types of drugs are allowed.

[WWW.FLEX-PLAN.COM](http://WWW.FLEX-PLAN.COM)

## ORTHODONTIA

Orthodontia expenses will be reimbursed as payments are made. If you prepay the entire amount to get a discount, you will be reimbursed the full amount.

## STOCKPILING

IRS regulations prohibit you from purchasing an unusually large amount of a particular over-the-counter drug. It would be reasonable if you purchased two or three bottles of the same item, but anything over 3 items would be considered stockpiling and will not be reimbursed.

# WHAT'S COVERED?

A Health Care FSA can cover a wide variety of expenses. We've assembled a brief list of common expenses that are eligible for reimbursement, not all eligible items are on this list. Some expenses may be eligible if you meet certain criteria. For a more complete list, please visit our website at [www.flex-plan.com](http://www.flex-plan.com).

## ELIGIBLE HEALTH CARE EXPENSE

Ace bandages	Contact lens solution	Lab work	Prenatal vitamins
Acupuncture	Cortaid	Lactose intolerance pills	Preparation H
Actifed	Cough medicine	Lamisil	Prescription drugs
Allergy medication	Crowns	LASIK	Primatine Mist
Ambulance fees	Crutches	Lotrimin	Prilosec
Advil	Dayquil	Laxatives	Psychotherapy
Aleve	Deductibles	Little Colds	Reading glasses
Alka Seltzer	Desenex	Little Noses	Riopan Plus
Antacids	Desitin	Maalox	Robitussin
Anacin	Dimetapp	Marazine	Roloids
Anti-diarrhea medicine	Diabetic supplies	Micatin	Root canals
Bactine	Diaper rash ointments	Midol	Rubbing alcohol
Balmox	Doctor visits	Midwives	Saline solution
Bayer	Dulcolax	Mentholatum	Simply Cough
Bandage tape	Dramamine	Milk-o-Magnesia	Sinus medication
Band-Aids	Drixoral	Monistat	Sudafed
Ben Gay	Excedrin	Mylanta	Surgery
Benadryl	Ex-Lax	Motrin	Syrup of Ipecac
Bufferin	Eye drops	Naturopathic Dr. Visits	Sterilization procedures
Burn creams	Eye exams	Neosporin	Sunscreen
Blood pressure monitor	Fillings	Nicoderm	Tagamet
CPAP Machine	First Aid creams	Nicorette	Thera-Flu
Calamine	First Aid kits	Nicotrol	Thermometers
Caladryl	First Aid supplies	Nicotine gum/patch	Tiger Balm
Chiropractic	Flexall	Nyquil	Tinactin
Chlor-Trimitron	Gauze	Orthodontia	Triaminic
Chloraseptic	Gaviscon	Orajel	Tums
Claritin	Gas-X	Pamprin	Tylenol
Copays	Glasses	Pain relievers	Vaccinations
Cold medicine	Gyne-Lotrimin	PediaCare	Vagisil
Compound W	Hearing aids	Pepcid AC	Visine
Condoms	Hemorrhoid medication	Pepto-Bismal	Vicks
Contac	Hydrocortisone	Physical exams	X-Rays
Contraceptive foams	Immodium AD	Physical therapy	Zantac
Contacts	Kaopectate	Pregnancy tests	

## INELIGIBLE HEALTH CARE EXPENSE

These expenses are not reimbursable through a Health Care FSA.

Airborne	Family counseling	Insurance premiums	Shoe Insoles
Birthing coach	Gender Reassignment	Marriage counseling	Sonicare products
Breast pumps	Health club dues	Marijuana	Special shoes
Cosmetic surgery	Humidifiers	Shampoo	Toiletries
Dental bleaching	Hygiene products	Naturopathic medicines	Weight loss meals/bars/shakes
Dental Veneers	Hypoallergenic linens	Neck support pillows	
Electrolysis	Hypoallergenic pillows	Rogaine	

PLEASE SEE REVERSE FOR IMPORTANT INFORMATION REGARDING THE ELIGIBILITY OF CERTAIN ITEMS AND SERVICES

## DOCUMENTATION REQUIRED

Certain medical expenses are not reimbursable under a Health Care Flexible Spending Arrangement unless a licensed health care professional states that the service or product is medically necessary. Flex-Plan will need a Letter of Medical Necessity (LMN) for these items to be reimbursable. Contact Flex-Plan for a template Letter of Medical Necessity.

Acne treatment	Custom Orthotics	Massage therapy**	Vitamins*
Adult diapers	Herbs	Specialty foods	
Air purifiers	Hormone therapy	Supplements*	

## SPECIAL INFORMATION

### \*VITAMINS AND SUPPLEMENTS

Vitamins and supplements are **RARELY** allowed. The participant must be diagnosed with a specific medical condition and the prescribed vitamin must be medically necessary to treat the condition. For example, calcium supplements would not be eligible unless you were diagnosed with osteoporosis and you submitted a claim with the completed Letter of Medical Necessity.

### \*\*MASSAGE THERAPY

Massage therapy can be used to improve your “general health” or it can “treat” a specific medical condition. Massage therapy would be reimbursable with a Letter of Medical Necessity if your doctor diagnoses you with a specific medical condition such as fibromyalgia or rheumatoid arthritis.

Remember, it will be your responsibility to find out if a service is eligible before you sign up for the benefit.

# DAY CARE FSA

Day Care is one of the single largest expenses for a family with children. A Day Care FSA can be used to pay for your qualified day care expenses with pre-tax dollars. The day care provider can be a licensed day care facility or an individual.

## THE RULES

There are some rules to consider before enrolling in a Day Care FSA.

1. The day care expense must enable you and your spouse to work, actively look for work, or be a full-time student.
2. Your dependent must live with you and must be 12 years old or younger. A dependent age 13 or older can be eligible if the dependent cannot physically or mentally care for him/her self.
3. The day care provider cannot be a dependent on your tax return or your child under the age of 19.
4. A Day Care FSA works like a bank account. The reimbursement cannot exceed the account balance.
5. Some types of expenses are **not** eligible. These include tuition for school at the kindergarten level or above, overnight camp, nursing home expenses, meals, activity/supply fees and transportation costs. Montessori tuition is not allowable, however charges from a Montessori school for preschool and before and after school care are allowable.

## PLAN LIMITS

The Day Care FSA limit is set by the IRS and is a calendar year limit of \$5000 per household. If your plan year is not on a calendar year, take extra care in calculating your annual election.

## CHANGES

You can make a change to your annual limit if you experience a qualifying event. The election change must be consistent with the qualifying event. In addition to the normal list of qualifying events, there are some special events exclusive to the Day Care FSA.

1. A change in your day care costs, such as a rate decrease or receiving free day care.
2. A change in your need for day care (your spouse loses employment or has a change in work schedule).
3. Your dependent ceases to satisfy the eligibility requirements.

## PLAN AHEAD

Estimate your day care expense for the entire plan year and take into consideration any school holidays, breaks and summer vacation. Your election will be taken out evenly from each paycheck.

## DOCUMENTATION

When you submit a claim, make sure that your documentation includes the following information.

- Dates/Period of service
- Cost of Service
- Provider's name
- Provider's SSN or Tax ID
- No receipt? - Have your provider sign, clearly, on the claim form, verifying that the written information is accurate.

## TERMINATION

If you terminate employment during the plan year, your benefit will cease. However, you can still access the funds in your account through the end of the plan year (even if the dates of service are after your termination date).

## FSA OR CHILDCARE TAX CREDIT?

Wondering if a Day Care FSA is better for you than the childcare tax credit?

Visit our site at [www.flex-plan.com](http://www.flex-plan.com) and click the link "Tax savings calculator" to use an interactive tax calculator. Password: purple81

NOTE: Whether you choose to participate in the Day Care FSA or take the childcare tax credit, you must file form 2441 with your taxes.