

Important to Remember...

- All monies left in the account at the end of the plan year's run out will be forfeited to your employer.
- Monies from the healthcare spending account may not be applied to the dependent care account and vice versa.
- Direct deposits are initiated on Friday and could take up to 4 business days to post to your designated account.
- Eligibility does not depend on enrollment in your company's health plan.
- Employees utilizing the dependent care account must still submit Form 2441 with their federal tax return.
- If your spouse is enrolled in school or earns less than \$6000 a year, please consult a FlexAmerica representative before you make a dependent care election.
- Each year you must re-enroll during your employer's Open Enrollment period to continue participating in the plan.
- You may not change your FSA election during the plan year unless you have a change in status event. The status change must be submitted to your HR department within 30 days of the event and the change in election must be consistent with the change of status. Please visit www.flexamerica.com for examples of change in status events.
- For further information, please refer to your Summary Plan Description (SPD) which is available online when you log into your participant account.
- IRS guidelines stipulate that employees enrolled in a health savings account (HSA) may only be reimbursed from their healthcare spending account for dental & vision expenses and must use their HSA for medical, RX and OTC items.

If your employer has elected the grace period extension, please note the following:

- If you overestimated your FSA expenses and have a remaining balance in your account, you may submit claims that were incurred up to 75 days after the end of your plan year.
- To take advantage of the grace period benefit, you must indicate which plan year the expense should be charged to and submit a claim form with the appropriate documentation to FlexAmerica for reimbursement.

How to Speed Up Your Claim Reimbursement

- File claims online using eClaim entry.
- If you mail claims, photocopies are preferred; please don't send original receipts. Keep these for your records.
- Faxing your documents expedites claim processing.
- Complete all fields of the claim form accurately and legibly.
- Daycare claims can only be reimbursed for services that have been rendered.
- Don't send cancelled checks or credit card receipts. We are unable to accept them.
- Don't send receipts with a balance forward. FlexAmerica requires the claim incurred date and the services that were rendered.
- Prescription receipts must include RX#, patient name & pharmacy name.
- Detailed cash register receipts can be accepted for OTC medicines.
- Please provide your e-mail address on your claim form so we may contact you if we have any questions.

FlexAmerica

In DC, MD and VA call 301.530.9400 or Toll Free 800.567.0043

E-mail: support@flexamerica.com

Fax: 301.564.5191 — 888.728.3250

www.flexamerica.com

How to Save Money Without Spending a Dime!

New for 2007
Online
Claim Entry

Join FlexAmerica's flexible spending accounts offered through your employer.

Enroll now if you & your family members are spending money on:

- eyeglasses • contact lenses and supplies • daycare
- physician services • prescription co-pays • insurance deductibles
- dental services • orthodontia • OTC medicines

The Difference is Clear!

	With FSA	Without FSA
Income Before Taxes	\$40,000	\$40,000
Pre-Tax Expenses (FSA election)	-\$1,200	-\$0
Taxable Income	\$38,800	\$40,000
Taxes (30.65%)	-\$11,892	-\$12,260
After Tax Expenses (Medical Expenses)	-\$0	-\$1,200
Take Home Pay	\$26,908	\$26,540
The Difference Is Clear!	+\$368	-\$368

Online Services at www.flexamerica.com Participant Service Center

- Account balance, claims details
- Online claim entry
- Download claim forms
- Lists of eligible expenses
- Sign up for email updates

Your FlexAmerica account is available 24 hours a day.

FlexAmerica

Types of Flexible Spending Accounts & How They Work

This plan is a great way for you and your family to save money by reducing your taxable income. By enrolling in one or both of these accounts, you can pay for eligible, out-of-pocket health or dependent care expenses with pre-tax dollars. The following is a brief description of the accounts available through your employer.

1. Each year during your employer's Open Enrollment period, determine how much money you wish to contribute based on your estimates of health and/or dependent care expenses for the upcoming plan year.
2. Each pay period, money will be deducted on a pre-tax basis in equal increments and contributed to your health and/or dependent care spending accounts.
3. When you have eligible expenses to be reimbursed, complete the claim form and fax or mail it with appropriate receipts to FlexAmerica.
4. Claims received by Tuesday, 11:59 pm EST are processed and reimbursed by Thursday.
5. You will be reimbursed for eligible expenses up to the maximum you elected for the healthcare spending account for the plan year. You will only be reimbursed up to your cash balance for the dependent care account.
6. Log on to your personal account at www.flexamerica.com for further information.

Dependent Care Spending Account

This account will reimburse you with pre-tax dollars for daycare expenses for your child(ren) and other qualifying dependents so you (and your spouse) may work or go to school. You can contribute up to \$5,000 a year or \$2,500 if you are married and file separate tax returns.

Eligible Dependents* Include:

- Children under age 13 who qualify as dependents on your federal tax return
- Dependents of any age who are physically or mentally unable to care for themselves and who qualify as dependents on your federal tax return

*If you have joint custody of child(ren), please consult FlexAmerica before making your dependent care election.

You may use both the dependent care spending account (\$5000 max) and federal child care tax credit (\$3000/\$6000 max); however, your federal credit will be offset by any amount deferred into the company's dependent care plan. For example, if you have 2 or more children and elect the maximum of \$5000 for the dependent care FSA, you will still have \$1000 left of the \$6000 federal credit.

Eligible Dependent Care Expenses:

- Daycare
- Before & after school programs
- Nursery school or preschool
- Summer day camp
- Adult daycare
- Care in a home or by a licensed provider (income must be claimed by your care provider)
- Transportation furnished by care provider (to camp or after school program)

Ineligible Dependent Care Expenses:

- Child support payment
- Food, clothing, and entertainment
- Educational supplies
- Activity or registration fees
- Private school tuition for dependents in kindergarten or higher grades
- Overnight camps

Please note that eligible dependent care expenses are those that are incurred so that you (and/or your spouse) can work or go to school.

Healthcare Spending Account

This account will reimburse you with pre-tax dollars for healthcare expenses not reimbursed under your family's healthcare plan(s). The maximum amount you may contribute to this account for the plan year will be provided by your employer. The healthcare spending account can help you cover a variety of expenses that may not be reimbursed in full by other plans.

Eligible Expenses:

The following is a partial list of items that the IRS constitutes as eligible medical expenses for Flexible Spending Accounts. **In general, expenses incurred to treat a medical condition or to alleviate pain are eligible.**

- Prescription drug co-pays
- Over-the-counter medicines including pain relievers, allergy & cold medicines, antacids, bandaids, etc. (see Participant Service Center for full list)
- Office visit co-pays
- Deductibles & coinsurance
- Dental expenses & orthodontia (including implants)
- Eye exams & prescription eyewear (lenses, frames & contacts)
- Contact solutions
- Laser eye surgery
- Chiropractic services
- Body scans
- Weight loss for obesity with a Drs. note (see IRS Pub. 502 for details)
- Installation of special medical equipment and other home improvements to relieve a medical condition
- Infertility services (see IRS Pub. 502 for details)
- Durable medical equipment
- Diabetic supplies including test strips, syringes, monitors, etc.
- Telephone-teletype costs & television adapter costs for closed caption service for the deaf
- Costs for medical care of elderly person (if claimed as a dependent on tax return)
- Orthopedic shoes/braces
- Hearing aids & batteries
- Medical donor's expenses
- Tutoring costs for child suffering from dyslexia or other learning disabilities (with Drs. note)
- Speech therapy (with Drs. note)
- Special school costs for physically and mentally handicapped children

Ineligible Expenses:

- Health clubs, spas, non-prescription weight loss programs
- Dietary supplements
- Vitamins (for general health)
- Expenses for which you receive benefits from another health plan
- Cosmetic surgery (unless medically necessary)
- Hair transplants
- Teeth whitening
- Insurance premiums sponsored through your employer or another employer
- Stock piling of OTC