

## A. Your Flexible Spending Plan

A Flexible Spending plan is a program that helps employees pay for certain expenses, including eligible medical services and child care, with pre-tax dollars. You will be reimbursed for qualifying expenses by using your Flex debit card or by filing a claim with an attached copy of a detailed receipt. Excess money **does not** roll over at the end of the year and participants cannot reimburse expenses incurred after the health FSA participations ends. Please read the information under the topics below to learn how to get the most out of your plan.

### Eligible and Ineligible Expenses

Money set aside in this account may be used to pay for medical expenses not paid for by insurance such as deductibles, co-payments and coinsurance amounts. Employees may also use the money to pay expenses not paid by insurance such as vision and dental services. For a list of eligible and ineligible expenses, visit our website at [www.ebs-tpa.com](http://www.ebs-tpa.com). Please select the 'Employee / Member Forms' link, then choose the 'Flex Eligible Reimbursable Expenses' link.

### Filing a Flexible Spending Account Claim

Claims for all unreimbursed medical, dental, vision and dependent child care expenses can be sent directly to EBS by mail, fax, or e-mail. These expenses include deductibles, co-pays, and eligible over-the-counter items. Complete and sign the Request for Reimbursement form, list your expenses clearly, and attach your documentation for verification. You may submit your claim to the address provided on the Request for Reimbursement form.

EBS claim forms can be found at [www.ebs-tpa.com](http://www.ebs-tpa.com). Please select the 'Employee / Member Forms' link, and then choose 'Flex Reimbursement Form'.

You may submit claims throughout your plan year. In addition, you may submit claims during a three month year-end run out period. After that, the plan year will be closed and any unused balances will be forfeited to your employer under the "use it or lose it" rule.

### Documentation to Include With Your Claim

Each substantiating document must include all of the following information:

- Date(s) of service
- Name of the patient, (person receiving the services)
- Name of the provider, (person providing the services)
- Amount charged for each service
- Description of the services provided
- Indication, if applicable, of how the service was processed by all insurance sources, (amounts applied to deductible, amounts written off as provider discounts, etc.)

### **Examples of documentation to include with your claim:**

#### Insurance Explanation of Benefits

An Explanation of Benefits from your insurance typically contains all of the information EBS will need to approve your claim.

#### Itemized Bill

An itemized bill which includes the above information can be submitted with your claim. Itemized bills which do not include some of the above information may delay your reimbursement. Office co-pay receipts which list only the amount paid **are not acceptable** substantiation per IRS guidelines.

#### Prescription Drugs

Typically, pharmacy receipts which include the patient name, date of service, prescribed drug, and co-payment amount can be submitted with your claim. Expenses for prescription drugs must be filed with insurance prior to requesting reimbursement from your flex plan. The Explanation of Benefits received from prescription drug claims may then be submitted with your flex claim.

Examples of documentation which **will not** substantiate your claim:

- Itemized bills indicating a “payment on account” or “previous balance”
- Cash register receipts
- Receipts which only list the amount paid
- Cancelled checks, credit card receipts, and money orders
- Incomplete, inaccurate, or illegible documentation

## **Receiving Reimbursement**

Your claims will be processed daily and will be reimbursed via direct deposit or check within five to ten business days. This schedule may vary slightly due to holidays.

***IMPORTANT:*** Want to receive your reimbursements faster? Visit [www.ebs-tpa.com](http://www.ebs-tpa.com) to download a Direct Deposit Sign-Up form. Please select ‘Employee/Member Forms’, then ‘Direct Deposit Form’.

## **Incurring Expenses**

You can incur expenses during your plan year. Expenses incurred outside of your plan year and are not eligible for reimbursement.

***IMPORTANT:*** If you terminate employment, you may only submit expenses incurred prior to your termination date.

## **Advantages of the Debit Card**

Instead of paying for eligible expenses and waiting to be reimbursed, the debit card pays the expense directly from your Medical or Dependent Care Account.

## **Denied Claims**

Your Claims Administrator and your Plan Administrator have discretionary authority to decide whether or not a particular expense is eligible. If a claim is denied, you will be provided with a written notice stating the reason(s) for the denial and, if applicable, what additional documentation or information is necessary to include in a future claim for the expense. Denied claims will not be re-processed until proper documentation is received.

## **B. Dependent Care Accounts**

The election you make for dependent care expense reimbursement is irrevocable. IRS rules prohibit the modification and/or revocation of elections before the beginning of the next plan year unless there is a qualifying change in status event. See your plan document for details.

- Eligible dependent care must be for the purpose of allowing the employee, or the employee's spouse to be gainfully employed or to attend school full time.
- All dependent care expenses must be incurred before reimbursement, (i.e. “when the dependent care is provided and not when you are formally billed, charged for, or pay for dependent care”). Reimbursement for dependent care may be claimed but cannot be reimbursed until after the care is provided.
- Dependent Care expenses are reimbursed only up to the actual dollars you have contributed to your account as of the date the claim is processed.
- A Dependent Care Reimbursement Account can only be used for “employment related expenses”. If you are married, your spouse must be a wage earner or full-time student for at least five months out of the year.
- Qualifying dependents for Dependent Care reimbursement include children age 12 or under, disabled children, a disabled spouse, or other tax dependents who live with you and is incapable of self-care.

- Eligible Dependent Care providers include:
  - Babysitters (cannot be child or spouse of the employee under age 19, or if he or she is claimed by the employee or spouse as a dependent exception)
  - Family day care
  - Child Care centers
  - Home care
  - Nursery schools
  - After-school church programs

## Important Facts Regarding Flexible Spending Accounts

The election you make for medical and dependent care expense reimbursement is irrevocable. IRS rules prohibit the modification and/or revocation of elections before the beginning of the next plan year unless there is a qualifying change in status event. See your plan document for details.

- If you apply for reimbursement for an expense that the IRS later determines to be ineligible, reimbursements for those expenses may be taxed as ordinary income and certain penalties may apply according to Internal Revenue Code. Similar treatment will be applied to overpayment of reimbursed expenses or reimbursement of expenses that have already been reimbursed from some other source.
- IRS rules prevent the transfer of money between a medical expense reimbursement account and a dependent care expense reimbursement account.
- Colored invoices or statements do not fax well. Please make legible copies before faxing documents to EBS. Incomplete, illegible, or inaccurate claims will be denied.

## C. Flex Debit Card

The Debit Card provides a cashless transaction by paying the provider directly from your FSA account for eligible expenses. The IRS requires that you retain copies of itemized bills for all FSA transactions. You will be notified if the transaction requires substantiation.

- By accepting and using the Debit Card, you have agreed to the terms and conditions contained in the cardholder agreement, including any amendments thereto, which will govern the use of the card.
- You agree to use the Debit Card for eligible expenses only.
- The Claims Administrator and your employer have the right to recover payments from your salary or wages if the Debit Card is used to make payments in excess of the maximum available balance or ineligible expenses that have been erroneously charged to your debit card. This represents an overpayment of your salary or wages that must be repaid.
- If employment is terminated for any reason, the entire amount of any unpaid erroneous charges will be immediately due. Without any notice, your employer may apply the debt against any amount they owe you.
- Some Debit Card transactions do not require the submission of substantiating documentation. While the IRS does require that every Flex claim be adjudicated (verified with a receipt), they have identified a limited number of expenses which can be "auto-adjudicated" (no receipt required).

**IMPORTANT:** Even if a Flex Debit Card transaction is auto-adjudicated, **the IRS requires that you obtain and keep substantiating documentation for all expenses.**

## D. Online Account Access

We invite you to access your account online to view real-time balances and transaction histories and keep track of your Flexible Spending Account Balance. Follow the Flex Card Account Login link on the EBS website or simply key <https://www.benefitspaymentsystem.com> into your internet browser and choose 'Participant Login'. If you have

previously created an online account, your Username and Password will continue to provide you access in the new plan year.

## NEW ONLINE USERS ONLY

If you have not previously created an online account, you can do so by visiting [www.ebs-tpa.com](http://www.ebs-tpa.com) and choosing the 'FLEX Debit Card Login' link. Select 'Participant Login', and then 'Create Account' on the following screen. Your personalized information will be provided with your Welcome Letter.

## E. Frequently Asked Questions

### Q: HOW DO I USE MY FLEX DEBIT CARD?

Your Flex Debit Card is a MasterCard® debit card which you can use to pay for eligible expenses at qualified locations where MasterCard® is accepted. Approved expenses are automatically deducted from your Medical or Dependent Care Flexible Spending Account, without the necessity of filing claims prior to reimbursement. Examples of eligible expenses are:

- RX co-pays
- Vision co-pays and out-of-pocket amounts
- Dental deductibles and co-pays
- Orthodontic monthly payments
- Post-billed medical deductibles and co-pays
- Dependent day care expenses
- Eligible over-the-counter medical supplies

For additional eligible expenses, please visit [www.ebs-tpa.com](http://www.ebs-tpa.com), follow the 'Employee/Member Forms' link, then choose 'Flex Eligible Reimbursable Expenses'.

***IMPORTANT:*** Your Debit Card is a MasterCard® limited merchant category card. It is designed to work only at merchants that provide flex-eligible products or services, such as doctors' offices, pharmacies, discount stores, and day care centers. The card will not work at merchants that do not offer flex-eligible products or services, and it may not be used to receive cash back. There is no PIN for the Debit Card. When given the option between Debit and Credit, you must choose **CREDIT**.

### Q: WHEN CAN I START USING MY FLEX DEBIT CARD

**You may begin using your card on your plans start date.** This card is **ONLY** good for expenses incurred after your plans start date. If used for expenses incurred prior to your plans end date, you will be asked to refund the amount of the expense to your current year flex account.

***IMPORTANT:*** Only debit card transactions initiated during the current plan year will draw from your current plan year funds.

### Q: CAN I STILL SUBMIT PAPER CLAIMS?

**Absolutely!** You may still submit claims for eligible expenses and be reimbursed. Please be sure **not** to submit claims for expenses paid with your flex Debit Card. Please visit [www.ebs-tpa.com](http://www.ebs-tpa.com) for a flex claim form.

**Q: WILL I STILL NEED TO SUBMIT DOCUMENTATION IF I USE MY DEBIT CARD?**

**Yes.** Per IRS guidelines, all expenses processed through a flexible spending plan must be substantiated with documentation. For every flex debit card transaction, please keep supporting documentation for your records. If required, EBS will send you a request for information on specific debit card transactions. If you receive a request for additional information, simply attach your documentation for the expense in question to the letter or email you received and return it to us.

***IMPORTANT:*** Please provide any requested documentation within the given timeframe to avoid a temporary inactivation of your flex debit card.

If you are enrolled in a health plan other than that of your employer, please contact us. Transactions which match your individual copay amounts could be auto-approved.

**Q: IF I RECEIVE A REQUEST TO SUBMIT DOCUMENTATION, HAS MY SERVICE PROVIDER RECEIVED PAYMENT?**

**Yes!** If your transaction is approved at the point-of-sale, you can rest assured that your service provider has received payment, even if EBS requests information for the transaction.

**Q: WHAT HAPPENS IF I USE THE DEBIT CARD FOR AN INELIGIBLE EXPENSE, OR IF I FORGET TO SUBMIT REQUESTED DOCUMENTATION?**

You will be required to repay any amounts used for ineligible expenses to your employer. In addition, if an expense is eligible but you are unable to provide adequate documentation, you will be required to repay the amount of the expense. If you misuse the card or continually fail to submit documentation when requested, your card will be deactivated.

Ineligible expenses, as well as expenses in excess of the maximum payment, represent an overpayment of your salary and must be repaid. Your employer may deduct such expenses from your salary or wages. If your employment is terminated for any reason, ineligible or overpaid expenses will be immediately due without notice.

**Q: CAN I USE MY DEBIT CARD TO PAY FOR EXPENSES BILLED TO ME BY MY DOCTOR OR HOSPITAL?**

**Yes!** If your doctor or hospital bill includes a space for you to provide a credit card number, you may use your Debit Card number to pay the expense. Please be sure that the expenses were incurred in your current plan year.