

SECTION 125 FLEXIBLE BENEFITS PLAN



PARTICIPANT GUIDELINES FOR SPENDING ACCOUNTS

- Medical Expense Reimbursement
- Dependent Care Reimbursement

PREPARED BY:

First Financial Administrators, Inc.

For your Employer's Plan



Section 125 Flexible Spending Account

First Financial Administrators, Inc.

WE ARE COMMITTED

First Financial Administrators, Inc. is dedicated to providing excellent service to our customers and are delighted to serve as your cafeteria plan service provider. Our role is to process your requests for reimbursement according to the plan designed by your employer.

- » There are two types of Flexible Spending Accounts (FSAs): The first is unreimbursed medical (URM) and the second is dependent day care (DDC).
- » Your participation in an FSA program allows a portion of your salary to be redirected to provide reimbursement for these types of expenses on a tax-exempt basis.
- » At the beginning of each plan year, you elect a specific dollar amount for each FSA you wish to participate.
- » Participation in one or both FSAs can save you money by reducing your taxable income. This is because taxes will be calculated after the elected amount is deducted from your salary.
- » If applicable, your taxable income will be reduced for Social Security purposes; therefore, there may be a corresponding reduction in Social Security benefits.
- » Once you have elected your annual amount, you cannot change your election unless you experience a change in family status. See Election Irrevocability
- » To ensure that you are aware of your account balance at all times, we send a new explanation of benefits with each claim that is paid. The explanation of benefits will provide you with information regarding your account balance, claims paid to date, and claims pending.
- » We send notifications 45 days prior to the end of the plan year. The notification reflects your current available balance. You can view account information by logging into our secure website.



FILING A CLAIM

Before submitting your claim, make sure you have had the service(s).

TO FILE YOUR CLAIM

1. Complete a claim form, and be sure to sign and date it.
2. Attach a legible receipt(s) from the service provided or an EOB (Explanation Of Benefits) showing:
 - » A description of the service or a list of supplies furnished.
 - » The charge(s) for each service.
 - » The date(s) of service.
 - » The name of the person(s) receiving the service.
 - » The amount you are responsible for.
3. For convenient direct deposit, complete the Automatic Deposit Agreement form.

Or use your FFA Benefits Card

REQUESTING SERVICES *(Toll-free)*

For Inquires:	1-866-853-3539
For Claim Forms:	www.ffga.com
To Submit Claims by Fax:	1-800-298-7785

General IRS Rules & Information

The following rules apply to both URM and DDC FSAs

ELECTION IRREVOCABILITY

You may not make changes before the beginning of the next plan year unless there is a qualified change in status (as permitted by your plan) that affects Eligibility.

Qualified changes in status may include:

- » Change in employee's legal marital status
- » Change in number of tax dependents
- » Change in employment status that affects eligibility
- » Dependent satisfies or ceases to satisfy eligibility requirements
- » Change in residence that affects eligibility
- » Judgment, decree, or court order dictating provision of coverage
- » Entitlement of Medicare or Medicaid (URM only)
- » Change in cost of the benefit (DDC only)
 - *Addition or elimination of benefit option*
 - *Change in coverage of spouse or dependent under his/her employer's plan*
 - *Significant curtailment of coverage*

If a change in status occurs, you may make changes consistent with the qualifying event or as otherwise defined by your plan document. See your plan Sponsor for further details about making changes.

Dollar Limits

Unreimbursed Medical Account:

Your plan sponsor determines the maximum benefit that may be elected. The IRS maximum for the 2018 is \$2650. Please see your employer for the maximum benefit amount allowed under your plan.

Dependent Daycare Account:

This reimbursement (when aggregated with all other dependent care reimbursements during the same calendar year) may not exceed the least of the following:

- » \$5,000, or
- » \$2,500, if married but filing separate tax returns

Use-it-or-lose-it-Rule

Money remaining in your FSA account(s) will not be returned to you at the end of the plan year. Any amount remaining after the end of the runoff or grace period, if your employer offers one, will be forfeited. Because of the use-it-or-lose-it rule, it is important for you to carefully estimate your out-of-pocket URM and DDC expenses for the upcoming plan year.

TERMINATION OF EMPLOYMENT

URM Account:

Your salary redirections will end; however, you may still file claims for dates of service that were incurred within your employment period. You have 90 days after termination to submit a claim.

DDC Account:

If you have not received reimbursement for all contributions made to your DDC account upon termination, you have 90 days after the end of the plan year to submit a claim.

COBRA

COBRA does not apply to DDC. However, it may apply to your URM account and allow you to continue participation in your URM, thus allowing you to receive reimbursement for medical expenses incurred after your employment termination if:

- » The plan sponsor is subject to COBRA, and
- » When you terminate employment and you have contributed more for URM than you have received in URM benefits.

Note: Under COBRA you must elect coverage within 60 days and continue to submit contributions to your employer to continue coverage under your URM account for the current year.

General IRS Rules & Information

UNREIMBURSED MEDICAL FSA

Almost every person has a number of necessary and predictable expenses that are not paid by their insurance plans. You can save money by putting that amount directly into your Unreimbursed Medical FSA. The FSA will help you pay for these predictable expenses with your pre-tax dollars.

Please be aware of change in tax law – As of Jan. 1, 2011, money from flexible spending accounts are no longer available to pay for most over-the-counter drugs and medicines without a doctor's prescription.

ELIGIBLE EXPENSES

With the FSA, you can pay out-of-pocket health care expenses for yourself, your spouse and all of your eligible dependents for health, dental, and vision care expenses. The services must be incurred while you are actively participating in the FSA plan. The eligible expenses may be reimbursed regardless of whether you, your spouse or dependents are covered by your employer's medical, dental, or health plan.

Expenses for medical care will be limited to expenses incurred primarily for the prevention or improvement of a physical or mental defect or illness. An expense that is merely beneficial to your general health is not an eligible expense. It must be an expense to treat an existing medical condition.

INELIGIBLE EXPENSES

Some expenses that you incur during your plan year may not be eligible for reimbursement under current IRS regulations.

» **EXPENSES NOT YET INCURRED** - Expenses that have been paid, but not yet incurred (i.e. Prepayment of service), cannot be reimbursed until the service is rendered. Expenses don't necessarily have to be PAID, but merely incurred.

» **PREMIUMS FOR INSURANCE** - Premiums and payments to insurance policies are not eligible for reimbursement.

» **EXPENSES PAID BY ANOTHER PLAN OR THIRD PARTY** - Expenses that have already been paid by an insurance company or other reimbursement through your FSA plan.

» **EXPENSES INCURRED AFTER TERMINATION/SEPARATION FROM YOUR EMPLOYER** - If you are no longer participating in the FSA plan through your employer (termination, resignation, etc) any claims incurred after your participation ends are not eligible for reimbursement.



COMMON ELIGIBLE EXPENSES

- » Co-Payments
- » Co-Insurance
- » Deductibles
- » Over-the Counter Drugs
(with physician's prescription)
- » Dental Treatment
- » Orthodontia
- » Lab Fees
- » X-Rays
- » Vision Expenses
- » Lasik Surgery
- » Physical Therapy
- » Chiropractor Services
- » Acupuncture
- » Eye Contact Solution
- » Eye Drops

COMMON INELIGIBLE EXPENSES

- » Cosmetic Surgery
- » Teeth Whitening
- » Veneers
- » Botox
- » Non Prescribed Vitamins
and Supplements
- » Toiletries
- » Medical Insurance Premiums
- » Health Club Membership Fees

General IRS Rules & Information

EXAMPLES OF ELIGIBLE MEDICAL CARE EXPENSES

The following lists are examples of the types of expenses that may or may not be reimbursed. These lists are not intended to be complete, as other expenses may also be eligible or ineligible under federal tax law or under employer's plan. To be eligible under an FSA URM account, the medical expense(s) must be incurred for medical care that is not reimbursed from any other source. Medical care means the drug or service is needed to treat a medical condition. First Financial Administrators, Inc. may request additional information from you to substantiate that an expense is for health care.



ELIGIBLE MEDICAL EXPENSES			INELIGIBLE EXPENSES
<ul style="list-style-type: none">» Acupuncture» Alcohol and drug rehabilitation expenses» Ambulance» Anesthetist» Artificial limbs and teeth» Birth control pills» Blood donor (expense)» Chiropracist» Chiropractor» Christian Science Practitioners» Certain corrective surgery» Contact lens solution and cleaner» Co-payment for health insurance» Dental care and dentures» Drugs and medical supplies» Examinations» Eye exam, eyeglasses, and contacts» Gynecologist	<ul style="list-style-type: none">» Hearing aids and batteries» Home health care» Hospital and skilled nursing facility expenses» Laboratory fees» Lip-reading lessons» Midwife» Nursing care» Obstetrical expense» Oculist» Operations and related treatments» Optometrist» Orthodontist**» Osteopath» Outpatient clinic» Over-the-Counter Medications (with physician's prescription)» Pediatrician» Physician» Podiatrist» Practical nurse	<ul style="list-style-type: none">» Prescription drugs» Psychiatrist» Psychologist» Rental or purchase of medical equipment, including special equipment for use by handicapped persons» Sanitarium» Stop Smoking Programs and Drugs» Support or corrective devices» Surgery» Therapy» Transportation expenses» Weight Loss for Obesity*» X-ray	<ul style="list-style-type: none">» Dancing or swimming lessons» Medications purchased outside US» Expenses reimbursed under any health plan or other source» Health Club Dues» Face creams, moisturizers, etc.» Hair removal treatments/waxes» Vacation» Cosmetic Surgery» Teeth Whitening» Vitamins taken for overall health» OTC Medications not for Medical Care» Toothpaste/Toothbrushes» Mouth washes, oral anesthetics, etc.

* This service requires a letter of medical necessity with a diagnosis from the referring physician.

** Requires an active orthodontia contract be on file.



General IRS Rules & Information

The following rules apply to both URM and DDC FSAs

DEPENDENT CARE FSA

The Dependent Care FSA allows you to pay for day care expenses for your qualified dependent/child with pre-tax dollars while you (and your spouse) are working, seeking employment, or attending school as a full-time student for at least 5 months during the year.

ELIGIBILITY REQUIREMENTS

Eligible dependents must be claimed as an exemption on your tax return. These dependents can include step-children, grandchildren, adopted children, or foster children. In a divorce situation, you must have custody of the child in order for the child to be considered an eligible dependent. Under IRS regulations, eligible dependents are further defined as: under the age of 13, and/or physically or mentally unable to care for themselves, such as a disabled spouse, disabled child, or elderly parents that live with you.

ELIGIBLE EXPENSES

Eligible dependent care expenses are those expenses you must pay for the care of a dependent so that you and your spouse can work. The care may be provided in your home or at a licensed center outside of your home. If the care is in your home, the service cannot be provided by another child of yours under the age of 19, by your spouse, or by your dependents.

INELIGIBLE EXPENSES

Only those dependents care expenses that enable you and your spouse to work are eligible. Some expenses that you incur during your plan year may not be eligible for reimbursement under current IRS regulations

- » Educational Costs
- » Weekends/Evening-out babysitting
- » Transportation, books, clothing, food, activities, entertainment, and registration fees are ineligible if these expenses are shown separately on your bill



COMMON ELIGIBLE EXPENSES

- » Day Camps
- » Before/After School Care
- » Babysitters/Day Care Centers
- » Au Pair
- » Nanny
- » Nursery School

COMMON INELIGIBLE EXPENSES

- » Registration Fees
- » Care for child while not working
- » Kindergarten
- » Food/Activity expenses if separate from cost of care
- » Care provided by anyone under age 19
- » Pre-School
- » Books and Supplies
- » Field Trips

Claims Information

THE REIMBURSEMENT PROCESS

REIMBURSEMENTS- The healthcare/medical FSAs are pre-funded; therefore, you are eligible to receive reimbursement up to your elected annual contribution from the beginning of your FSA plan year. The healthcare/medical FSA funds that are reimbursed to you will be recovered as your deductions are taken from your paycheck throughout the plan year. Dependent Care FSAs are NOT pre-funded; therefore, you will only receive reimbursement up to your year-to-date contributions from payroll deductions. The remainder of the reimbursement request is paid when additional funds are received from payroll deductions.

PAYMENT METHOD CHOICE- For Unreimbursed Medical expenses you may pay with your FFA Benefits Flex Card at the time you incur the expense, or pay the provider out-of-pocket and file a manual (paper) claim to receive a reimbursement. The FFA Benefits Flex Card is only available for Healthcare/Medical FSAs.

MANUAL CLAIMS-To obtain reimbursement from your FSA, you must complete a manual claim form and attach all itemized receipts from the service provider. Cancelled checks, bankcard/credit card receipts, and credit card statements are NOT acceptable forms of documentation. The receipt must come from the service provider or the Explanation of Benefits from your medical health carrier and must include the following information:

- » Patient name
- » Date of service incurred
- » Provider / Merchant name
- » Amount of your out-of-pocket charge incurred
- » Type of service incurred
- » Must include prescription number

REMEMBER-You must sign and date all claim forms.

FFGA recommends submitting an Explanation of Benefits (EOB) from your insurance company, if available.



CLAIMS PROCESSING AND PAYMENTS

All claim reimbursements are handled with strict adherence to IRS adjudication and reporting regulations. Claims are processed daily, and our turn around time upon receipt is 3-5 business days and during peak periods (December-March) 5-10 business days. Your reimbursement check will be mailed to your home address on file. You may also elect to receive payment via direct deposit. You have a 2 ½ month grace period (employer permitting) to incur claims with an additional 2 weeks to file claims.

Online Service to View Account Information, visit www.ffga.com



FFA Benefits Flex Card

Medical reimbursement accounts only

BENEFITS FLEX CARD

The First Financial Administrators, Inc. Benefits Flex Card is available for Medical Reimbursement Flexible Spending Accounts. Cards can be issued to spouses and dependent children (ages 18 to 26) for no additional fee. The initial cards are free, but if a replacement card is issued, the cost is \$10.00 per card and will be deducted from your account balance. Cards are good for three years from the issue date as long as you participate each consecutive plan year. Claims can also be submitted directly for reimbursement. If funds remain in your account after the end of the plan year, you may use the debit card during the 2½ month grace period (if your employer has elected to participate in the grace period option). The system will deduct all remaining funds from your old plan year and then deduct any balance from the new plan year, if you continue to participate. New cards (not replacement cards) are only activated with the upcoming plan year -- they are not activated to use money from the prior plan year.

The IRS requires validation of most transactions – you must submit receipts for verification of expenses when requested. If you fail to substantiate by providing a receipt to us within 60 days of purchase, your card will be suspended until the necessary receipt or explanation of benefits from your insurance provider is received.

Claim forms can be found on our website, www.ffga.com.

Copies can either be mailed to:

First Financial Administrators, Inc.
PO Box 161968
Altamonte Springs, FL 32716

or faxed to:
(800) 298-7785



WHERE TO USE YOUR DEBIT CARD FOR ELIGIBLE UNREIMBURSED MEDICAL EXPENSES:

- » Pharmacies – always use your debit card at the pharmacy counter only.
- » In-Store Pharmacies – If “merchant code” is programmed “pharmacy,” the expense will be authorized. However, if the MasterCard transaction code is programmed “grocery/retail,” **the transaction may be denied. The debit card may not work, and the expense may be declined in some grocery/discount stores.**
- » Physician Offices
- » Specialist Physician Offices
- » Dental Offices
- » Over-the-counter drugs (*must be accompanied by a Physician's Rx*)
- » Vision Care Providers
- » Medical Facilities
- » Medical Clinics
- » Hospitals, including Emergency Rooms

(Your FFA Benefits Flex Card cannot be used past your termination date. If you have available funds in your account, a manual claim will be required.)

First Financial Administrators, Inc. can provide you with a list of eligible expenses associated with your Medical Reimbursement Flexible Spending Account. This card is a signature debit card and does not require a PIN for use. Transactions must always be submitted as “credit.” Participants may review Flexible Spending Account balances online at www.ffga.com.

CALL (866) 853-FLEX FOR MORE INFORMATION.

Debit Card Agreement

Medical reimbursement accounts only

I ACCEPT RESPONSIBILITY FOR THE FOLLOWING:

- All card transactions will be solely for qualified expenditures **incurred** (not billed or paid) during the plan year;
- To the extent that if I misrepresent any card transaction as a qualified expenditure when it is a non-qualified expenditure, I hold you harmless for whatever penalties and consequences that may occur as a result of my actions;
- If I misrepresent any card transaction on a non-qualified expenditure, I must immediately repay all expenses to the account upon notification; if not repaid, I understand the amount will be considered taxable income.
- I agree to submit expense receipts to the third party administrator for all purchases when requested; If failure to substantiate, card will be suspended.
- Each time I present the card for payment, I will sign a receipt evidencing that the expense has been incurred and reaffirming my representation that it is a qualified expenditure that has not been and will not be reimbursed from any other source.

DEBIT CARD VALID FOR 3 YEARS OF CONTINUAL PARTICIPATION

PLEASE PRINT

EMPLOYER _____

NAME _____

SOCIAL SECURITY NUMBER _____

MAILING ADDRESS _____

CITY / STATE / ZIP _____

DAYTIME TELEPHONE NUMBER _____

E-MAIL ADDRESS _____

SIGNATURE _____ DATE _____

ADDITIONAL CARDS

DEPENDENT CARDS – ISSUED TO SPOUSES AND/OR DEPENDENT CHILDREN (AGES 18-26)

NAME	RELATIONSHIP	DATE OF BIRTH

PLEASE MAIL COMPLETED FORM TO: FIRST FINANCIAL ADMINISTRATORS, INC. • P.O. Box 161968, Altamonte Springs, FL 32716

PHONE: 1-800-523-8422 OR 281-847-8422 FAX: 1-800-298-7785