

# Flexible Spending Account (FSA) Enrollment Kit



*Significant Savings*

*24/7 Web access*

*Fast, Efficient, Convenient*

*The benefit that benefits everyone*



**EBS-RMSCO, Inc.**  
Employee Benefit Solutions

With the  
EBS Flex Card



# An FSA means more money in your pocket...can you afford not to sign up?

## The FSA Plan

A Flexible Spending Account is an employee benefit plan established under IRC Section 125, and it allows you to pay for everyday health care expenses with pre-tax dollars.



You'll save money by reducing your taxable income. The FSA amount you elect will be subtracted from your gross income. Federal, state and FICA taxes are then calculated on the lower amount. When you (or your spouse or dependents) incur an eligible expense, you'll receive reimbursement from the funds you've set aside from your paycheck.

An FSA means more money in your pocket. Look at the example below to see exactly how much savings can be realized in one year!

	FSA Plan	No FSA Plan
Annual Income (before taxes)	\$24,000	\$24,000
Pretax Health Care Contribution	(\$1,500)	\$0
Pretax Dependent Care Contr	(\$4,000)	\$0
Taxable Income	\$18,500	\$24,000
Estimated Taxes (25% Federal)	(\$4,625)	(\$6,000)
Health Care Expenses	\$0	(\$1,500)
Dependent Care Expenses	\$0	(\$4,000)
Available Income	\$13,875	\$12,500
<b>Estimated Savings = \$1,375</b>		



Wow! That's a lot of savings! You are actually paying *less taxes* by participating in an FSA Plan! What will you do with all the extra money?

## FSA Plan Components

Planning ahead is important when signing up for your company's FSA Plan, and understanding the benefits offered is critical. You must estimate your expenses for the upcoming year very carefully, and then enroll in one, or both, of the FSA Plan components.

**Health Care Component:** Sign up for a Health Care Account (HCA) to save money on everyday out-of-pocket medical expenses such as medical co-pays, prescription drugs, diabetic supplies, vision expenses, hearing aids, dental services, orthodontics, and more. Qualifying dependents include children through the end of the year in which they turn age 26.

**Dependent Care Component:** Sign up for a Dependent Care Account (DCA) to save money on daycare expenses for dependent children and adults so you can work. Qualifying dependents include children under age 13, whom you claim as a dependent on your federal income tax return (special rules apply for divorced parents), a disabled spouse, and any other dependent on your tax return who resides with you and is physically or mentally disabled.

Be sure to budget for HCA and DCA expenses separately. Elections to, and reimbursements from, these accounts cannot be blended.

Also, a "use it or lose it" provision applies. Any amounts remaining in your accounts at the end of the Plan year will be forfeited, so plan ahead carefully.



## Know the Details

You must re-enroll in this Plan each year, and you cannot change your election during a Plan year unless you incur a "qualifying life event", such as marriage/divorce, birth/adoption, to name a few.

Read your Summary Plan Description (SPD) carefully to understand the specific terms of your Plan. The Plan Document governs your rights and benefits under each Plan and is available through your Employer.

## Web Access

View your account online 24/7 by logging into [www.myebssaccount.com](http://www.myebssaccount.com). While online, you can

- Submit claims for reimbursement
- View claims history
- Check your available balance and print statements
- Access forms such as Direct Deposit, Certification of Medical Necessity, Release of Information and various Reimbursement Request Forms
- Enter your email address to receive important Plan related materials
- Use our online services, such as our online calculator to estimate your out-of-pocket expenses and our online eligible expense listing



## Customer Service

Most of your questions can be answered by visiting the website. But if you do need to speak with a Customer Service Representative, simply call (800) 327-7130 Monday, Tuesday, Thursday and Friday from 8am EST to 5pm EST and Wednesday from 9am EST to 5pm EST. You can also email our

Customer Service Department at [EBS.CustomerService@ebsrmsco.com](mailto:EBS.CustomerService@ebsrmsco.com).

## Filing a Claim

To receive reimbursement for an eligible out-of-pocket expense, log into your account to submit the claim online by scanning and attaching a copy of the receipt or other documentation. Another option is to download a Reimbursement Request form. Complete the form by itemizing your expenses and following the important and detailed instructions found directly on the form. Reimbursement Request forms and required documentation can either be mailed or faxed for processing.

## Know the Details

Claim deadlines apply. For example, active participants have a set number of “run-out” days following the Plan year in which they can continue to submit paperwork for out-of-pocket expenses incurred during the Plan year. Grace periods may also apply to some Plans. Be sure to carefully read your Plan’s SPD to understand the terms and deadlines associated with your Plans. There is typically a \$30 minimum check amount, except for the final check in a Plan year.

## Direct Deposit

Avoid a trip to the bank and complete a Direct Deposit form found online.



## Estimate your Expenses

Use the link on our website called FSA Calculator for a complete, easy to use estimated expense worksheet. You can maximize your FSA Account by planning ahead carefully and using this helpful tool. The items to consider are also listed below:

Health Care Account	Annual Expense
Deductibles	\$
Co-pays	\$
Dental Expenses not covered by insurance	\$
Orthodontia	\$
Vision Expenses (Exams, Glasses, Lenses)	\$
Hearing Expenses (Exams, Hearing Aids)	\$
Prescription Drugs	\$
Eligible Over-the-Counter Items	\$
Diabetic Supplies	\$
Therapy (Physical Therapy, Speech, Chiro)	\$
Medical Mileage	\$
Other	\$
Total Estimated Health Care Expenses	\$
Dependent Care Account	Annual Expense
Payment to Dependent Care Facility	\$
Payment to Dependent Care Individual	\$
Payment to Adult Care Provider	\$
Total Estimated Dependent Care Expenses	\$
Total Health Care PLUS Dependent Care	\$

Plan Level minimums and maximums apply! The total amount you elect will be deducted from your pay in equal installments each pay period.

# The EBS Flex Card

## The EBS Flex Card

Understanding how the EBS Flex Card works is the key to its success. The Flex Card is a convenient payment method...you simply swipe the card without incurring an out-of-pocket expense! Behind the scenes, the provider is paid and the amount is deducted from your account balance. You don't have to file a claim form for reimbursement—the payment function is fully automated.

The IRS requires that each time you use your EBS Flex Card, the transaction must be substantiated. That means you must be able to prove you used your Flex Card to pay for a Plan eligible service or item. Fortunately, technology behind the Card automatically substantiates the vast majority of your transactions. For transactions that cannot be automatically substantiated with supporting technology, you will receive a Request for Information (RFI) Letter asking you to send in copies of your receipt and necessary documentation.



## Purchasing “Items” with the Flex Card

When you purchase “items” with the Flex Card, such as over-the-counter (OTC) items, the items may be auto-substantiated if the merchant uses a coding system called an Inventory Information Approval System (IIAS). When you purchase an eligible item supported by an IIAS system, the bar-code on the item provides the information needed to auto-substantiate the transaction. At an IIAS merchant, OTC items that are eligible for the Plan, and that can be paid for with a Flex Card are classified as “not drugs and medicine”. For these eligible purchases, you will not be sent an RFI Letter. A list of merchants who comply with IIAS is available on our website.

However, OTC items that are classified as “drugs

and medicine” can only be eligible under the Plan if your physician has provided a prescription. The prescription acts as written instruction from your physician stating you must purchase this “drug and medicine” item (such as aspirin), and therefore, it should be considered eligible under the Plan. “Drug and medicine” items cannot be paid for with the Flex Card. Instead, you must pay for these items out-of-pocket and submit a request for reimbursement.

## Paying for “Services” with the Flex Card

Paying a doctor’s office copay is an example of paying for “services” with the Flex Card. The IRS does offer some auto-substantiation guidance for services, such as storing your copayment amounts in our system, and remembering if you’ve had an identical appointment at a specific office. However, in some cases, services provided at a medical, dental or vision office cannot be auto-substantiated. In these cases, you will receive an RFI Letter asking for copies of your receipt and necessary documentation.

## Important Flex Card Tips

- Keep all receipts associated with your Flex Card in a central location, and promptly reply when asked for a copy.
- The IRS states that services are eligible for reimbursement after the services have been rendered. Prepaying for services such as weight-loss or fitness memberships is not allowed.
- The Flex Card will be mailed directly to your home address. READ all information enclosed with the Card, and sign the Card to agree to the terms.
- If a merchant will not accept the Card, simply pay out-of-pocket and submit for reimbursement.

***Remember—the Flex Card is cashless, but not always paperless! Be prepared to submit copies of your receipts and other documentation when requested.***

# Eligible Items and Services

## Qualifying Health Care Expenses

Acupuncture	Eye examinations, eye-glasses, equipment, and materials	Operations	Taxes on medical services and products
Adoption	Fluoridation services	Optometrist	Telephone for hearing-impaired persons
Alcoholism treatment	Guide dog; other service animal	Organ donors	Television for hearing-impaired persons
Ambulance	Hospital services	Orthodontia	Therapy
Artificial limbs	Immunizations	Osteopath fees	Transplants
Artificial teeth	Laboratory fees	Oxygen	Transportation expenses for person to receive medical care
Asthma treatments	Laser eye surgery; Lasik	Physical exams	Tuition evidencing separate breakdown for medical expenses
Body scans	Lodging at a hospital or similar institution	Physical therapy	Vaccines
Braille books and magazines	Mastectomy-related special bras	Preventive care screenings	Vision correction procedures
Breast reconstruction surgery following mastectomy	Medical alert bracelet or necklace	Prosthesis	Wheelchair
Chelation therapy	Medical information plan charges	Psychiatric care	X-ray fees
Chiropractors	Medical records charges	Radial keratotomy	
Co-insurance amounts	Obstetrical expenses	Screening tests	
Co-payments	Occlusal guards to prevent teeth grinding	Seeing-eye dog	
Deductibles		Sleep-deprivation treatment	
Dental sealants		Smoking-cessation programs	
Dental treatment		Speech therapy	
Diagnostic items/services		Stop-smoking program	
Drug addiction treatment		Supplies to treat medical condition	
Drug overdose, treatment of		Surgery	

## Potentially Qualifying Health Care Expenses

A Certification of Medical Necessity Form must be completed by your physician.

AA meetings, transportation to	Dyslexia treatment	Hypnosis	Nutritionist's expenses
Alternative healers	Fitness programs	Lactation consultant	Occupational therapy
Automobile modifications	Gambling problem, treatment	Lamaze classes	Personal trainer fees
Birthing classes	Health club fees	Language training	Psychoanalysis
Blood storage	Home improvements (such as exit ramps, widening doorways, elevator, etc.)	Lead-based paint removal	Psychologist
Books, health-related	Hormone replacement therapy	Lodging of a companion	Ultrasound, prenatal
Car modifications		Long-term care services	Varicose veins, treatment of
Childbirth classes		Massage therapy	Veterinary fees (service animals)
Counseling		Mineral supplements	Weight-loss programs
		Nursing services	

## Ineligible Health Care Expenses

Appearance improvements	Funeral expenses	ment of bills for medical services)	Missed appointment fees
Car seats	Hair removal and transplants	Marijuana or other controlled substances in violation of federal law	Recliner chairs
Controlled substances in violation of federal law	Household help	Maternity clothes	Tanning salons and equipment
Cosmetic procedures	Illegal operations and treatments	Mattresses	Teeth whitening
Ear piercing	Late fees (e.g., for late payment)		Veneers
Electrolysis or hair removal			

This is not a comprehensive list and is subject to change at any time and without notice.  
A complete list is available on the [www.myebssaccount.com](http://www.myebssaccount.com) website.



# Eligible Items and Services

## Qualifying Over-The-Counter (OTC) Items

Arthritis gloves	Cold/hot packs	Eye drops (Example: Visine)	Orthopedic shoe inserts
Bandages (Examples: Band-aid, Curad, Ace)	Contact lenses, materials, and equipment	First aid kits	Pregnancy test kits
Blood-pressure monitoring devices	Crutches	Gauze pads	Reading glasses
Blood-sugar test kits and test strips	Dentures, denture adhesives	Glucose-monitoring equipment	Support braces
Carpal tunnel wrist supports	Diabetic supplies (including Insulin)	Hearing aids	Thermometers
	Ear wax removal products	Medical monitoring and testing devices	Walkers

## Potentially Qualifying OTC Expenses

Drug and Medicine items require a prescription completed by your physician and are not eligible for payment with the EBS Flex Card. Other items in this category require a Certification of Medical Necessity form completed by your physician.

Acne treatment	Comtrex, Sudafed)	and drugs and medicines	Retin-A
Air conditioner	Compression hose	Humidifier	Rogaine
Air purifier	Cough suppressants	Incontinence supplies	Sinus medications (Example: Sudafed)
Allergy medicine	(Examples: Pediacare, Robitussin, cough drops)	Insect-bite creams and ointments (Examples: Benadryl, Cortaid)	Special foods
Allergy treatment products; household improvements to treat allergies	Decongestants (Examples: Dimetapp, Sudafed)	Lactose intolerance tablets (Example: Lactaid)	St. John's Wort
Antacids (Examples, Maalox, Prilosec OTC, Zantac)	Diabetic socks	Laxatives (Example: Ex-Lax)	Sunburn creams and ointments
Antibiotic ointments (Examples. Bacitracin, Neosporin)	Diaper rash ointments and creams (Example: Desitin)	Medicines and drugs	Sunglasses
Antihistamines (Examples: Benadryl, Claritin)	Diarrhea medicine (Examples: Imodium, Kaopectate)	Menstrual pain relievers	Sunscreen
Anti-itch creams (Examples: Benadryl, Cortaid, Ivarest)	Dietary supplements	Motion-sickness pills (Examples: Bonine, Dramamine)	Throat lozenges (Examples: Cepacol, Chloraseptic)
Aspirin	Eczema treatments	Nasal strips or sprays	Toothache and teething pain relievers (Example: Orajel)
Bactine	Expectorants (Examples: Comtrex, Robitussin)	Nutritional supplements	Treadmill
Breast pumps	Fiber supplements	Pain relievers (Examples: Advil, Aspirin, Tylenol)	Vitamins
Calamine lotion	First aid cream	Petroleum jelly	Wart remover treatments
Chondroitin	Glucosamine	Prenatal vitamins	Wigs
Claritin, an allergy drug	Hemorrhoid treatments (Example: Preparation H)	Probiotics	Yeast infection medications
Cold medicine (Examples:	Herbs	Rehydration solution (Example: Pedialyte)	
	Holistic or natural healers,		<i>The IRS has not yet released a detailed and brand specific list of drugs and medicine.</i>

## Ineligible OTC Expenses

Dental floss	Feminine hygiene products	Safety glasses	Toiletries
Deodorant	Hair colorants	Shampoos	Toothbrushes
Diapers or diaper service	Mouthwash	Shaving cream or lotion	Toothpaste
Diet foods	Perfume, Cologne	Skin moisturizers, hand lotion	
Face creams	Permanent waves	Soaps	

Eligibility rules for OTC items may change. Drug and Medicine items require a physician's prescription, and may not be purchased with a Flex Card. The ability to pay for eligible items with the Flex Card may vary by merchant and is dependent on the merchant's IAS system.

This is not a comprehensive list and is subject to change at any time and without notice. Items listed in each category may be reclassified into another category depending on future IRS guidance. Visit [www.myebsaccount.com](http://www.myebsaccount.com) website for a complete list.

## Eligible Dependent Care Expenses

- Care in your home, someone else's home, or in a daycare center for child care and/or eldercare. Licensing requirements may apply.
- Registration fees to a daycare.
- Before and after school care for children under age 13.
- Education expenses for a child not yet in kindergarten, such as nursery school expenses.
- Expenses paid to a relative are eligible, however, the relative cannot be under age 19 or a tax dependent.
- Day camp (not overnight) expenses if the camp qualifies as a day care center.
- FICA and FUTA payroll taxes of the daycare provider.

*Note: This is not a comprehensive list.*

# Flexible Spending Account Enrollment Form

 For: ☐ Open Enrollment; Effective Date: \_\_\_\_\_ or ☐ New Hire; Hire Date: \_\_\_\_\_

Employer Name

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Participant First Name

MI

Last Name

--	--	--

Address

--

City

State

Zip Code

--	--	--

Email Address

--

Social Security Number / Member ID

Phone Number

--	--

FSA Benefit Type	Per Pay Period Amount	Total Annual Amount
Health Care Contribution	\$ .	\$ .
Dependent Care Contribution	\$ .	\$ .
# of pay periods per year: _____		First payroll deduction date: ____/____/____

**Automatic Claims Transfer (ACT):** If you are eligible for ACT (check with your Employer), certain out of pocket expenses may automatically be reimbursed to you (those that have been submitted through your insurance provider), unless you or any of your dependents have Coordination of Benefits (COB) with other Plans. If you are eligible, but do not want ACT, check the box, and you must submit your claims manually for reimbursement. *Note: ACT may be deactivated when your dependents attain a specified age (ie, age 26). This feature is not applicable to Flex Card holders.*

☐ I do not want ACT—or—I have COB and am not eligible for ACT.

By submitting this form, I elect to participate in my Employer's Flexible Spending Account (FSA) Plan and agree to have my compensation reduced by the contributions indicated above for the Plan year. Any previous FSA election relating to the same benefits is hereby revoked. As a participant, I understand that:

- My Health Care and Dependent Care FSA contributions (indicated above) will be credited to my Health Care and Dependent Care FSA accounts. These contributions will reduce the amount of my compensation and are in addition to any premiums I pay on a pre-tax basis for Employer sponsored Health Insurance.
- I may file claims for reimbursement from my FSA accounts for qualified expenses incurred during the Plan year and after I have become a participant. I will forfeit amounts remaining in my FSA accounts after I am reimbursed for all expenses claimed through the period allowed under the Plan to file claims for expenses incurred for the Plan year.
- I will pay the Employer for any tax liability or penalties it incurs if I am reimbursed for an expense that is not a qualified expense.
- I cannot change the amount of my FSA contributions or pre-tax health insurance premiums, unless I have a qualifying "life change" event as defined in the Plan and satisfy any other conditions for changes contained in the Plan and tax law.
- My FSA contributions will terminate when my employment terminates. I will check with my Employer to determine if I can elect to continue my Health Care contributions on an after-tax basis, as allowed under COBRA.
- My Employer may change the amount of my FSA elections if necessary to satisfy tax law requirements.
- I understand that I must provide acceptable documentation for every claim I submit, including Flex Card purchases upon request.
- EBS-RMSCO, Inc. is not responsible for retaining copies of my receipts, beyond the current Plan year.

Participant Signature \_\_\_\_\_

Date \_\_\_\_\_

*Return signed form to your Employer.*

## To Be Completed by the Plan Sponsor

- Notify Payroll of deduction amount and date
- Keep copy of Enrollment Form for your records
- Forward copy of Enrollment Form to EBS-RMSCO
- During Open Enrollment, consider reporting Employer funded money in a file to EBS-RMSCO

 This Plan has employer funded money: ☐ Yes; ☐ No. If Yes, please complete:

ER Money:	Payroll Based?	Annual Amount
<input type="checkbox"/> Health Care	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
<input type="checkbox"/> Dependent Care	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$

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☐ Cancel Direct Deposit

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