

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



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 that allows you to pay for everyday health care and/or dependent 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
Pre-tax Health Care Contribution	(\$1,500)	\$0
Pre-tax Dependent Care Contribution	(\$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
Estimated Savings = \$1,375		



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: A Health Care Account (HCA) helps you save money on everyday out-of-pocket medical expenses such as medical copays, prescription drugs, diabetic supplies, orthodontics, vision expenses, hearing aids, dental services, eligible over-the-counter (OTC) items and more. Eligible OTC items classified as "drugs and medicine" are only eligible if they are accompanied by a doctor's prescription. Qualifying dependents for FSA purposes include children through the end of the year in which they turn age 26.

Dependent Care Component: A Dependent Care Account (DCA) helps you 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. Claim Processing. Dedicated Customer Service. Expense Estimator.

Web Access

View your account online 24/7 via www.ebsrmsco.com.

While online, you can:

- Submit claims for reimbursement
- View claims history
- Check your available balance and run reports
- 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
- For even more convenience, download our mobile application to your smart phone!



Customer Service

Most of your questions can be answered by visiting the website. But if you 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.



Filing a Claim

To receive the fastest reimbursement for an eligible out-of-pocket expense, submit your claims online.

Supporting receipts and documentation can be scanned and attached to your online claim, or you can email, fax or U.S. mail the required paperwork. Another option is to download a paper 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

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

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 for the Plan year. There is no \$30 check minimum with direct deposit.

Direct Deposit

Avoid the \$30 check minimum and a trip to the bank by completing either a Direct Deposit paper or online form found on the website.



Email Address

Provide or update your email address online and help us “go-green”. You'll receive only plan related information such as account statements, claim related information, and RFI Letters (for Card participants).

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	\$

The EBS One Card

The EBS One Card

Understanding how the EBS One Card works is the key to its success. The One 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.

Cashless but not Paperless

The IRS requires that each time you use your EBS One Card, the transaction must be substantiated. That means you must be able to prove you used your One Card to pay for a Plan eligible item or service. Fortunately, technology behind the One 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 One Card

When you purchase “items” with the One Card, such as over-the-counter (OTC) items, they may be auto-substantiated if the merchant uses a special bar-coding system called Inventory Information Approval System (IIAS). You will not be sent an RFI Letter for transactions that are automatically substantiated. A list of merchants who comply with IIAS is available on our website.

Eligible OTC items classified as not drugs and medicines (such as band-aids) have the IIAS bar-codes directly on the product. These items may be purchased with the One Card; no additional rules apply.

The IRS states that OTC items classified as drugs and

medicines (such as cough syrup) are only eligible if they are accompanied by a doctor's prescription. To pay for eligible drugs and medicines that are accompanied by a doctor's prescription with the One Card, additional rules apply; such as: 1) the pharmacist must assign an Rx number; and 2) the pharmacist must retain a record of the Rx with the transactions details. Only if all rules are met can eligible OTC drugs and medicine be paid for with a One Card. If the pharmacy is unable to meet the IRS rules, you must pay for the items out-of-pocket, then submit a claim form with the proper documentation including the doctor's prescription.

Paying for “Services” with the One Card

Paying a doctor's office copay is an example of paying for “services” with the One 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 One Card Tips

- Keep all receipts associated with your One 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 One 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 One Card is cashless, but not always paperless! Be prepared to submit copies of your receipts and other documentation when requested.

Guidelines for Eligible/Ineligible Items and Services

Eligible Items/Services

Abortion	Crutches	Medical information plan charges	Speech therapy
Acupuncture	Dental sealants	Medical monitoring devices	Sterilization procedures
Adoption, pre-adoption medical expenses	Dental services and procedures	Medical records charges	Stop-smoking program
Alcoholism treatment	Dentures and adhesives	Norplant insertion or removal	Supplies to treat medical condition
Ambulance	Diabetic supplies	Obstetrical expenses	Support braces
Arthritis gloves	Diagnostic items/services	Occlusal guards	Surgery
Artificial limbs	Drug addiction treatment	Operations	Taxes on medical services and products
Artificial teeth	Drug overdose, treatment of	Optometrist	Telephone for hearing-impaired persons
Bandages, elastic bandages	Eye examinations, eyeglasses, equipment, and materials	Organ donors	TV for hearing-impaired
Blood-pressure monitoring devices	First aid kits	Orthodontia	Therapy
Blood-sugar test kits and test strips	Flu shots	Orthopedic shoe inserts	Thermometers
Body scans	Fluoridation services	Osteopath fees	Transplants
Braille books and magazines	Gauze pads	Ovulation monitor	Transportation expenses for person to receive medical care
Breast reconstruction surgery following mastectomy	Glucose-monitoring equipment	Oxygen	Tuition evidencing separate breakdown for medical expenses
Carpal tunnel wrist supports	Guide dog	Physical exams	Vaccines
Chelation therapy	Hearing aids	Physical therapy	Vasectomy/Reversal
Chiropractors	Hospital services	Pregnancy test kits	Viagra
Circumcision	Immunizations	Preventive care screenings	Vision correction procedures
Co-insurance amounts	Incontinence supplies	Prosthesis	Walkers
Cold/hot packs	Insulin	Psychiatric care	Wheelchair
Condoms	Laboratory fees	Radial keratotomy	X-ray fees
Contact lenses, materials, and equipment	Laser eye surgery; Lasik	Reading glasses	
Co-payments	Liquid adhesive for small cuts	Rehydration solution	
	Lodging at a hospital or similar institution	Rubbing alcohol	
	Mastectomy-related bras	Screening tests	
	Medical alert bracelet or necklace	Shipping and handling fees	
		Sleep-deprivation treatment	
		Smoking-cessation programs	

Potentially Qualifying Items—Drugs and Medicine

Allergy medicine	Ear wax removal drops	Sinus medications
Antacids	Eczema treatments	Spermicidal foam
Antibiotic ointments	Expectorants	Sunscreen
Antihistamines	Eye drops	Sun protective clothing
Anti-itch creams	Fever-reducing medications	Throat lozenges
Aspirin	First aid cream	Toothache/teething pain relievers
Asthma medications/devices	Fluoride Rinses	Wart removers
Bactine	Headache medications	Yeast infection medications
Birth-control pills	Hemorrhoid treatments	
Calamine lotion	Insect-bite creams and ointments	
Claritin	Hormone replacement therapy	
Cold medicine	Laxatives	
Cough suppressants	Menstrual pain relievers	
Decongestants	Morning-after contraceptive pills	
Diaper rash ointments/creams	Motion-sickness pills	
Diarrhea medicine	Nasal strips or sprays	

eligible drugs and medicines with the EBS One Card, additional rules apply. Prior to the purchase, the participant must provide the pharmacist with a copy of the prescription, and the pharmacist must assign the item an Rx number. The pharmacist must keep a record of the Rx number, the name of the purchaser (or the person for whom the prescription applies), and the date and amount of the purchase. Also, the pharmacy must provide the records for review to the employer or another agent upon request.

SPECIAL RULES APPLY
The IRS states that OTC items classified as drugs and medicine are only eligible if they are accompanied by a doctor's prescription.

The IRS also states that to pay for

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.	nursery school expenses.	Day camp (not overnight) expenses if the camp qualifies as a day care center.
	Before and after school care for children under age 13.	Expenses paid to a relative are eligible, however, the relative cannot be under age 19 or a tax dependent.	FICA and FUTA payroll taxes of the daycare provider.
	Education expenses for a child not yet in kindergarten, such as		

Guidelines for Eligible/Ineligible Items and Services

Potentially Qualifying Expenses A Certification of Medical Necessity form must be completed by your physician.

AA meetings, transportation to	Ear plugs	fertility treatments	Rogaine
Acne treatment	Egg donor fees	Lodging not at a hospital or similar institution	Rubdowns
Adaptive equipment	Eggs and embryos, storage fees	Lodging of a companion	Schools and education, residential
Air conditioner	Elevator	Masks, disposable	Schools and education, special
Air purifier	Exercise equipment or programs	Massage therapy	Service animal, to assist individual with mental health disabilities
Alternative healers	Fertility treatments	Meals at a hospital or similar institution	Smoking-cessation medications
Automobile modifications	Fiber supplements	Medical conference admission, transportation, meals, etc.	Special foods
Behavioral modification programs	Fitness programs	Medicines and drugs	Sperm, storage fees
Birthing classes	Food thickeners	Mentally handicapped, special home for	St. John's Wort
Blood storage	Foods	Mineral supplements	Stem cell, harvesting; storage of
Books, health-related	Gambling problem, treatment for	Naturopathic healers	Student health fee
Breast pumps	Genetic testing	Nicotine gum or patches	Sunburn creams and ointments, medicated
Capital expenses	Glucosamine	Nonprescription drugs and medicines	Sunglasses
Car modifications	Hand sanitizer	Nursing services provided by a nurse or other attendant	Swimming lessons
Cayenne pepper	Health club fees	Nutritional supplements	Swimming pool maintenance
Childbirth classes	Health institute fees	Nutritionist's professional expenses	Transportation of someone other than the person receiving medical care
Chinese herbal practitioner	Herbs	Occupational therapy	Transportation to and from a medical conference
Chondroitin	Holistic or natural healers	Orthopedic shoes	Treadmill
Christian Science practitioners	Home care	Personal trainer fees	Tuition for special-needs program
Classes, health-related	Home improvements (such as exit ramps, widening doorways, etc.)	Petroleum jelly	Ultrasound, prenatal
Club dues and fees	Humidifier	Prenatal vitamins	Umbilical cord blood storage
Compression hose	Hypnosis	Prescription drugs	Varicose veins, treatment of
Contraceptives	Inclinorator	Probiotics	Veterinary fees
Counseling	Infertility treatments	Propecia	Vitamins
Crowns, dental	IVF (in vitro fertilization)	Psychoanalysis	Weight-loss programs and/or drugs prescribed to induce weight loss
Dancing lessons	Lactation consultant	Psychologist	Wigs
Deductibles	Lactose intolerance tablets	Rental cars	
Diabetic socks	Lamaze classes	Retin-A	
Dietary supplements	Language training		
Disabled dependent care expenses	Lead-based paint removal		
DNA collection and storage	Learning disability, instructional fees		
Doula	Legal fees in connection with		
Drugs and medicines			
Dyslexia treatment			

Ineligible Items/Services

Appearance improvements	Face lifts	Meals of a companion	Safety glasses
Babysitting and child care	Feminine hygiene products	Meals while attending a medical conference	Shampoos
Car seats	Founder's fee	Missed appointment fees	Shaving cream or lotion
Cologne	Funeral expenses	Moisturizers	Skin moisturizers
Controlled substances in violation of federal law	Hair colorants	Mouthwash	Soaps
Cosmetic procedures	Hair removal and transplants	Nail polish	Surrogate or gestational carrier expenses
Cosmetics	Hand lotion	Nursing services for a baby	Tanning salons and equipment
Dental floss	Household help	One-a-day vitamins	Teeth whitening
Deodorant	Illegal operations and treatments	Perfume	Toiletries
Dependent care expenses	Lipsticks	Permanent waves	Toothbrushes
Diapers or diaper service	Lodging while attending a medical conference	Prepayments	Toothpaste
Diet foods	Makeup	Prescription drug discount programs	Transportation costs of disabled individual commuting to and from work
Drug testing kits for home use	Maternity clothes	Prescription drugs and medicines obtained from other countries	Veneers
Ear piercing	Mattresses	Recliner chairs	Vision discount programs
Electrolysis or hair removal	Meals not at a hospital or similar institution		
Face creams			

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.ebsrmsco.com website. Plan restrictions may apply.

Direct Deposit:

Direct Deposit sends claim reimbursement payments directly to your personal bank account. Direct deposit notification statements will be emailed to you with the details of the reimbursement. If you provide incorrect information and corrective transactions are required, your account will be charged a \$25 processing fee. Direct deposit transactions are not subject to the typically imposed \$30 check minimum.

Things to Consider Upon Enrollment:

- Your FSA account refers to the combined health care and dependent care components.
- By enrolling in the FSA program, you agree to have your compensation reduced by the amount elected.
- Your election applies to this Plan year only. To continue in the Plan, you must re-enroll each year.
- Annual health care elections are available for reimbursement in full on the first day of the Plan year.
- Dependent care elections are available for reimbursement based on current balance.
- FSA accounts are tracked separately and cannot be combined. These elections are in addition to any premiums you pay on a pre-tax basis for employer sponsored health insurance.
- The dependent care account pays for daycare services needed for a qualifying dependent while you work. A qualifying dependent is a child under age 13 who is claimed 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 in your home and is physically or mentally disabled.
- You may file claims for reimbursement from your FSA accounts for qualified expenses incurred during the Plan year and after becoming a participant. Any amounts remaining in your FSA account after the end of the Plan's run-out period will be forfeited.
- You will pay the Employer for any tax liability or penalties it incurs if you are reimbursed for an expense that is not a qualified expense, unless you repay the amount or off-set that amount with additional eligible claims within the same Plan year.
- You cannot change the amount of your FSA contributions or pre-tax health insurance premiums, unless you 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.
- Your FSA contributions will terminate when your employment terminates. You must check with your Employer to determine if you can elect to continue your health care contributions on an after-tax basis, as allowed under COBRA.
- Your employer may change the amount of your FSA elections if necessary to satisfy tax law requirements.
- You understand that you must provide acceptable documentation for every claim you submit, including One Card purchases upon request.
- EBS-RMSCO, Inc. is not responsible for retaining copies of your receipts beyond the current Plan year.

Impact of the Defense of Marriage Act

- Flexible Spending Accounts and Health Reimbursement Accounts are subject to Federal Law which generally supersedes state law.
- The Defense of Marriage Act is a Federal Law which defines marriage as being a union only between a man and a woman.
- The recent passage of the Marriage Equality Act in New York and similar laws in other states has no bearing on the determination of who is a spouse for purposes of Flexible Spending Accounts and Health Reimbursement Accounts.
- Only spouses (as defined under the Defense of Marriage Act) and dependents for Federal Tax purposes are eligible for tax-free Flexible Spending Accounts and Health Reimbursement Accounts benefits.