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!

<table>
<thead>
<tr>
<th></th>
<th>FSA Plan</th>
<th>No FSA Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Income (before taxes)</td>
<td>$24,000</td>
<td>$24,000</td>
</tr>
<tr>
<td>Pre-tax Health Care Contribution</td>
<td>($1,500)</td>
<td>$0</td>
</tr>
<tr>
<td>Pre-tax Dependent Care Contribution</td>
<td>($4,000)</td>
<td>$0</td>
</tr>
<tr>
<td>Taxable Income</td>
<td>$18,500</td>
<td>$24,000</td>
</tr>
<tr>
<td>Estimated Taxes (25% Federal)</td>
<td>($4,625)</td>
<td>($6,000)</td>
</tr>
<tr>
<td>Health Care Expenses</td>
<td>$0</td>
<td>($1,500)</td>
</tr>
<tr>
<td>Dependent Care Expenses</td>
<td>$0</td>
<td>($4,000)</td>
</tr>
<tr>
<td>Available Income</td>
<td>$13,875</td>
<td>$12,500</td>
</tr>
</tbody>
</table>

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

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 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:

<table>
<thead>
<tr>
<th>Health Care Account</th>
<th>Annual Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deductibles</td>
<td>$</td>
</tr>
<tr>
<td>Co-pays</td>
<td>$</td>
</tr>
<tr>
<td>Dental Expenses not covered by insurance</td>
<td>$</td>
</tr>
<tr>
<td>Orthodontia</td>
<td>$</td>
</tr>
<tr>
<td>Vision Expenses (Exams, Glasses, Lenses)</td>
<td>$</td>
</tr>
<tr>
<td>Hearing Expenses (Exams, Hearing Aids)</td>
<td>$</td>
</tr>
<tr>
<td>Prescription Drugs</td>
<td>$</td>
</tr>
<tr>
<td>Eligible Over-the-Counter Items</td>
<td>$</td>
</tr>
<tr>
<td>Diabetic Supplies</td>
<td>$</td>
</tr>
<tr>
<td>Therapy (Physical Therapy, Speech, Chiro)</td>
<td>$</td>
</tr>
<tr>
<td>Medical Mileage</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>$</td>
</tr>
<tr>
<td>Total Estimated Health Care Expenses</td>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dependent Care Account</th>
<th>Annual Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment to Dependent Care Facility</td>
<td>$</td>
</tr>
<tr>
<td>Payment to Dependent Care Individual</td>
<td>$</td>
</tr>
<tr>
<td>Payment to Adult Care Provider</td>
<td>$</td>
</tr>
<tr>
<td>Total Estimated Dependent Care Expenses</td>
<td>$</td>
</tr>
<tr>
<td>Total Health Care PLUS Dependent Care</td>
<td>$</td>
</tr>
</tbody>
</table>

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 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.
Eligible Items/Services

- Abortion
- Acupuncture
- Adoption, pre-adoption medical expenses
- Alcoholism treatment
- Ambulance
- Arthritis gloves
- Artificial limbs
- Artificial teeth
- Bandages, elastic bandages
- Blood-pressure monitoring devices
- Blood-sugar test kits and test strips
- Body scans
- Braille books and magazines
- Breast reconstruction surgery
- Following mastectomy
- Carpal tunnel wrist supports
- Chelation therapy
- Chiropractors
- Circumcision
- Co-insurance amounts
- Cold/hot packs
- Condoms
- Contact lenses, materials, and equipment
- Co-payments

Potentially Qualifying Items—Drugs and Medicine

- Allergy medicine
- Antacids
- Antibiotic ointments
- Antihistamines
- Anti-itch creams
- Aspirin
- Asthma medications/devices
- Bactine
- Birth-control pills
- Calamine lotion
- Claritin
- Cold medicine
- Cough suppressants
- Decongestants
- Diaper rash ointments/creams
- Diarrhea medicine
- Crutches
- Dental sealants
- Dental services and procedures
- Dentures and adhesives
- Diabetic supplies
- Diagnostic items/services
- Drug addiction treatment
- Drug overdose, treatment of
- Eye examinations, eyeglasses, equipment, and materials
- First aid kits
- Flu shots
- Fluoridation services
- Gauze pads
- Glucose-monitoring equipment
- Guide dog
- Hearing aids
- Hospital services
- Immunizations
- Incontinence supplies
- Insulin
- Laboratory fees
- Laser eye surgery; Lasik
- Liquid adhesive for small cuts
- Lodging at a hospital or similar institution
- Mastectomy-related bras
- Medical alert bracelet or necklace
- Medical information plan charges
- Medical monitoring devices
- Medical records charges
- Norplant insertion or removal
- Obstetrical expenses
- Occlusal guards
- Operations
- Optometrist
- Organ donors
- Orthodontia
- Orthotic inserts
- Pathfinder
- Physical therapy
- Pregnancy test kits
- Preventive care screenings
- Prosthesis
- Psychiatric care
- Radial keratotomy
- Reading glasses
- Rehydration solution
- Rubbing alcohol
- Screening tests
- Shipping and handling fees
- Sleep-deprivation treatment
- Smoking-cessation programs
- Speech therapy
- Sterilization procedures
- Stop-smoking program
- Supplies to treat medical condition
- Support braces
- Surgery
- Taxes on medical services and products
- Telephone for hearing-impaired persons
- TV for hearing-impaired Therapy
- Thermometers
- Transplants
- Transportation expenses for person to receive medical care
- Tuition evidencing separate breakdown for medical expenses
- Vaccines
- Vasectomy/Reversal
- Viagra
- Vision correction procedures
- Walkers
- Wheelchair
- X-ray fees

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.

Guidelines for Eligible/Ineligible Items and Services

- 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.

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.
### Potentially Qualifying Expenses

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

- Ear plugs
- Egg donor fees
- Eggs and embryos, storage fees
- Elevator
- Exercise equipment or programs
- Fertility treatments
- Fiber supplements
- Fitness programs
- Food thickeners
- Foods
- Gambling problem, treatment for
- Genetic testing
- Glucosamine
- Hand sanitizer
- Health club fees
- Health institute fees
- Herbs
- Holistic or natural healers
- Home care
- Home improvements (such as exit ramps, widening doorways, etc.)
- Humidifier
- Hypnosis
- Infertility treatments
- IVF (in vitro fertilization)
- Lactation consultant
- Lactose intolerance tablets
- Lamaze classes
- Language training
- Lead-based paint removal
- Learning disability, instructional fees
- Legal fees in connection with
- fertility treatments
- Lodging not at a hospital or similar institution
- Lodging of a companion
- Masks, disposable
- Massage therapy
- Meals at a hospital or similar institution
- Medical conference admission, transportation, meals, etc.
- Medicines and drugs
- Mentally handicapped, special home for
- Mineral supplements
- Naturopathic healers
- Nicotine gum or patches
- Nonprescription drugs and medicines
- Nursing services provided by a nurse or other attendant
- Nutritional supplements
- Nutritionist’s professional expenses
- Occupational therapy
- Orthopedic shoes
- Personal trainer fees
- Petroleum jelly
- Prenatal vitamins
- Prescription drugs
- Probiotics
- Propecia
- Psychoanalysis
- Psychologist
- Rental cars
- Retin-A

### Ineligible Items/Services

- Appearance improvements
- Babysitting and child care
- Car seats
- Cologne
- Controlled substances in violation of federal law
- Cosmetic procedures
- Cosmetics
- Dental floss
- Deodorant
- Dependent care expenses
- Diapers or diaper service
- Diet foods
- Drug testing kits for home use
- Ear piercing
- Electrolysis or hair removal
- Face creams

- Face lifts
- Feminine hygiene products
- Founder’s fee
- Funeral expenses
- Hair colorants
- Hair removal and transplants
- Hand lotion
- Household help
- Illegal operations and treatments
- Lipsticks
- Lodging while attending a medical conference
- Makeup
- Maternity clothes
- Mattresses
- Meals not at a hospital or similar institution
- Meals of a companion
- Meals while attending a medical conference
- Missed appointment fees
- Moisturizers
- Mouthwash
- Nail polish
- Nursing services for a baby
- One-a-day vitamins
- Perfume
- Permanent waves
- Prepayments
- Prescription drug discount programs
- Prescription drugs and medicines obtained from other countries
- Recliner chairs

- Rogaine
- Rubdowns
- Schools and education, residential
- Schools and education, special
- Service animal, to assist individual with mental health disabilities
- Smoking-cessation medications
- Special foods
- Sperm, storage fees
- St. John’s Wort
- Stem cell, harvesting; storage of
- Student health fee
- Sunburn creams and ointments, medicated
- Sunglasses
- Swimming lessons
- Swimming pool maintenance
- Transportation of someone other than the person receiving medical care
- Transportation to and from a medical conference
- Treadmill
- Tuition for special-needs program
- Ultrasound, prenatal
- Umbilical cord blood storage
- Varicose veins, treatment of
- Veterinary fees
- Vitamins
- Weight-loss programs and/or drugs prescribed to induce weight loss
- Wigs

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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.
<html>
<head></head>
<body>

<h2>Flexible Spending Account Enrollment Form</h2>

For: □ Open Enrollment; Effective Date: __________ or □ New Hire

## Employer Name

### Participant First Name MI Last Name

### Address

### Email Address

### Date of Hire

### Gender

### Date of Birth

### Social Security Number (include dashes)/Employee ID

### Phone Number

### FSA Benefit Election

<table>
<thead>
<tr>
<th>Benefit Type</th>
<th>Per Pay Period Amount</th>
<th>Total Annual Amount</th>
<th># pays per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Health Care Election-Standard</td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>□ Health Care Election-Limited</td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>□ Dependent Care Election</td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>

### Carrier Information

Check the boxes if you are enrolled in any of these benefits through your employer. □ Medical; □ Dental; □ Vision; □ Rx

### Spouse / Dependent Information (Check this box □ if attaching additional page) See Rules on Page 2

□ I do not have a spouse or any dependents, and therefore, I do not have to complete this section.

### Name

### Social Security #

### Date of Birth

### Gender

### Relationship

### Direct Deposit Election (Complete this section if you want Direct Deposit)

Type of Account (Check only one) □ Checking □ Savings

Name of Bank:

Transit ABA Routing #

Account #

### To Be Completed by the Employer

- 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

### Participant Certification—Return signed form to your Employer

By signing below, I agree to participate in my employer’s pre-tax program and certify I understand and will comply with the regulations governing such Plan. I understand the basic provisions provided on page 2 of this form are guidelines only and that my Plan’s Summary Plan Description prevails.

Participant Signature: ____________________________ Date: ____________

### Indicate First Payroll Deduction Date:

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

<table>
<thead>
<tr>
<th>ER Money</th>
<th>Payroll Based?</th>
<th>Annual Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Health Care</td>
<td>□ Yes □ No</td>
<td>$</td>
</tr>
<tr>
<td>□ Dependent Care</td>
<td>□ Yes □ No</td>
<td>$</td>
</tr>
</tbody>
</table>

Page 1 of 2
</body>
</html>
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.