

## Flexible Spending Accounts

### How they work and why you want to participate

The primary advantage to enrolling in an IRS approved Flexible Spending plan is to reduce your taxable income. The secondary advantage is to help offset your eligible out-of-pocket expenses. This plan, offered by your Employer, allows you to set aside PRE-TAX dollars for health and dependent care expenses that you would otherwise pay for with post-tax dollars. Flexible Spending Accounts (FSA) are exempt from federal taxes, Social Security taxes (FICA), and in most cases state income taxes.

For example, if you incur a deductible expense or office visit co-payment you may be reimbursed for those expenses through a Flexible Spending Account. The same holds true for qualifying dependent care expenses. This plan allows you the opportunity to save approximately 30% or more on the expenses you, your spouse, or your dependents already incur for health or dependent care.

#### The plan and process works like this:

- ▶ You elect to participate in either or both the health care or dependent care Flexible Spending plan
- ▶ Through payroll deduction you begin setting pre-tax dollars aside based on your annual election
- ▶ You incur an expense that qualifies for reimbursement
  - You may either:
    - ▶ Use your Benefits MasterCard for the purchase, if the merchant accepts the card, or
    - ▶ Pay out-of-pocket and submit a claim for reimbursement

#### To submit a claim for reimbursement:

- ▶ Complete a claim form (Please see the online instructions on page 4)
- ▶ Gather applicable receipts
- ▶ Send the completed claim form and receipts to Next Generation Enrollment
- ▶ A reimbursement will be issued to you from the funds in your FSA

Remember, the funds from that account were never taxed; that is how you will save approximately 30% or more on your health and/or dependent care expenses!

The IRS "use it or lose it" rule does not allow for a "rollover" provision. Funds that are not reimbursed under the plan will be forfeited. A list of eligible and ineligible expenses is also included. All claims and receipts submitted are reviewed and processed prior to issuing reimbursement (IRC § 125).

The information in this packet is a brief overview of Flexible Spending plans and is in no way meant to guarantee benefits. More detailed information regarding both the health and dependent care reimbursement plans can be found online at [www.nextgenerationenrollment.com](http://www.nextgenerationenrollment.com). From this site you will have access to tax savings illustrations, election worksheets, reimbursement forms and a listing of eligible expenses.

## Health Care Flexible Spending Plan

### Save potentially 30% or more on your out-of-pocket health care expenses

Health Care Flexible Spending plans are designed to help you save money on the out-of-pocket health care expenses you, your spouse or eligible dependents incur during the year. By contributing to this plan through payroll deduction, your Flexible Spending Account is funded from your check on a PRE-TAX basis. It is through this pre-tax deduction that you save a percentage of each dollar you spend on medical, dental, vision, and other health care related expenses that your insurance plans do not cover in full or are ineligible under the plans. Whether or not you are enrolled in the medical insurance plan through your employer, you are eligible for the Flexible Spending plan. The only way to take advantage of paying for these incurred expenses on a PRE-TAX basis is by participating in the Health Care Flexible Spending plan.

#### Eligible health care expenses may include:

- ▶ Office visit and prescription drug co-payments
- ▶ Deductibles
- ▶ Co-insurance
- ▶ Expenses not covered through your health plan
- ▶ Out-of-pocket dental, vision or hearing related expenses
- ▶ Bandages

#### Ineligible health care expenses may include:

- ▶ Insurance premiums
- ▶ If you itemize certain medical expenses on your income tax returns, those expenses cannot be submitted for reimbursement under this plan

**Important Note: Effective 1/1/2011 drugs, medicines and biological items will no longer be reimbursable under any Flexible Spending Plan without a prescription from a physician.**

## Types of Expenses Eligible for Reimbursement under your Health Care Flexible Spending Account

### Please Remember...

If you do not use your Benefits MasterCard to pay for your expenses, you must complete a claim form with documentation from a provider or a third party detailing the date of service, the name of the provider performing the service, the drug name or the type of service performed, and the amount of the service. A statement from your physician may be required as additional documentation in order to prove certain expenses were medically necessary.

#### ASSISTANCE FOR THE DISABLED

##### Eligible for Reimbursement:

- ▶ Artificial limbs
- ▶ Cost of note-taker for a deaf child in school
- ▶ Device for lifting a disabled person into an automobile
- ▶ Excess costs over the regular purchase price of a care due to specifically equipping the automobile for a disabled person
- ▶ Guide dog (includes purchase, training, and care)
- ▶ Household visual alert system for hearing impaired

#### DENTAL

##### Eligible for Reimbursement:

- ▶ Artificial teeth/dentures
- ▶ Braces, orthodontic services
- ▶ Dental care
- ▶ Adult Orthodontia\*
- ▶ Teeth whitening to correct discoloration due to disease, birth defect, or injury

##### Ineligible for Reimbursement:

- ▶ Teeth whitening due to aging or cosmetic purpose
- ▶ Cosmetic dentistry that is not medically necessary

#### DIAGNOSTIC/PREVENTATIVE CARE

##### Eligible for Reimbursement:

- ▶ Body scans and other diagnostic procedures
- ▶ Cord blood storage for a child born with a medical condition
- ▶ Flu shots
- ▶ Ovulation monitors
- ▶ Routine/preventive physicals
- ▶ Vaccinations/immunizations
- ▶ X-rays

**DRUGS/PHARMACY** *Please see page 7 for more information on how health care reform has changed the way Drugs/Pharmacy items can be reimbursed*

##### Eligible for Reimbursement:

- ▶ Drugs purchased over-the-counter to alleviate or treat an illness or injury\*
- ▶ Prescription drugs

##### Ineligible for Reimbursement:

- ▶ Cosmetics (face lotion, makeup)
- ▶ Non-prescription drugs and medicine used for the maintenance of general health (for example vitamins and dietary supplements)
- ▶ Toiletries (toothpaste, shaving cream, etc)
- ▶ Cold preventatives, Zicam, Airborne

#### EQUIPMENT

##### Eligible for Reimbursement:

- ▶ Blood pressure monitoring kits
- ▶ Braces
- ▶ Condoms
- ▶ Crutches
- ▶ Diabetic supplies
- ▶ Female contraceptives and spermicidal products
- ▶ Incontinence supplies\*
- ▶ Pregnancy tests
- ▶ Orthopedic shoes
- ▶ Oxygen equipment and oxygen used to aid breathing problems from a medical condition
- ▶ Walkers
- ▶ Wheelchairs

##### Ineligible for Reimbursement:

- ▶ Diapers
- ▶ Feminine products such as pads, sanitary napkins, or tampons
- ▶ Maternity clothing
- ▶ Tissue
- ▶ Toilet paper

#### INSURANCE

##### Eligible for Reimbursement:

- ▶ Amounts over usual and customary limits
- ▶ Coinsurance (only the percentage of charges not paid by your health care plan)
- ▶ Deductibles and co-payments for health care plans that you must pay before your health, dental, or vision plan begins to pay

##### Ineligible for Reimbursement:

- ▶ Cost of insurance coverage (including disability insurance, your health insurance, your spouse's health

insurance, an individual health insurance plan, life insurance, or long-term care insurance)

- ▶ Expenses paid by your health care plan

#### MISCELLANEOUS CHARGES

##### Eligible for Reimbursement:

- ▶ Costs relating to obtaining health care such as ambulance services, bus fares, mileage, parking fees, plane fares, taxi fares, tolls or train tickets
- ▶ Expenses connected with donating an organ
- ▶ Lodging expenses (not provided in a hospital or similar institution) not to exceed \$50 per night per individual while away from home if the lodging is primarily for and essential to medical care provided by a doctor
- ▶ Nursing help

##### Ineligible for Reimbursement:

- ▶ Diaper service
- ▶ Distilled water purchased to avoid drinking city water
- ▶ Domestic help, companion, babysitter, chauffeur, etc. who primarily render services of a non-medical nature
- ▶ Expenses incurred before you are eligible to participate in this plan or after you cease making contributions to your medical spending plan
- ▶ Health club dues
- ▶ Items purchased for cosmetic reasons
- ▶ Mobile telephone used for personal phone calls as well as calls to physician
- ▶ Nurses who render general care for healthy infants
- ▶ Pajamas purchased to wear in hospital
- ▶ Payments for services which are not medical in nature

#### PROCEDURES/TREATMENTS

##### Eligible for Reimbursement:

- ▶ Acupuncture
- ▶ Chiropractic treatments
- ▶ Cosmetic surgery/procedure that treats a deformity, caused by an accident or trauma, disease, or an abnormality at birth

- ▶ Dermatological procedures
- ▶ Hospital services
- ▶ Infertility treatment
- ▶ Lasik eye surgery
- ▶ Massage therapy prescribed for the treatment of a medical condition\*
- ▶ Nursing services for care of a specific medical ailment
- ▶ Ob-Gyn procedures
- ▶ Occupational therapy
- ▶ Physical therapy
- ▶ Podiatry services
- ▶ Smoking cessation programs
- ▶ Speech therapy
- ▶ Sterilization and reversed sterilization
- ▶ Surgery
- ▶ Therapy from psychologists, psychotherapists, and psychiatrists
- ▶ Treatment for alcoholism or drug dependency
- ▶ Weight loss programs prescribed to treat obesity or other medical conditions\*

##### Ineligible for Reimbursement:

- ▶ Any illegal treatment
- ▶ Cosmetic surgery, unless necessary because of an accident, abnormality at birth, deformity, or disease
- ▶ Marriage counseling

#### VISION/HEARING

##### Eligible for Reimbursement:

- ▶ Contact lenses and cleaning solutions
- ▶ Eyeglasses
- ▶ Hearing aids, batteries for operation of hearing aids, and the cost for maintenance of these aids
- ▶ Optometrist or ophthalmologist fees

##### Ineligible for Reimbursement:

- ▶ Eyeglass coating or tints that do not serve a medical purpose
- ▶ Lens replacement insurance
- ▶ Protection plans
- ▶ Warranties

\*Letter of Medical necessity required

**Important Note:** Effective 1/1/2011 drugs, medicines and biological items will no longer be reimbursable under any Flexible Spending Plan without prescription from a physician.

## **Dependent Care Flexible Spending Plan**

### **Save potentially 30% or more on your dependent care expenses.**

Dependent Care Flexible Spending plans are designed to help you save money on the child care expenses you and your spouse (if applicable) incur during the year. Child care expenses may include day care, nursery school costs, or after-school programs. This plan can also be used for expenses incurred in the care of elderly parents, a disabled spouse or a disabled child. Please note, the Dependent Care Flexible Spending Account is not for dependent medical expenses; this account is specifically for the care of your child or dependent while you and/or your spouse are at work or attending school.

By contributing to this plan through payroll deduction, your Dependent Care Flexible Spending Account is funded from your check on a PRE-TAX basis. It is through this pre-tax deduction you save a percentage of each dollar you spend on eligible dependent care expenses.

A requirement for eligibility is that you are employed and covered under this plan at the time your eligible dependent receives care.

**You must also meet one of the following requirements for eligibility:**

- ▶ Your spouse is working or looking for employment
- ▶ You are a single parent or guardian
- ▶ At a time when you are employed, your spouse is a full-time student at least five months during the year
- ▶ Your spouse is mentally or physically disabled and unable to provide for his/her own care
- ▶ You are legally separated or divorced and have custody of your child, even if you cannot claim an exemption for this dependent on your income taxes (for the time period that the child resides with you, this plan can be used to pay for child care services)

**An Eligible Dependent is a qualifying individual spending at least eight hours a day in your home and is one of the following:**

- ▶ Your dependent under age 13 for whom you claim an exemption on your income taxes (expenses are no longer eligible for reimbursement upon the dependent's thirteenth birthday)
- ▶ A child under the age of 13 for whom you have custody, if divorced or legally separated
- ▶ Your spouse, if mentally or physically unable to provide self care
- ▶ Your dependent, regardless of age, who is mentally or physically unable to provide self care, even if you cannot claim an exemption for this dependent on your income taxes

**Eligible Expenses for Reimbursement include:**

- ▶ Care received inside or outside your home by someone other than: your spouse, a person listed as a dependent on your income tax return or one of your children under age 19; the child care provider must claim the payments received as income
- ▶ Care received from a qualifying child day care center or adult or dependent care center
- ▶ Care provided by a housekeeper as long as the services provided, in part, are for the care of a qualified dependent
- ▶ Care provided through nursery, preschool, after-school, or summer day camp programs
- ▶ Taxes for wages spent on eligible dependent care can also be submitted for reimbursement

**Ineligible Expenses**

- ▶ Include, but are not limited to: dependent care for a child age 13 or over, non work-related babysitting, care that is educational in nature (kindergarten and beyond), or overnight camp. All submitted claims and receipts are reviewed and processed prior to issuing reimbursement (IRC §125; 129).

**By setting aside pre-tax dollars and participating in the Dependent Care Flexible Spending Plan, you can take advantage of paying for these incurred expenses on a PRE-TAX basis.**

## How to Access Your Flexible Spending Account and Use Next Generation Enrollment's Online System

Online at [www.nextgenerationenrollment.com](http://www.nextgenerationenrollment.com) you are able to obtain helpful information pertaining to your Flexible Spending plan. To access claim forms, worksheets and a list of eligible expenses hover over "NGE Info" and then click on "FSA/HRA Forms and Materials." From our website you will be able to log on to our administrative system and access your personal information. You'll be able to access the following through this administrative system:

- ▶ Submit a claim online
- ▶ Check your balance
- ▶ Monitor your account for claims submissions and reimbursements

**How to Access the NGE System** – Please note, to best use this system, you may need to disable any pop-up blockers.

1. Go to [www.nextgenerationenrollment.com](http://www.nextgenerationenrollment.com)
2. On the left-hand side, hover over "Login" and click on "FSA/HRA Account Login"
3. Enter your Login ID
4. Enter your Password – the last 4 digits of your Social Security number
5. Select "RepayMe Login ID" from the Login Method drop-down

If you do not have a login ID, then please email us at [clientservices@nextgenerationenrollment.com](mailto:clientservices@nextgenerationenrollment.com) to request a login ID or call us at 888-266-1732. Once you log on for the first time, the system will prompt you to change your password. Your new password must be a minimum of six characters containing at least one number and one letter. Leave your login ID blank; change your password; and complete the required information in red. After you have successfully changed your password, you will have the ability to submit claims, check your balance, update your personal information and view past claims.

**How to Update your Personal Information**

1. Login to the NGE website using the above instructions
2. Under the "About Me" tab, click on "Personal Information"
3. Update your address, phone number and email address if desired
4. Once complete, click on "Save Changes"

**How to Check your Balance**

1. Login to the NGE website using the above instructions
2. Under the "Balances" Tab, click on Accounting Detail
3. This will provide you with your Election, YTD Contributions, YTD Claims Submitted, Additional Allowable Claims and your Current Funds Available.

**How to View Past Filed Claims**

1. Login to the NGE website using the above instructions
2. Under the Claim Tab, click on "Claim Status"
3. Click on the claim number or form to obtain detailed information regarding each claim

**How to Submit a Claim Through the NGE System**

1. Login to the NGE website using the above instructions
2. Under the "Claims" Tab, click on "Submit a Claim"
3. Drop down to the corresponding Plan Year
4. Select the appropriate account – FSA Health Care or FSA Dependent Care
5. Select the most closely related Claim Code (i.e. deductible, prescription, child care)
6. Enter the Date of Service (this is the date you went to the doctor, bought the prescription, the date range for dependent care, etc.)
7. Select who the service was "Provided To," either yourself or your dependent. If your dependent is not listed you may add them by clicking on "New Dependent" and completing the required information noted by an asterisk (\*). Dependent ID can be any 4 digit combination you choose.
8. Enter the amount of the service or item
9. Enter the Provider's name; you may save any provider for future reference
10. Add comments if desired
11. Click "Save and Close" if you are finished OR click "Save and New" if you have additional claims to submit
12. Once you have entered all requests for reimbursement, click on "Submit and Print Claim Form"
13. Print the Claim Form
14. Fax signed Claim Form and all accompanying receipts to 888-267-0839. A cover page is not required. If you prefer to mail your form and receipts, please send to P.O. Box 527, Ada, MI 49301. Claims will be processed within two business days of receipt. Please keep all receipts and original documentation as required by the IRS.

**Remember – you must fax or mail this claim form along with the required claim documentation before the claim(s) are eligible to be approved for reimbursement.**

## Managing your Flexible Spending Plan and Benefits MasterCard

### Receiving Your Benefits MasterCard

A Benefits MasterCard will be ordered for you and, for security purposes will arrive at your home address in a plain white, unmarked envelope; the card is blue and states "Benefits Card". It is not necessary to activate your card, it will automatically activate upon your first use. If you order a second card for a dependent, please note that your Benefits MasterCard will arrive separately from the card for your dependent.

### Submitting Manual Claims

If you do not use your Benefits MasterCard and need to submit an expense for reimbursement, please see the online claim submission instructions on page 4.

### Process for Providing/Obtaining Receipts from Benefits MasterCard Purchases (when requested)

You may be required to submit receipts for Benefits MasterCard purchases. You will receive an email or letter (if we do not have an email on file) notifying you if receipts are required for substantiation purposes. This notification will include instructions for submitting your receipts.

If you do not respond to the initial notification within 10 days, a second notice will be generated. If you do not respond to the second notification within 10 days, it will be assumed that your transaction was for an ineligible expense and your card will be temporarily inactivated.

If receipts are submitted and it is determined that the expense was ineligible, per IRC § 213(d), we will email an Ineligible Expense Notification and you will have 10 days from that point to reimburse the plan for the ineligible purchase. If you have not reimbursed the plan within 10 days, your card will be temporarily inactivated.

### When and Where the Benefits MasterCard is Accepted

For the purchase of eligible over-the-counter expenses, the IRS requires merchants that are non-medical providers, such as grocery stores, convenience stores, warehouse clubs, supermarkets, discount stores, and online pharmacies to have an Inventory Information Approval System (IIAS). Through this system, eligible expenses are uniquely bar-coded; at the register when you purchase the item(s), the IIAS will automatically identify and validate items that are eligible for reimbursement through your Flexible Spending Account.

If the merchant is either listed below or on the IIAS merchant list that can be found in the publications section at [www.sig-is.org](http://www.sig-is.org), then the card will automatically substantiate your purchase and you will not have to submit a receipt. If the merchant is not listed below or on the IIAS merchant list as mentioned above, then your

Benefits MasterCard will not be accepted. This does not mean that you cannot purchase eligible expenses at this store; it simply means that the Benefits MasterCard will not be accepted and you will need to pay for the items out-of-pocket and submit a manual claim for reimbursement.

New IIAS merchants are added each month. An up-to-date list of providers is available at [www.sig-is.org](http://www.sig-is.org). Some participating retailers include:

- ▶ Albertson's – SuperValu
- ▶ A&P Supermarkets
- ▶ Busch's
- ▶ Cubs – SuperValu
- ▶ CVS Pharmacy
- ▶ Dominick's
- ▶ Jewel – SuperValu
- ▶ Kroger
- ▶ Meijer
- ▶ OSCO – SuperValu
- ▶ Rite-Aid
- ▶ Safeway
- ▶ Sam's Club
- ▶ Sav-A-Center
- ▶ Target Stores
- ▶ Wal-Mart Stores
- ▶ Walgreens

### Pharmacies and Drug Stores

The IRS requires all merchants accepting the Benefits MasterCard to implement the Inventory Information Approval System (IIAS). This allows your Benefits MasterCard to identify purchases at the point of sale. Retailers that are IIAS approved will accept your Benefits MasterCard and no receipts or proof of purchase will be requested from you.

*Example: You shop at Target and purchase numerous items: aspirin, cough syrup, socks, and laundry detergent. The best method of using the Benefits MasterCard is to segment your purchase and pay for the eligible expenses (aspirin and cough syrup) with the Benefits MasterCard and then pay for your remaining expenses however you choose.*

## Managing your Flexible Spending Plan and Benefits MasterCard CONTINUED

### When Receipts Are Required For Benefits MasterCard Purchases

The Benefits MasterCard is also accepted at health care providers who supply health related items and services and who also accept MasterCard. Below is a list of services and the thresholds detailing when NGE will require the submission of receipts in order to validate the expense.

#### Chiropractic Services

Any amount charged to the card that is greater than \$75.

#### Dental Care / Orthodontics

Any amount charged to the card that is greater than \$250.

#### Doctor's Office / Emergency Room / Urgent Care

In general, if the amount of the charge matches the amount of the corresponding co-payment through your Medical Plan, or a multiple of the co-payment the card will be accepted. Any deviation from the co-payment schedule could result in a substantiation request.

#### Vision Care Providers

Any amount that is charged to the card that is greater than \$300.

#### Laboratory / Diagnostic Services

Any amount that is charged to the card that is greater than \$250.

#### 90% Rule – Pharmacies and Drug Stores

The IRS allows retailers that certify themselves according to the 90% rule, the ability to accept your Benefits MasterCard. This means if 90% of goods sold at the retailer are eligible health care expenses your Benefits MasterCard will be accepted. A list of those retailers will be found at [www.sig-is.org](http://www.sig-is.org). Some examples include: Walgreen Express Scripts, Medco and more. In some cases however, you may be requested to substantiate your purchases from these retailers.

#### Non IAS Approved Pharmacies and Drug Stores

For retailers who do not have the IAS bar-coding system, your Benefits MasterCard will not be accepted and you will need to pay for the items out-of-pocket and submit a manual claim for reimbursement.

#### Dependent Care Claims

You may be required to substantiate your dependent care expenses.

Should you ever have any questions regarding the Benefits MasterCard, please reach us at 888-266-1732.

It is important to note that each time you swipe your Benefits MasterCard you are certifying that, to the best of your knowledge, the items or services you are purchasing are legitimate expenses in accordance with your Plan and that they will not be submitted under any other Flexible Spending plan. You also certify that upon request, you will submit the necessary documentation to verify your purchase or service. This is an IRS regulated plan, therefore we recommend retaining all documentation from purchases made with your Benefits MasterCard.

**Important Note:** Effective 1/1/2011 drugs, medicines and biological items will no longer be reimbursable under any Flexible Spending Plan without a prescription from a physician.

## Health Care Reform and Flexible Spending Accounts Changes to Over-the-counter Eligibility for Reimbursement

In March, President Obama signed the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively "the Act"). The Act includes a number of modifications to employee benefit programs. One provision that will affect employee participants beginning January 1, 2011 is the requirement for over-the-counter (OTC) drugs, medicines and biologicals to be accompanied by a physician's prescription in order to be eligible for reimbursement under health flexible spending accounts (FSAs), health reimbursement arrangements (HRAs) and health savings accounts (HSAs).

Though the specific list of items affected has not been completely assessed, the following categories of OTC items will require a doctor's prescription as of January 1, 2011 in order to be eligible for reimbursement through an FSA, HRA or HSA:

- ▶ Acid Controlllers
- ▶ Allergy Et Sinus
- ▶ Antibiotic Products
- ▶ Anti-Diarrheal
- ▶ Anti-Gas
- ▶ Anti-Itch Et Insect Bite
- ▶ Anti-parasitic Treatments
- ▶ Baby Rash Ointments/Creams
- ▶ Cold Sore Remedies
- ▶ Cough, Cold Et Flu
- ▶ Digestive Aids
- ▶ Feminine Anti-Fungal/Anti-Itch
- ▶ Laxatives
- ▶ Motion Sickness
- ▶ Pain Relief
- ▶ Respiratory Treatments
- ▶ Sleep Aids Et Sedatives
- ▶ Stomach Remedies

The Act will also impact the use of all Benefit MasterCards. Beginning January 1, 2011, items that require a doctor's prescription for reimbursement can no longer be auto substantiated at the point-of-sale. Therefore, purchases of OTC drugs, medicines and biologicals will require another form of payment. The employee can then submit a claim or request for reimbursement by using a reimbursement form and submitting the receipt for the purchase along with the doctor's prescription for the item purchased. This change affects only OTC drugs, medicines and biologicals; bandages, home health-aids and other OTC items (mentioned below) will still be eligible and can be purchased using the Benefit MasterCard without further documentation.

The following are examples of some of the OTC items that will remain eligible for reimbursement without a doctor's prescription:

- ▶ Band Aids
- ▶ Birth Control
- ▶ Braces Et Supports
- ▶ Catheters
- ▶ Contact Lens Supplies Et Solutions
- ▶ Denture Adhesives
- ▶ Diagnostic Tests Et Monitors
- ▶ Elastic Bandages Et Wraps
- ▶ First Aid Supplies
- ▶ Insulin Et Diabetic Supplies
- ▶ Ostomy Products
- ▶ Reading Glasses
- ▶ Wheelchairs, Walkers, Canes

Please feel free to contact Next Generation Enrollment with questions regarding the change to OTC eligibility and reimbursement at (888) 266-1732.

**Huron Valley Public Schools**  
**Important Information Regarding Your Flexible Spending Account(s) and Open Enrollment**  
**1/1/2011 – 12/31/2011 Plan Year**

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The 2010 Flexible Spending Account (FSA) plan year is quickly coming to a close. If you wish to participate in the 2011 plan year, please complete the enclosed enrollment form and return it by 10/29/10. Below you will find some reminders about the current plan year, upcoming open enrollment period and new plan year.

**2010 Plan Year (1/1/2010 – 12/31/2010):**

- **Grace Period** – Our plan does not have a grace period.
- **Run Out Period** - You have 90 days after the end of the plan year, or until 3/31/2011, to submit reimbursement claims for all expenses incurred in the 2010 plan year.
- **Remaining Balance** - If you wish to determine the balance remaining in your FSA account(s) you can login to NGE's online system to verify this information. Remember that your FSA is a tax free benefit; therefore you must use your remaining balance before the end of the plan year to avoid forfeiting the remaining balance.
- **Termination Run Out Period** - Should you terminate employment, you have 90 days to submit claims incurred prior to your termination date for reimbursement.

**2011 Plan Year (1/1/2011 – 12/31/2011):**

- **Open Enrollment** - Included with this letter is your FSA enrollment form for the upcoming plan year. All enrollment forms should be returned no later than 10/29/10.
- **Limited Scope FSA** – Please note that if you are enrolled in the Priority Health Medical Plan with HSA, you can only enroll into the Limited Scope FSA option. Under a Limited Scope Plan, you can use your FSA dollars for dental, vision, hearing and preventative care not covered under your health plan.
- **Health Care FSA Maximum Election** - \$3,100.00
  - **Important Note:** Effective 1/1/2011 over-the-counter (OTC) drugs, medicines and biological items will no longer be reimbursable under any Flexible Spending Plan without a prescription. OTC drugs, medicines and biological items include: cough medicines, pain relievers, acid controllers, antiseptic ointment, allergy medicine, etc. Insulin and other OTC items, such as bandages, first aid supplies, contact lens supplies and solution, will continue to be eligible without a prescription.
- **Dependent Care FSA Maximum Election** - \$5,000.00
- **Direct Deposit** - If you would like to have manual claim reimbursements directly deposited into your bank account, please complete the direct deposit authorization section, found on the enclosed enrollment form.
- **Debit Cards** - Please do not discard your current Benefits MasterCard, effective 1/1/2011 it will be loaded with your 2011 annual election. If you are a new participant in the plan, you will receive a Benefits MasterCard shortly before January 1<sup>st</sup>. If you would like to order a Benefits MasterCard for a dependent you may do so using your online access outlined below or by calling Next Generation Enrollment.
- **Payroll Deductions** - Deductions for health and dependent care will begin with the first paycheck following the beginning of the new plan year.
- **Minimum Reimbursement** - Next Generation Enrollment requires a minimum reimbursement of \$15.00. Once your reimbursement request reaches more than \$15.00, you will receive payment.

**Claim Submission:**

Fax: (888) 267-0839

Online: [www.nextgenerationenrollment.com](http://www.nextgenerationenrollment.com)

Email: [clientservices@nextgenerationenrollment.com](mailto:clientservices@nextgenerationenrollment.com)

Mail: Next Generation Enrollment, Inc  
P.O. Box 527  
Ada, MI 49301

**NGE Website Access:** In order to best serve you, NGE provides a website that you can use to check your balance, review your claims activity, and file electronic claims.

1. Go to [www.nextgenerationenrollment.com](http://www.nextgenerationenrollment.com)
2. On the left-hand side hover over "Login" and click on "FSA/HRA Account Login"
3. Enter your "11111" followed by the last 4 digits of your Social Security Number in the Login ID field
4. Enter your unique password in the password field (the last 4 digits of your Social Security Number is your password if you are logging in for the first time)
5. Select "Social Security Number" from the Login Method drop-down menu

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**If at any point you need assistance with your FSA please call Next Generation Enrollment at (888) 266-1732.**  
455 Pettis Ave. SE PO Box 527 Ada, MI 49301



## Flexible Spending Account Election Form

### SECTION 1: EMPLOYEE CONTACT INFORMATION

EMPLOYEE NAME: LAST	FIRST	MIDDLE INITIAL
COMPANY NAME		EMAIL ADDRESS <input type="checkbox"/> check if new
LAST FOUR DIGITS OF SOCIAL SECURITY NO.	DAYTIME PHONE NUMBER	
HOME ADDRESS: STREET <input type="checkbox"/> check if new	CITY	STATE ZIP

### SECTION 2: ELECTION INFORMATION

<p><b>Health Care</b></p> <p><input type="checkbox"/> I elect to participate in the Healthcare Reimbursement Plan.</p> <p style="text-align: center;">OR</p> <p><input type="checkbox"/> I elect to participate in the Limited Scope FSA Reimbursement Plan.</p> <p>\$ _____ is my PRE-TAX annual election amount.</p> <p><input type="checkbox"/> I elect NOT to participate.</p>	<p><b>Dependent Care</b></p> <p><input type="checkbox"/> I elect to participate in the Dependent-Care Reimbursement Plan.</p> <p>\$ _____ is my PRE-TAX annual election amount.</p> <p><i>(Maximum amount cannot exceed \$5,000 annually. Maximum cannot exceed \$2,500 annually for an employee that is married and filing a separate tax return).</i></p> <p><input type="checkbox"/> I elect NOT to participate.</p>
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*By signing this form, I understand that I am authorizing funds to be taken from my paycheck on a PRE-TAX basis and transferred into my Flexible Spending Account. The amount that I am requesting to be deducted will reduce my annual taxable wages. I understand that my election cannot be changed during the plan year unless I experience a qualifying change in status. I am only eligible to participate in this plan year if I sign and date this enrollment form prior to my effective date of coverage under the plan. I am also fully aware that this plan does not have a "rollover" provision and any funds that I did not claim for reimbursement at the end of the plan year will be forfeited. However, per the Summary Plan Description, I do have a certain amount of time after the end of the plan year or after my termination of employment to obtain reimbursement for expenses that were incurred within the plan year or employment period.*

**X**

EMPLOYEE SIGNATURE VERIFICATION	DATE
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### SECTION 3: DIRECT DEPOSIT INFORMATION

DEPOSITORY NAME	BRANCH
CITY	STATE ZIP
ROUTING NUMBER	ACCOUNT NUMBER ACCOUNT TYPE

*I hereby authorize Next Generation Enrollment, Inc., hereinafter called COMPANY, to initiate credit entries to my account indicated above at the depository financial institution named above, hereinafter called DEPOSITORY, and to credit the same to such account. I acknowledge that the origination of ACH transactions to my account must comply with the provisions of U.S. law. This authorization is to remain in full force and effect until COMPANY has received written notification from me of its termination in such time and in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it.*

**X**

EMPLOYEE SIGNATURE VERIFICATION	DATE
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### SECTION 4: AUTHORIZATION TO USE OR DISCLOSE IDENTIFIABLE HEALTH INFORMATION

I, \_\_\_\_\_, authorize the use and disclosure of all identifiable health information pertaining to reimbursements I file under the flexible benefits plan by or to my spouse or personal representative, \_\_\_\_\_. The disclosure of identifiable health information may be made at the request of this individual. This authorization is valid during the plan year for which I am electing to participate in the Flexible Benefits Plan. I understand that I do not have to sign this authorization to be eligible to participate in the Flexible Benefits Plan and I also understand that at any time I have the ability to revoke this authorization.

**X**

EMPLOYEE SIGNATURE VERIFICATION	DATE
<b>X</b>	
SIGNATURE OF SPOUSE OR PERSONAL REPRESENTATIVE	DATE

FOR EMPLOYER USE ONLY:  
Employee Division \_\_\_\_\_ Effective Date \_\_\_\_\_ Plan Year Start Date \_\_\_\_\_ End Date \_\_\_\_\_ Date of first paycheck under the plan \_\_\_\_\_