



Savings power.

WageWorks Dependent Care Flexible Spending Account

A WageWorks® Dependent Care Flexible Spending Account (FSA) is a pre-tax benefit account used to pay for dependent care services, such as preschool, summer day camp, before or after school programs, and child or elder daycare. A WageWorks Dependent Care FSA is a smart, simple way to save money while taking care of your loved ones so that you can work.

WHY YOU NEED IT

- Save an average of 30% on preschool, summer day camp, before/after school programs, child or elder daycare, and more
- Reduce your overall tax burden—funds are withdrawn from your paycheck for deposit into your Dependent Care FSA before taxes are deducted
- Take advantage of several convenient, no-hassle payment and reimbursement options

Your Estimated Tax Savings

Without Dependent Care FSA		With Dependent Care FSA	
Gross annual pay (estimate)	\$60,000	Gross annual pay (estimate)	\$60,000
Estimated tax rate (30%)	- \$18,000	Maximum annual Dependent Care FSA contribution	- \$5,000
Net annual pay	= \$42,000	Adjusted gross pay	\$55,000
Estimated annual dependent care expenses	- \$5,000	Estimated tax rate (30%)	- \$16,500
Final take-home pay	= \$37,000	Final take-home pay	= \$38,500

Take home this much more

\$1,500



Calculate how much more you can take home in one year at

wageworks.com/mydcfsa



WageWorks Dependent Care FSA

How It Works

Simply decide how much to contribute to your account each year, and funds are withdrawn from each paycheck for deposit into your account before taxes are deducted. As soon as your account is funded, you can use your balance to pay for many eligible dependent care expenses.

Be sure to estimate your annual dependent care expenses and make your contributions carefully. Any money left unspent in your Dependent Care FSA at plan year end is forfeited.

HOW YOU USE IT

With a variety of payment and reimbursement options, your WageWorks Dependent Care FSA is easy to use. Arrange for convenient direct payments to your dependent care provider or be reimbursed for payments you make. You can even have your dependent care provider sign receipts using your mobile device.



HOW YOU MANAGE IT

Manage your account via a secure website on any computer or mobile device that's connected to the Internet or via the WageWorks EZ Receipts® mobile app.

HOW MUCH YOU CAN CONTRIBUTE

You can contribute up to a maximum of \$5,000 to your WageWorks Dependent Care FSA as of 2014. This limit may change for 2015.

How You Get It

Ready to save? Sign up for a WageWorks Dependent Care FSA during your Open Enrollment period. Contact the person or organization managing your benefits enrollment today!

Learn more at

wageworks.com/mydcfsa



WageWorks
everyone benefits

Reference Guide

Your Flexible Spending Accounts

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Register for an online account now!

If you haven't registered online yet, please do so today — just visit www.myFBMC.com and follow the link to register. You'll need to answer a few simple questions and create a user name and password.

Once registered, elect to **Go Green** to receive real-time notifications when your claim is received, processed, partially or fully rejected and when your payment is issued.

Direct Deposit

Direct Deposit service has no fees, and your FSA reimbursement checks are deposited into the checking or savings account of your choice within 48 - 72 hours of claim approval.

Questions

If you have questions or concerns, you can speak with one of our Customer Care Representatives to learn more about the program. Just call 1-800-342-8017 Monday - Friday, 6 a.m. - 9 p.m. CT.

www.myFBMC.com

Start Saving. Here's How.

A Flexible Spending Account (FSA) is an account you set up for your anticipated, eligible medical services, medical supplies and dependent care expenses not normally covered by your insurance. You can choose either, or both, a medical expense FSA and a dependent care FSA.

Your medical expense FSA funds are deducted before federal and state taxes are calculated on your paycheck, AND your FSA funds are available to you in one lump sum at the beginning of your plan year!

With either FSA, you benefit from having less **taxable** income in each of your paychecks, which means more **spendable** income to use toward your eligible medical and dependent care expenses.

Once you decide how much to contribute to your medical expense and/or dependent care FSA, the funds are deducted in small, equal amounts from your paychecks during the plan year. Before signing up for an FSA, review this reference guide to understand how FSAs can save you and your family a significant amount of tax money.

Important Dates to Remember

Your Open Enrollment is: **October 1, 2013, through October 31, 2013.**

Your Period of Coverage is: **January 1, 2014, through December 31, 2014.**

Enrollment Information

- ▶ Annual Enrollment is October 1, 2013, through October 31, 2013. Call Customer Care at 1-800-342-8017, Monday through Friday, 6 a.m. to 9 p.m., CT, or Telecommunications Device for the Deaf (TDD), 1-800-955-8771, for more information. October 31, 2013, is the last day during Annual Enrollment to submit your completed enrollment form to Employee Benefits Division.
- ▶ We offer a limited medical expense FSA for employees who also wish to take advantage of a Health Savings Account (HSA). You may only participate in the HSA if you have chosen the HSA qualified High Deductible PPO medical coverage. **IRS guidelines prohibit employees from participating in an HSA and a traditional FSA simultaneously.** If you wish to take advantage of FSA tax savings and plan to participate in the HSA, you are required to choose a limited medical expense FSA. **The myFBMC Card® may also be used for a limited medical expense FSA.**
- ▶ Information regarding your FSA is just a phone call away! Call Interactive Benefits 24 hours a day at 1-800-865-3262 to review your FSA information and request forms.
- ▶ Customer Care and other account information are available to you through www.myFBMC.com. More details about the information available can be found on Page 2.



Accessing Your Benefits

Our Customer Care Center offers you a variety of resources to make inquiries about your Flexible Spending Accounts (FSAs), including information from the website, Interactive Voice Response system (IVR) and our Customer Care Representatives.

On the Web

Visit www.myFBMC.com to access our home page. Use the navigational tabs along the top of the webpage to get answers to many of your benefits questions.

If you previously registered an e-mail address and password, you may continue using this information. If you haven't registered, log into the website as a first-time user. Follow the link on the login page to register.

- ▶ **Benefits** - You can check your account status, read FSA descriptions, use our tax calculator and much more.
- ▶ **FSA Claims** - Check the status of your FSA claims, download forms, get information about mailing and faxing your claim and see any transactions needing documentation.
- ▶ **FSA Balance(s)** - View your FSA balance(s) and contributions or review monthly statements and your transaction history.
- ▶ **myFBMC Card® Visa® Card** - Please visit www.myFBMC.com to activate your myFBMC Card®. You may also download a card fact sheet or claim form, read detailed instructions on proper card use and review our IAS Store List to maximize card convenience.
- ▶ **Profile** - Change your account profile, access your Member ID or select a new PIN.
- ▶ **Resources** - Browse through our extensive resource library, including: materials, eligible medical and dependent care expenses, required documentation, over-the-counter drug listings and helpful tips.
- ▶ **FSA Forms** - Download applicable forms for reimbursement and Direct Deposit.

Go Green for Instant Information!

With Go Green you can review and print your real-time account information at any time and receive real-time updates about the following events:

- ▶ Claims are received
- ▶ Claims are paid
- ▶ Claims are partially or fully rejected
- ▶ myFBMC Card® documentation needed
- ▶ myFBMC Card® suspension warning
- ▶ myFBMC Card® suspended
- ▶ myFBMC Card® reinstated
- ▶ New Online Statement notification

Going Green makes it easy to track claims and manage your account while reducing your carbon footprint. To enroll, simply register or log in to www.myFBMC.com, click on the "Go Green" box under "Account Access" and you're on your way to simpler account management.

Over the Phone

Our automated phone system, IVR, can be reached 24/7 by calling 1-800-865-3262. IVR allows you to access your account(s) any time, follow the voice prompts to find out information such as:

- ▶ Current balance(s)
- ▶ Current active accounts
- ▶ Claim status
- ▶ Mailing address verification
- ▶ Obtain claim forms
- ▶ Change your PIN

Personal Identification Number (PIN)

To access the IVR system, all you need is your Social Security number (SSN). The last four digits of your SSN will be your first PIN. After your initial login, you will be asked to register and select your own confidential PIN to access this system in the future. Your new PIN cannot be the last four digits of your SSN, cannot be longer than eight digits and must be greater than zero.

Record PIN here.

Remember, this will be your PIN for IVR access.

If you forget your PIN, call Customer Care at 1-800-342-8017.

Note: Please be sure to keep this Reference Guide in a safe, convenient place, and refer to it for benefit information.

Enrollment at a Glance

Making your benefits work for you – it's easy!

- ▶ WageWorks, along with your employer, offers you a wide selection of benefits to choose from during your Open Enrollment. We specialize in tax-saving benefits administration, including Flexible Spending Accounts (FSAs), which may save you a significant amount of money.
- ▶ We provide you with convenient ways to track your benefit transactions, including online review, telephone tracking and monthly statements.
- ▶ Before you sign up for an FSA, review the FSA guidelines and become familiar with how the program works, see how to save you, and your family, a significant amount of tax money. For more information, refer to the Flexible Spending Accounts section beginning on Page 5 of this Reference Guide.
- ▶ Submit your supporting documentation and completed **FSA Claim Form** (for outstanding transactions) for reimbursement processing. Once the plan year ends, you have a 90-day run-out period to submit your supporting documentation.

Premium Conversion

Premium Conversion deducts your insurance premiums from your gross pay before your taxes are calculated. You pay less taxes and have more spendable income.

The Arkansas Cafeteria Plan (ARCAP) is a tax-free method you use to pay for eligible benefits. You can pay your state employees' group health and life insurance premiums, dependent (child, adult and elder) care expenses and certain unreimbursed, out-of-pocket medical expenses tax-free through ARCAP. You can also pay your eligible payroll-deducted cancer and disability plans through ARCAP. Dependent term life insurance is not eligible for Premium Conversion.

You are automatically enrolled in Premium Conversion for your medical coverage and employee-only life insurance. If you do not want Premium Conversion, you must check the waiver block in Section C on your enrollment form.

Premium Conversion is automatic for the Cancer and Disability plans **only if you enroll on or before October 31, 2013**. If you enroll in either plan after this date, you will not be eligible for Premium Conversion until the next Annual Enrollment period.

If you decide to enroll in the eligible Cancer and Disability plans, an administrative fee will be paid by the following participating insurance companies.

- ▶ American Family Life Assurance Company (AFLAC)
- ▶ American Public Life Insurance Company
- ▶ Colonial Life & Accident Insurance Company

If you do not want Premium Conversion for the Cancer and Disability plans, you must check the waiver block in Section E on your enrollment form.

Eligibility Requirements

Period of Coverage

Your period of coverage corresponds to the upcoming 2014 Plan Year, January 1, 2014, through December 31, 2014.

Who is eligible?

Any actively employed, permanent employee of participating agencies, boards, commissions, institutions and Constitutional Officers, as well as all duly-elected legislators who are in budgeted positions and work at least 1,000 hours per year. Permanent employees are those whose employment is not seasonal or temporary, and whose actual performance of duty requires 1,000 or more working hours per year.

New Employees

Newly hired employees will be eligible for participation in the Arkansas Cafeteria Plan (ARCAP), including a Medical Expense Flexible Spending Account (FSA) and a Dependent Care Flexible Spending Account (FSA), the first day of the month following the date of application.

Leave and Flexible Spending Accounts

The Family and Medical Leave Act (FMLA) may affect your rights to continue coverage while on leave. Except as otherwise provided by law and in accordance with your employer's plan(s), if you go on an employer-approved, unpaid leave of absence during the plan year, certain benefits will continue until your last ARCAP payroll deduction is received by WageWorks after the start of your unpaid leave of absence. However, you may continue contributing to your Medical Expense FSA, on an after-tax basis, by contacting Customer Care. Within 30 days of going on an unpaid leave of absence, you must:

- ▶ consult your payroll/personnel officer for benefits continuation or call 1-800-959-3652 to obtain information on the FMLA and
- ▶ contact Customer Care at 1-800-342-8017 to apply for continuation, on an after-tax basis, of your medical expense FSA (you cannot continue contributing to your dependent care FSA).

Automatic Loss of Coverage

Your spouse or dependents become immediately ineligible for coverage under your group medical plan due to death or divorce, or if your dependent gets married, exceeds the age limit, or loses full-time student status. You must notify the Employee Benefits Division (EBD) to amend your coverage to reflect this loss of eligibility and request a refund of any premiums paid. Your requested change may only involve the individual who lost coverage and no one else. This automatic loss of coverage is outside the rules for Changes In Status otherwise outlined in this booklet. You also understand that potential liability exists to repay any benefits paid on behalf of individuals who have become ineligible.

If you are declining enrollment for yourself or your dependent (including your spouse) because of other health insurance coverage, you may, in the future, be able to enroll yourself or your dependent in your employer's plan, provided that you request enrollment within 30 days of the other coverage ending.

Terminating Employees (Except Retirement¹)

Except as otherwise provided by law and in accordance with your employer's plan(s), terminating employees are covered during the plan year, until the payroll date following your last ARCAP payroll deduction, or until your coverage for the plan year expires (December 31, 2014). To continue certain benefits, within 30 days of your termination of employment you must:

- ▶ consult your payroll/personnel officer for benefits continuation or call 1-800-959-3652 to obtain information on the FMLA and
- ▶ contact Customer Care at 1-800-342-8017 to apply for continuation, on an after-tax basis, of your medical expense FSA.²

For additional information about continuing your coverage and the Consolidated Omnibus Budget Reconciliation Act (COBRA), please refer to the **COBRA** section of this booklet.

Notes

¹ Retirees are treated by WageWorks, as COBRA participants.

² Your employer's medical expense FSA Plan is not subject to COBRA continuation beyond the end of the plan year in which a COBRA-qualifying event occurs.

Flexible Spending Accounts

Annual Contribution Limits

For medical expense FSA:

Minimum Annual Deposit: None
Maximum Annual Deposit: \$2,500

For dependent care FSA:

Minimum Annual Deposit: None
The maximum contribution depends on your tax filing status.

- ▶ If you are married and filing separately, your maximum annual deposit is \$2,500.
- ▶ If you are single and head of household, your maximum annual deposit is \$5,000.
- ▶ If you are married and filing jointly, your maximum annual deposit is \$5,000.
- ▶ If either you or your spouse earn less than \$5,000 a year, your maximum annual deposit is equal to the lower of the two incomes.
- ▶ If your spouse is a full-time student or incapable of self-care, your maximum annual deposit is \$3,000 a year for one dependent and \$5,000 a year for two or more dependents.

Written Certification

When enrolling in either or both FSAs, written notice of agreement with the following will be required:

- ▶ I will only use my FSA to pay for IRS-qualified expenses and only for my IRS-eligible dependents
- ▶ I will exhaust all other sources of reimbursement, including those provided under my employer's plan(s) before seeking reimbursement from my FSA
- ▶ I will not seek reimbursement through any additional source and
- ▶ I will collect and maintain sufficient documentation to validate the foregoing.

FSA Eligibility

Your medical expense FSA may be used to reimburse eligible expenses incurred by yourself, your spouse, your qualifying child or your qualifying relative. You may use your dependent care FSA to receive reimbursement for eligible dependent care expenses for qualifying individuals.

Please see the Flexible Spending Account FAQs at www.myFBMC.com.

Note: There is no age requirement for a qualifying child if they are physically and/or mentally incapable of self-care. An eligible child of divorced parents is treated as a dependent of both, so either or both parents can establish a medical expense FSA. Only the custodial parent of divorced or legally-separated parents can be reimbursed using the dependent care FSA.

FSA Fund Availability

For medical expense FSA:

Once you sign up for a medical expense FSA and decide how much to contribute, the maximum annual amount of reimbursement for eligible health care expenses will be available throughout your period of coverage.

Since you don't have to wait for the cash to accumulate in your account, you can use it to pay for your eligible health care expenses at the start of your deductions.

For dependent care FSA:

Once you sign up for a dependent care FSA and decide how much to contribute, the funds available to you depend on the actual funds in your account. Unlike a medical expense FSA, the entire maximum annual amount is not available during the plan year, but rather after your payroll deductions are received.

Examples of using your FSA:

Example 1: Paying a co-payment and doctor/dental fees

After paying your co-payment and doctor/dental fees at a service provider's office, obtain an Explanation of Benefits (EOB) or detailed receipt of the completed services. Submit these documents, along with a claim form. Within five business days, we will process your request and mail your reimbursement check to you or direct deposit your funds into the account of your choice.

Example 2: Paying for day care services

Once you have paid for your child's day care service, send a completed claim form, along with documentation showing the following:

- ▶ Name, age and grade of the dependent receiving the service
- ▶ Cost of the service
- ▶ Name and address of the service provider
- ▶ Beginning and ending dates of the service.

Your request will be processed within five business days and either mailed to you or deposited into the account you have chosen.

Visit www.myFBMC.com for a list of frequently asked questions. You must keep your documentation for a minimum of one year to submit upon request.

Flexible Spending Accounts

Medical Expense FSA

A medical expense FSA is used to pay for eligible medical expenses which aren't covered by your insurance or other plan. These expenses can be incurred by yourself, your spouse, a qualifying child or relative. Your full annual contribution amount is available at the beginning of the plan year, so you don't have to wait for the money to accumulate.

Dependent Care FSA

The dependent care FSA is a great way to pay for eligible dependent care expenses such as after school care, baby-sitting fees, day care services, nursery and preschool. Eligible dependents include your qualifying child, spouse and/or relative.

Typical FSA-Eligible Expenses

Use your FSA to save on hundreds of products and services for you and your family. Eligible expenses are defined by the IRS and your employer.

Eligible medical expenses

Typically, your medical expense FSA covers:

Acupuncture
Ambulance service
Birth control pills and devices
Breast pumps
Chiropractic care
Contact lenses (corrective)
Dental fees
Diagnostic tests/health screening
Doctor fees
Drug addiction/alcoholism treatment
Drugs
Experimental medical treatment
Eyeglasses

Guide dogs
Hearing aids and exams
In vitro fertilization
Injections and vaccinations
Nursing services
Optometrist fees
Orthodontic treatment
Over-the-counter items (some require prescription)
Prescription drugs to alleviate nicotine withdrawal symptoms
Smoking cessation programs/treatments
Surgery
Transportation for medical care

Weight-loss programs/meetings
Wheelchairs
X-rays

Eligible dependent care Expenses

Your dependent care FSA typically covers expenses that allow you to work such as:

After school care
Baby-sitting fees
Day care services
In-home care/au pair services
Nursery and preschool
Summer day camps

FSA Savings Example*

	(With FSA)	(Without FSA)
Annual Gross Income	\$31,000.00	\$31,000.00
FSA Deposit for Eligible Expenses	- 2,500.00	- 0.00
Taxable Gross Income	\$28,500.00	\$31,000.00
Federal, Social Security Taxes	- 5,885.25	- 6,401.50
Annual Net Income	\$22,614.75	\$24,598.50
Cost of Eligible Expenses	- 0.00	- 2,500.00
Spendable Income	\$22,614.75	\$22,098.50

By using an FSA to pay for anticipated recurring expenses, you convert the money you save in taxes to additional spendable income. That's a potential annual savings of **\$516.25!**

Typical FSA-Ineligible Expenses

For medical expense FSA:

- ▶ insurance premiums
- ▶ vision warranties and service contracts
- ▶ cosmetic surgery not deemed medically necessary to alleviate, mitigate or prevent a medical condition.

For dependent care FSA:

- ▶ books and supplies
- ▶ child support payments or child care if you are a non-custodial parent
- ▶ health care or educational tuition costs and
- ▶ services provided by your dependent, your spouse's dependent or your child who is under age 19.

Notes:

Budget conservatively. No reimbursement or refund of medical expense FSA funds is available for services that do not occur within your plan year and grace period.

* Based upon a 20.65% tax rate (15% federal and 5.65% Social Security) calculated on a calendar year.

Flexible Spending Accounts

Requesting Reimbursement

For a medical expense FSA:

Your medical expense FSA may reimburse eligible expenses after you have sought (and exhausted) all means of reimbursement provided by your employer and any other appropriate resource. Remember, some eligible expenses are reimbursable on the date available, not the date ordered.

To request reimbursement, simply fax or mail a correctly completed claim form along with the following:

- ▶ an invoice or bill from your health care provider listing the date you received the service, the cost of the service, the specific type of service and the person for whom the service was provided or
- ▶ an Explanation of Benefits (EOB)¹ from your health insurance provider that shows the specific type of service you received, the date and cost of the service and any uninsured portion of the cost and
- ▶ a written statement from your health care provider indicating the service was medically necessary if those services could be deemed cosmetic in nature, accompanied by the invoice or bill for the service.

For a dependent care FSA:

You can request reimbursement from your dependent care FSA as often as you like. However, your approved expense will not be reimbursed until the last date of service for which you are requesting reimbursement has passed. Remember that for timely processing, your payroll contributions must be current.

Requesting reimbursement is easy. Simply fax or mail a correctly completed claim form along with documentation showing the following:

- ▶ the name, age and grade of the dependent receiving the service
- ▶ the cost of the service
- ▶ the name and address of the provider and
- ▶ the beginning and ending dates of the service.

This information is required with each request for reimbursement.

Note: Cancelled checks or credit card receipts (or copies) listing the cost of eligible expenses are **not** valid documentation for either medical expense or dependent care FSA reimbursement.

Submit FSA Reimbursement Claims:

Online:

1. Scan your completed claim form and supporting documentation scanned, then log into your account at www.myFBMC.com. Refer to your scanner's instruction manual for information on saving your documents in the proper format² and within the acceptable file size limit².
2. Once logged in, select "Claims" at the top of the screen and click "Online Claims Submission" from the drop down menu.
3. Choose the account type for which you are submitting a claim. Enter the dollar amount of the claim in the appropriate box and click "Next".
4. Attach your completed and signed claim form. Attach your supporting documentation (receipts, invoices, etc) then click "Submit".
5. Be sure to write down the confirmation number for future reference.

Fax:

1-888-800-5217

Mail:

Fringe Benefits Management Company,
a Division of WageWorks
PO Box 1800
Tallahassee, FL 32302-1800

Note: If you elect to participate in the dependent care FSA, or if you file for the dependent care Tax Credit, you must attach IRS Form 2441, reflecting the information above, to your 1040 income tax return. Failure to do this may result in the IRS denying your pre-tax exclusion.

Be certain you obtain and submit all required information with each FSA reimbursement request.

Notes:

¹ EOBs are not required if your coverage is through a HMO.

² Please note:

- Acceptable document formats are .jpg, .bmp, .gif or .pdf.
- Individual file sizes cannot exceed 1 megabyte.
- Scans must be in black and white, not color.

A properly completed request will help speed along the process of your reimbursement, allowing you to receive your check or Direct Deposit promptly.

Flexible Spending Accounts

Appeal Process

If you have a request for a mid-plan year election change or other similar request denied, in full or in part, you have the right to appeal the decision by sending a written request to **Employee Benefits Division, P.O. Box 15610, Little Rock, AR 72231-5610 — Attn: ARCAP Appeals**, within 60 days of the date of your denial letter. You must also attach a Member Request Approval Form, which can be found under the Forms & Publications icon on the homepage at **www.arbenefits.org**.

If you have an FSA reimbursement claim or other similar request denied, in full or in part, you have the right to appeal the decision by sending a written request to **WageWorks (Attn: Appeals Process), P. O. Box 1878, Tallahassee, FL, 32302-1878** within 30 days for review.

Your appeal must include:

- ▶ the name of your employer
- ▶ the date of the services for which your request was denied
- ▶ a copy of the denied request
- ▶ the denial letter you received
- ▶ why you think your request should not have been denied and
- ▶ any additional documents, information or comments you think may have a bearing on your appeal.

Your appeal, and supporting documentation, will be reviewed upon receipt. You will be notified of the review results within 30 business days from receipt of your appeal. In unusual cases (e.g. when appeals require additional documentation) the review may take longer than 30 business days. If your appeal is approved, additional processing time may be required to modify your benefit elections.

Note: Appeals are approved only if the extenuating circumstances and supporting documentation are within your employer's, insurance provider's and the IRS's regulations governing the plan.

Important FSA Notes:

- ▶ You have a 90-day run-out period (ending March 31, 2015) after your plan year ends to submit reimbursement requests for all eligible FSA expenses incurred DURING your plan year.
- ▶ **NEW FOR PLAN YEAR 2014 –** You may carryover \$500 from one plan year to the next year versus the old "Use it or Lose it" Rule. This means that if on December 31, 2014 you have \$500 left in your Medical Expense FSA, you can transfer that entire amount over to the 2015 plan year Medical Expense FSA, and it will not automatically be surrendered as in years past. This new carryover rule also applies to all subsequent years.

myFBMC Card® Visa® Card



Using the myFBMC Card®

For eligible expenses, simply swipe the myFBMC Card® like you would with any other credit card. Whether at your health care provider or at your drugstore, the amount of your eligible expenses will be automatically deducted from your medical expense FSA. Eligible OTC and prescription purchases with the card will only be accepted at IIAS or 90% merchants. For all other qualified expenses, such as medical, dental and vision co-payments, the myFBMC Card® will function normally. To find out if a pharmacy or drugstore near you accepts the card, please refer to the **IIAS or 90% Store List** at www.myFBMC.com.

The myFBMC Card® is a convenient reimbursement option that allows quick electronic reimbursement of eligible expenses under your employer's plan and IRS guidelines. Because it is a payment card, when you use the myFBMC Card® to pay for eligible expenses, funds are electronically deducted from your account.

All employees who enroll in a medical expense FSA and/or limited medical expense FSA participants will receive the myFBMC Card®. Because it is a payment card, when you use the myFBMC Card® to pay for eligible expenses, funds are electronically deducted from your account.

myFBMC Card® advantages

You can use the myFBMC Card® for your eligible over-the-counter (OTC) expenses at drugstores. Other advantages include:

- ▶ **instant reimbursements** for health care expenses
- ▶ **instant approval of prescription and OTC* expenses, as well as some medical, vision and dental expenses** (others require documentation)
- ▶ **no out-of-pocket expense** and
- ▶ **easy access** to your account funds.

Reminder: The limited medical expense FSA can only be used for vision and dental.

Notes:

The myFBMC Card® Visa® Card is issued by UMB.

* **Note:** You **cannot** use the myFBMC Card® for cosmetic dental expenses, eye glass warranties or OTC drugs and medicines (unless filled using a valid prescription).

Two cards will be sent to you in the mail; one for you and one for your spouse or eligible dependent. You should keep your cards to use each plan year until their expiration date.

Remember, visit www.myFBMC.com to activate your card, see your account information and check for any outstanding Card transactions.

When do I send in documentation for a myFBMC Card® expense?

You must send in documentation for all myFBMC Card® transactions, except transactions made at an IIAS merchant. When requested, you must send in documentation for these transactions. Documentation for a card expense is a statement or bill showing:

- ▶ name of the patient
- ▶ name of the service provider
- ▶ date of service
- ▶ type of service (including prescription name)
- ▶ total amount of service

Note: This documentation must be sent with a **Claim Form** and cannot be processed without it. Like all other FSA documentation, you must keep your myFBMC Card® expense documentation for a minimum of one year, and submit it when requested.

If you fail to send in the requested documentation for an myFBMC Card® expense, you will be subject to:

- ▶ withholding of payment for an eligible paper claim to offset any outstanding myFBMC Card® transaction
- ▶ suspension of myFBMC Card® privileges
- ▶ payback through payroll
- ▶ the reporting of any outstanding myFBMC Card® transaction amounts as income on your W-2 at the end of the tax year.

Note: Card transaction disputes must be filed within 60 days of the transaction date.

What agreement am I making when I use the myFBMC Card®?

For more information about the myFBMC Card®, see the Cardholder Agreement that accompanies it.

Limited Medical Expense FSA

For HSA Participants Only

A limited medical expense FSA is designed specifically for employees who wish to take advantage of a Health Savings Account (HSA), while continuing to enjoy the tax savings expected from an FSA. Much like a medical expense FSA, funds are set aside from your salary before taxes are deducted, allowing you to pay your eligible expenses tax-free.

However, the funds in a limited medical expense FSA can only be used for dental and vision expenses. Your HSA is designed to be used for all other medical-related expenses. A partial list of eligible limited medical expense FSA expenses is on the right.

Aside from these minor differences, a limited medical expense FSA follows the same procedures for reimbursement as a medical expense FSA.

Whose expenses are eligible?

Your limited medical expense FSA may be used to reimburse eligible expenses incurred by:

- ▶ yourself
- ▶ your spouse
- ▶ your qualifying child or
- ▶ your qualifying relative.

An individual is a **qualifying child** if they:

- ▶ are a U.S. citizen, national or a resident of the U.S., Mexico or Canada
- ▶ have a specified family-type relationship to you
- ▶ live in your household for more than half of the taxable year
- ▶ are 26 years old or younger at the end of the taxable year and
- ▶ have not provided more than one-half of their own support during the taxable year (and receive more than one-half of their support from you during the taxable year if a full-time student age 19 to 24 at the end of the taxable year).

An individual is a **qualifying relative** if they are a U.S. citizen, national or a resident of the U.S., Mexico or Canada and:

- ▶ have a specified family-type relationship to you, are not someone else's qualifying child and receive more than one-half of their support from you during the taxable year **or**
- ▶ if no specified family-type relationship to you exists, are a member of and live in your household (without violating local law) for the entire taxable year and receive more than one-half of their support from you during the taxable year.

Note: There is no age requirement for a qualifying child if they are physically and/or mentally incapable of self-care. An eligible child of divorced parents is treated as a dependent of both, so either or both parents can establish a limited medical expense FSA.

Partial List of Medically Necessary Eligible Expenses*

Contact lenses (corrective)
Dental fees
Eyeglasses
Guide dogs
Optometrist fees
Orthodontic treatment

* IRS-qualified expenses are subject to federal regulatory change at any time during a tax year.

Annual Contribution Limits

For Limited Medical Expense FSA:

Minimum Annual Deposit: None
Maximum Annual Deposit: \$2,500

When are my funds available?

Once you sign up for a limited medical expense FSA and decide how much to contribute, the maximum annual amount of reimbursement for eligible expenses will be available throughout your period of coverage.

Since you don't have to wait for the cash to accumulate in your account, you can use it to pay for your eligible expenses at the start of your deductions.

FSA Worksheets

Use the worksheets below to determine how much to deposit in your FSA. Calculate the amount you expect to pay during the plan year for eligible, uninsured out-of-pocket medical and/or dependent care expenses. This calculated amount cannot exceed established IRS and plan limits. (Refer to the individual FSA descriptions in this Reference Guide for limits.)

NEW FOR PLAN YEAR 2014 – You may carryover \$500 from one plan year to the next versus the old “Use it or Lose it” Rule. This means that if on December 31, 2014 you have \$500 left in your Medical FSA account, you can transfer that entire amount over to the 2015 plan year, and it will not automatically be surrendered as in years past. This new carryover rule also applies to all subsequent years.

Medical Expense FSA Worksheet	
Estimate your eligible, uninsured out-of-pocket medical expenses for the plan year.	
UNINSURED MEDICAL EXPENSES¹	
Health insurance deductibles	\$ _____
Coinsurance or co-payments	\$ _____
Vision care ¹	\$ _____
Dental care ¹	\$ _____
Prescription drugs	\$ _____
Travel costs for medical care	\$ _____
Other eligible expenses	\$ _____
TOTAL	\$ _____
DIVIDE by the number of paychecks you will receive during the plan year (i.e., 12, 24, 26). ²	\$ _____
This is your pay period contribution.	\$ _____
<small>1 Remember to calculate only dental and vision expenses if you choose to participate in a limited medical expense FSA.</small>	
<small>2 If you are a new employee enrolling after the plan year begins, divide by the number of pay periods remaining in the plan year.</small>	

Dependent Care FSA Worksheet	
Estimate your eligible dependent care expenses for the plan year. Remember that your calculated amount cannot exceed the calendar year limits established by the IRS.	
CHILD CARE EXPENSES	
Day care services	\$ _____
In-home care/au pair services	\$ _____
Nursery and preschool	\$ _____
After school care	\$ _____
Summer day camps	\$ _____
ELDER CARE SERVICES	
Day care center	\$ _____
In-home care	\$ _____
TOTAL Remember, your total contribution cannot exceed IRS limits for the plan year and calendar year.	\$ _____
DIVIDE by the number of paychecks you will receive during the plan year (i.e., 12, 24, 26).*	\$ _____
This is your pay period contribution.	\$ _____
<small>* If you are a new employee enrolling after the plan year begins, divide by the number of pay periods remaining in the plan year.</small>	

DIRECT DEPOSIT - No one likes waiting for their money, why are you?
 With Direct Deposit there are no fees for the service and your FSA reimbursement checks are deposited into the checking or savings account of your choice within 48 hours of claim approval.

To enroll, simply visit **www.myFBMC.com** or contact Customer Care.

Changing Your Coverage

Changing your FSA during the Plan Year

Within **30 days** of a qualifying event, you must submit a Change in Status (CIS)/Election Form and supporting documentation to your employer. Upon the approval of your election change request, your existing FSA(s) elections will be stopped or modified (as appropriate). However, if your FSA election change request is denied, you will have **60 days**, from the date you receive the denial, to file an appeal with your employer. For more information, refer to the "Appeal Process" section on Page 8. Visit www.myFBMC.com for information on rules governing periods of coverage and IRS Special Consistency Rules.

Changes in Status:

Marital Status

A change in marital status includes marriage, death of a spouse, divorce or annulment (legal separation is not recognized in all states).

Change in Number of Tax Dependents

A change in number of dependents includes the following: birth, death, adoption and placement for adoption. You can add existing dependents not previously enrolled whenever a dependent gains eligibility as a result of a valid CIS event.

Change in Status of Employment Affecting Coverage Eligibility

Change in employment status of the employee, or a spouse or dependent of the employee, that affects the individual's eligibility under an employer's plan, including commencement or termination of employment.

Gain or Loss of Dependents' Eligibility Status

An event that causes an employee's dependent to satisfy or cease to satisfy coverage requirements under an employer's plan. May include change in age, student, marital, employment or tax dependent status.

Change in Residence¹

A change in the place of residence of the employee, spouse or dependent that affects eligibility to be covered under an employer's plan, including moving out of an HMO service area.

Some Other Permitted Changes:

Coverage and Cost Changes¹

Your employer's plans may permit election changes due to cost or coverage changes. You may make a corresponding election change to your dependent care FSA benefit whenever you actually switch dependent care providers. However, if a relative (who is related by blood or marriage) provides custodial care for your eligible dependent, you cannot change your salary reduction amount solely on a desire to increase or decrease the amount being paid to that relative.

Open Enrollment Under Other Employer's Plan¹

You may make an election change when your spouse or dependent makes an Open Enrollment Change in coverage under their employer's plan if they participate in their employer's plan and:

- ▶ the other employer's plan has a different period of coverage (usually a plan year) or
- ▶ the other employer's plan permits mid-plan year election changes under this event.

Judgment/Decree/Order²

If a judgment, decree or order from a divorce, legal separation (if recognized by state law), annulment or change in legal custody requires that you provide accident or health coverage for your dependent child (including a foster child who is your dependent), you may change your election to provide coverage for the dependent child. If the order requires that another individual (including your spouse and former spouse) covers the dependent child and provides coverage under that individual's plan, you may change your election to revoke coverage only for that dependent child and only if the other individual actually provides the coverage.

Medicare/Medicaid²

Gain or loss of Medicare/Medicaid coverage may trigger a permitted election change.

Health Insurance Portability and Accountability Act of 1996 (HIPAA)

If your employer's group health plan(s) are subject to HIPAA's special enrollment provision, the IRS regulations regarding HIPAA's special enrollment rights provide that an IRC § 125 cafeteria plan may permit you to change a salary reduction election to pay for the extra cost for group health coverage, on a pre-tax basis, effective retroactive to the date of the CIS event, if you enroll your new dependent within 30 days of one of the following CIS events: birth, adoption or placement for adoption. Note that a medical expense FSA is not subject to HIPAA's special enrollment provisions if it is funded solely by employee contributions.

Family and Medical Leave Act (FMLA) Leave of Absence

Election changes may be made under the special rules relating to changes in elections by employees taking FMLA leave. Contact your employer for additional information.

Notes:

1. Does not apply to a medical expense FSA plan.
2. Does not apply to a dependent care FSA plan.

What is continuation coverage?

Federal law requires that most group health plans, including Medical Flexible Spending Accounts (medical expense FSAs), give employees and their families the opportunity to continue their health care coverage when there is a “qualifying event” that would result in a loss of coverage under an employer’s plan.

How long will continuation coverage last?

For Medical Expense FSAs:

If you fund your medical expense FSA entirely, you may continue your medical expense FSA (on a post-tax basis) only for the remainder of the plan year in which your qualifying event occurs, **if** you have not already received, as reimbursement, the maximum benefit available under the medical expense FSA for the year. For example, if you elected a medical expense FSA benefit of \$1,000 for the plan year and have received only \$200 in reimbursement, you may continue your medical expense FSA for the remainder of the plan year or until such time that you receive the maximum medical expense FSA benefit of \$1,000.

If your employer funds all or any portion of your medical expense FSA, you may be eligible to continue your medical expense FSA beyond the plan year in which your qualifying event occurs and you may have open enrollment rights at the next open enrollment period. There are special continuation rules for employer-funded medical expense FSAs. If you have questions about your employer-funded medical expense FSA, you should call Customer Care at 1-800-342-8017.

Keep Your Address Updated

In order to protect your family’s rights, you should inform your employer and us of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to your employer and us.

For More Information

This COBRA section does not fully describe continuation coverage or other rights under the Plan. More information about continuation coverage and your rights under the Plan is available from your employer. You can get a copy of your summary plan description from **WageWorks**.

For more information about your COBRA rights, the Health Insurance Portability and Accountability Act (HIPAA) and other laws affecting group health plans, contact the U.S. Department of Labor’s Employee Benefits Security Administration (EBSA) in your area or visit the EBSA website at www.dol.gov/ebsa.

Beyond Your Benefits

The Fine Print

Notice of Administrator's Capacity

This notice advises Flexible Spending Account participants of the identity and relationship between your employer and WageWorks. We are not an insurance company. We have been authorized by your employer to provide administrative services for the Flexible Spending Account plans offered herein. We will process claims for reimbursement promptly. In the event there are delays in claims processing, you will have no greater rights in interest or other remedies against us than would otherwise be afforded to you by law.

Social Security

Social Security consists of two tax components: the FICA or OASDI component (the tax for old-age, survivors' and disability insurance) and the Medicare component. A separate maximum wage to which the tax is assessed applies to both tax components. There is no maximum taxable annual wage for Medicare. The maximum taxable annual wage for FICA is subject to federal regulatory change. If your annual salary after salary reduction is below the maximum wage cap for FICA, you are reducing the amount of taxes you pay and your Social Security benefits may be reduced at retirement time.

However, the tax savings realized through the Flexible Benefits Plan generally outweigh the Social Security reduction. Call Customer Care at -800-342-8017 or speak to a tax advisor for more information.

Contact Us

State of Arkansas Department of Finance and Administration, Employee Benefits Division

Mon - Fri, 8 a.m. - 5:00 p.m. CT
1-877-815-1017 (toll free) Option #1
www.arbenefits.org

WageWorks

Customer Care Center

Mon - Fri, 6 a.m. - 9 p.m. CT
1-800-342-8017

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Mon - Fri, 6 a.m. - 9 p.m. CT
1-800-342-8017

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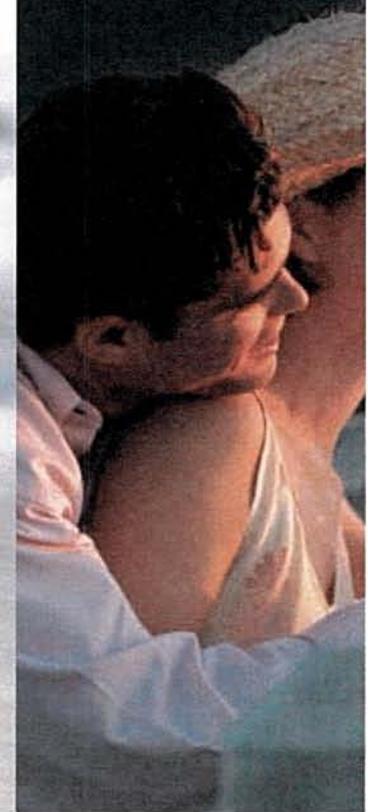
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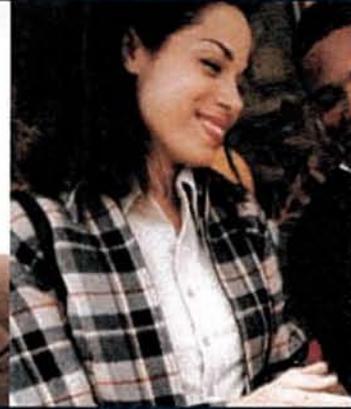


Save
Today for
a Healthy
Future

Low
Pre
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Unused funds roll over from year to year and continue to earn interest tax-free.



... insurance premiums rise, while you enjoy the security of a quality plan. Ultimately, you have a solution...

Health Savings Accounts

Health savings accounts that allow you to pay qualified health care costs with pre-tax dollars. Unused funds roll over from year to year and continue to earn interest tax-free.

Contribute to an HSA
Tax-Free.

Pay for expenses from interest

Tax-Free.

Receive medical disbursements

Tax-Free.

An HSA ...

- Reduces insurance premiums paid by you and your family.
- Saves you state, federal, and FICA taxes.
- Rolls over from year to year.
- Earns interest tax-free.
- Remains with you after retirement.

Tax Break!

Paying your insurance premiums with pre-tax dollars decreases your Federal and State income taxes and increases your take-home pay.

Lower Premiums!

To open an HSA, you must have a High-Deductible Health Plan, which means lower premiums for you and your family (sometimes up to 50% based on your current plan).

The Personal Solution

It is important to find an experienced partner who can guide you through the process of establishing and administering your HSA. The services that we provide will ensure that you are up to date with the latest regulatory changes and manage your HSA in accordance with the law.

Who We Are and What We Do

- We are an independent administrator, so you can change insurance plans without changing your HSA administrator or HSA custodian.
- We can certify that your health insurance plan is HSA-compatible to ensure that your plan starts out on the right path.
- We provide you access to the Claims VaultSM, an electronic "shoebox" where you can store your receipts indefinitely for reimbursement at a later time. Expenses incurred today can be pulled out decades later, allowing you to build up interest tax-free.

- We can provide contribution advice to help you reduce your exposure to risk.
- We can provide certification of HSA-qualified expenses to ensure that your contributions are tax-free.
- We provide on-line access to your secure account transactions.

**Get Started
With the Health Plan
That Acts for You
Makes You**

HSA^{To}
Save today for a healthy tomorrow.