Your
Flexible Spending Account
Participant Handbook

02/01/2020

Introduction

Your Flexible Spending Account - Administered by Benemax

Benemax is pleased to be your Flexible Spending Account (FSA) Administrator. We are committed to providing you with superior service and processing your requests for reimbursement in a timely manner.

You have two types of FSAs available: A **Health Care FSA** and a **Dependent Day Care FSA.** You may participate in one or both FSAs. At the beginning of each plan year, you elect a specific dollar amount you wish to direct to the FSA of your choosing. You may not transfer money between your Health Care and your Dependent Day Care accounts. Participation in one or both FSAs reduces your taxable income because taxes (state, local, federal & FICA) are calculated *after* the elected amount is deducted from your salary. Please note that your taxable income will be reduced for Social Security purposes as well; therefore, it is possible that there could be a slight reduction in your Social Security benefits.

A **Health Care FSA** allows you to use pre-tax dollars to pay for insurance deductibles, co-insurance and co-payments; you also may use these funds to pay for other qualified Health Care expenses, such as eye glasses, contact lenses, orthodontia and alternative health care. Funds from your healthcare account are available up to your election amount throughout the year. This means you can be paid for an eligible expense as soon as it has been incurred, even if that is before you have deposited sufficient funds to cover that expense. Your may elect up to **$2,750.00** per HFSA.

Annual Savings Example	With FSA	Without FSA
Orthodontia Expense	$1,500	$1,500
Tax Savings (Approx. 30%)	$450	$0
Cost for $1,500 Orthodontia Expense	$1,050	$1,500

A **Dependent Day Care FSA** assists employees who need to provide custodial care (i.e., "day care") for a qualified dependent (child under the age of 13, disabled adult or elderly parent) in order to be able to work. You may set aside pre-tax dollars to help fund the cost of such care. Dependent Day Care funds are available only as the funds are deposited in your account. However, you can claim up to your full election, and you will be paid automatically each time a payroll deduction reaches your account.

The Dependent Day Care contributions during a single calendar year may not exceed the least of the following:

- **$5,000 or $2,500.00**, if married but filing separate tax returns, or
- Participant's Earned Income (after participant's pre-tax contributions have been deducted under the Plan), or if married, the participant's spouse's Earned Income (after pre-tax contributions have been deducted) unless that spouse is disabled, in school or actively looking for work.

Examples of Eligible & Ineligible Healthcare Expenses

Eligible

- Artificial limbs and reconstructive breast implants
- Counseling, if related to a medical condition (e.g., depression)
- Dental care (examinations, cleanings, fillings, crowns, bridges, etc.)
- Diabetic supplies (blood sugar monitor, syringes, test strips, etc.)
- Drugs, legally obtained by prescription (insulin or medicines)
- Fertility Enhancement (in vitro fertilization, reverse vasectomy, etc.)
- Guide/leader or hearing-assisting animal
- Hearing devices (hearing aids, hearing aid batteries and repair, etc.)
- Insurance co-payments and deductibles
- Nursing care
- Orthodontia
- Over-the-counter drugs (antacids, allergy medicines, pain relievers, cold medicine, etc.), purchased to alleviate or treat the symptoms related to a health condition and accompanied by a valid prescription
- Oxygen equipment
- Rental of medical equipment
- Service fees for medical care (consultations, diagnostic lab work, etc.) provided by a physicians, surgeons, specialists, or other medical practitioners, including holistic and Christian Science practitioners
- Smoking cessation programs, aids, devices and medications
- Support or corrective devises (crutches, braces, etc.)
- Medically prescribed therapy treatments (must be primarily for individual's medical care)
- Vision care (eye exams, prescription eyeglasses, contact lenses, or contact lens solution)
- Vision corrective surgery (including RK and Lasik)
- Weight loss programs (when prescribed by a physician for a specific health condition)

Ineligible

- Counseling that is not medically related (e.g., anger management, behavior counseling, marriage counseling, etc.)
- Dietary supplements (including vitamins) that are merely beneficial to general health
- Drugs, prescribed or over-the-counter, primarily for personal cosmetic reasons, and/or for the benefit of the individual's general health without a valid prescription
- Elective cosmetic surgery/procedure
- Anti-aging treatments (chemical peels, laser therapy, anti-aging drugs, etc.)
- Breast implants (non-reconstructive)
- Cosmetic dental veneers/teeth whitening
- Electrolysis/hair transplants
- Treatment for varicose veins or spider veins
- Funeral expenses
- Health club membership fees
- Household help
- Maternity clothing
- Medical insurance premiums
- Toiletries and personal care items (shampoo, deodorant, soap, etc.)
- Weight loss foods that substitute for normal foods or nutritional needs

Eligible Dependent Day Care Expenses & Qualifying Individuals

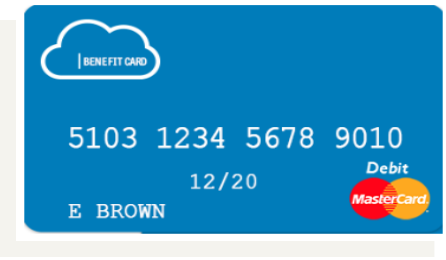
- **Day Care Center:** Expenses incurred for services provided by a licensed Dependent Day Care center (i.e., a facility providing care for more than six individuals not residing at the facility).

- **Payments to relatives:** Expenses incurred for services provided by a relative who is not your dependent (even if he or she lives in your household). However, you may not claim any amounts paid to:
    - An individual for whom you or your spouse is entitled to receive a personal tax exemption as a dependent, or any of your children who are under age 19 at the end of the year in which the expenses were incurred (even if he or she is not your dependent).

- **Summer day camp:** Expenses incurred for a day camp that is primarily custodial in Nature rather than educational. However, expenses for overnight camps are not considered work-related and are ineligible.

Note that full day kindergarten **is not** an eligible expense under the DCAP FSA.

WEX Health® FSA Debit Card



A WEX Health® pre-paid FSA card is provided for your convenience for FSA-eligible items and service purchases. You'll have no claim forms to complete, and you won't have to wait for a reimbursement check.

Present your WEX Health® card at participating locations that accept Debit MasterCard®, and the amount for eligible purchases will be deducted automatically from your account. You may check your WEX Health® card balances or account details anytime – online or with a quick phone call to Benemax.

Please save all your receipts; ask your dental and vision providers for detailed receipts that show the member's name, date of service and services provided. When necessary, you will receive a letter or e-mail from Benemax requesting this additional information.

Once your election has been reached, the card will be rejected. **Do not discard the WEX Health® card at that time. It will be used for the next year's FSA plan and the card is good for 5 years.**

Benefit Period & Incurred Expenses

The benefit period is shown on your FSA election form. Any money that you elect to set aside in the benefit period only may be used for eligible expenses you or your eligible dependents incur within that benefit period. You only may claim reimbursement from the FSA account after the service has been performed. Eligible expenses are based on the dates the service was incurred, not when you pay for the service. Therefore, you may submit your claims before you have paid them in full. IRS regulations require a date of service on all documentation submitted for reimbursement, so cancelled checks or bills that do not indicate a date of service or only balance forward information are insufficient.

Orthodontia exception: You may submit and be reimbursed up to your annual election amount if you prepay orthodontia expenses, and the services are incurred within the benefit period. Proof of payment, and a completed claim form are required. Initial evaluation fees for orthodontia, such as molding, diagnostic records fees, or appliances are reimbursable when incurred if the expenses are separated from the contracted treatment. A down payment is not eligible for reimbursement as it does not represent any incurred services.

Run-Out & Grace Periods

The IRS allows FSAs a grace period of two and one-half months after the end of the plan year, during which time participants may incur and submit claims for reimbursement against their prior year account balances. During this grace period, participants can draw from either the prior year's balance, the current year's balance or both (e.g., if you have a $200 balance at the end of one plan year and you incur $300 of expenses during the grace period, $200 will be paid from the prior year's account balance and $100 will be paid from the current year's balance.). **In addition, your plan allows a run-out period of 90 days from the end of the grace period for you to submit claims** incurred during the prior plan year and/or the grace period. These rules apply to both Health Care and Dependent Day Care accounts.

Election Irrevocability

Once you have elected the plan year dollar amount that you wish to direct into your FSA(s), you may not change that election unless there is a qualifying change in your status that affects eligibility. Even if a change in status occurs, you only may make changes that are consistent with the qualifying event (or as otherwise specified by your Plan Document).

Qualified changes in status may include:

- Change in employee's legal marital status
- Change in number of tax dependents
- Change in employment status that affects eligibility
- Dependent ceases to satisfy eligibility requirements
- Judgment, decree, or court order dictating provision of coverage
- Entitlement to Medicare or Medicaid (Health Care only)
- Change in cost of the benefit (Dependent Day Care only)
- Change in coverage (Dependent Day Care only)
    - Addition or elimination of benefit option
    - Change in coverage of spouse or dependent under his/her employer's plan
    - Significant curtailment of coverage.

Use-It or Lose-It Rule

Any amount of FSA money remaining after the end of the run-out and grace periods will be forfeited and not be returned to you, per IRS rule. It is important for you carefully to estimate your out-of-pocket Health Care and Dependent Day Care expenses for the upcoming year.

Termination of Employment

Health Care Account: Unless you elect COBRA, your participation in the plan ends when you terminate employment. You no longer will be able to incur expenses for reimbursement. Your contributions also will cease; however, you will have a **90 day run-out period** to file claims for services incurred before your termination.

Dependent Day Care Account: If, upon termination of employment, you have not yet claimed 100% of the contributions made to your account, you have a **90 day run-out period** to submit claims incurred from the beginning of the plan up to your termination date. Any funds remaining in your account after the run-out period will be subject to the Use-It-or-Lose-It Rule.

COBRA: COBRA, if elected, allows you to continue to participate in your Health Care account and receive reimbursement for medical expenses *incurred* after the termination of your employment. COBRA does not apply to Dependent Day Care accounts. Under COBRA, you must elect coverage within **60 days of notification**, and you must continue to submit contributions (now with after-tax dollars) to your employer. COBRA eligibility terminates at the end of the plan year in which your employment terminated.

You may elect COBRA if (and only if):

- The plan sponsor (your employer) is subject to COBRA, and
- You have contributed more into your Health Care account than you have received in Health Care benefits as of your termination date.

Need Help?

Personal Service and On-line Lookup

- Call a **Benemax Independent Member Advocate** at 800-528-1530, prompt 3.
- Visit www.mybenemax.com, and enter your company keyword: **128TECHNOLOGY.**
- Click on the Claims Connection link, and enter your information to view elections, balances and claim information.

How To File Your Claim

Obtain a Claim Form

- Go to **www.mybenemax.com** and enter your company's keyword: **128TECHNOLOGY**. Click on Flexible Spending Account (FSA), then select Claim Form, and download or print the form.
- Or call us at 800-528-1530, prompt 3.

Complete the Claim Form

- Attach legible receipt(s) from the service provider or an explanation of benefits from your insurance company showing:
    - A description of the service or a list of supplies furnished.
    - The charge(s) for each service.
    - The date(s) of service.
    - The name of the person(s) receiving the service.
- For prescriptions, submit non-register receipts that show the patient's name, date of service and amount paid.
- For OTC drugs, submit a prescription from your doctor and the register receipt showing the date of purchase.

Submit your claims

- Upload on Claims Connection (you must be able to scan and upload the receipt).
- Email scanned forms and receipts to Claims@Benemax.com
- Fax to 508-242-6198 or 508-359-3601 **Attn: FSA / 128 Technology, Inc**.
- Mail to Benemax, PO Box 950, Medfield, MA 02052, Attn: FSA

Seven West Mill Street, P.O. Box 950, Medfield, MA 02052
(800) 528-1530 – Fax: (508) 359-3601 – e-mail: info@benemax.com
www.benemax.com