



1/1/2016 Open Enrollment

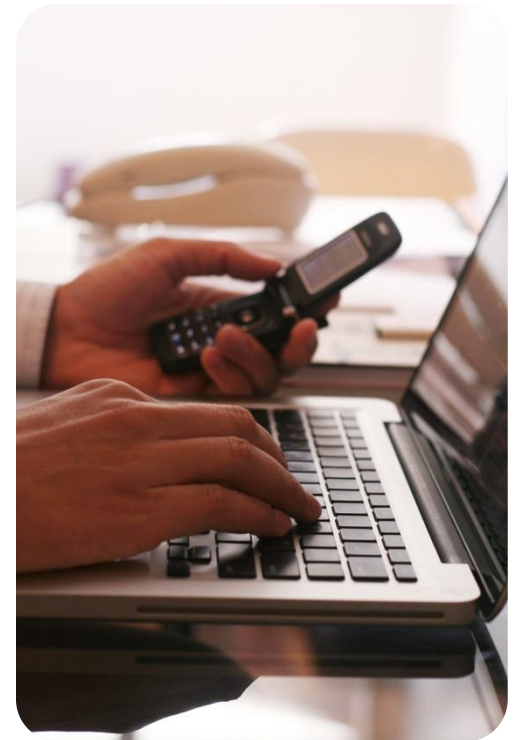
Flexible Spending Account
with VISA Debit Card



FSA Open Enrollment

Keep In Mind...

- You can make changes, including:
 - Elect or drop coverage
 - Change coverage
 - Add or delete dependents
- Only time you can do this unless you have a qualifying life event – e.g., marriage/divorce, birth/adoption, loss of coverage, etc.



What is an FSA?

With an FSA/DCA, you elect to have your annual contribution (*individual contribution maximum to an FSA is \$1,275 & DCA is \$2,500; limit set by the IRS*) deducted from your paycheck each pay period, in equal installments throughout the year, until you reach the yearly maximum you have specified. The amount of your pay that goes into an FSA/DCA will not count as taxable income, so you will have immediate tax savings. FSA/DCA dollars can be used during the plan year to pay for qualified expenses and services.

- **A Healthcare FSA** allows reimbursement of qualifying out-of-pocket medical expenses. Your Employer funds your full election into your FSA day one of the plan year. (You can rollover up to \$500 of unused funds) **Maximum Election is \$1,275**
- **A Dependent Care FSA (DCA)** allows reimbursement of dependent care expenses, such as daycare) incurred by eligible dependents. Funds are only available as deducted from payroll. **Maximum Election is \$2,500**
- **We are running a shortened plan year 1/1/2016-6/30/2016**

Healthcare Account FSA

1/1/2016-6/30/2016



Healthcare FSA

- A **Healthcare FSA** could save you money if you or your dependents:
 - Have out-of-pocket expenses like co-pays, coinsurance, or deductibles for health, prescription, dental or vision plans
 - Have a health condition that requires the purchase of prescription medications on an ongoing basis
 - Wear glasses or contact lenses or are planning LASIK surgery
 - Need orthodontia care, such as braces, or have dental expenses not covered by your insurance

What Expenses Can Be Reimbursed Through a Healthcare FSA?

- Deductibles
- Office Visit Copays
- Prescription Drug Copays
- Orthodontia
- Vision care, eyeglasses, and contact lenses
- Laser eye surgery
- Over-the-counter medications (If you have a prescription)
- Over-the-counter items like Band-aids and Hot/Cold packs
- Other unreimbursed health and dental expenses

How Much Can You Save?

The average family of **four** in the U.S. can expect to pay around \$3,500¹ on expenses like office visits, prescription copayments, dental work, new glasses – or an unexpected hospital stay.

Out-of-Pocket Expenses	Annual Average	Taxes Saved (27% Tax Bracket)
Physician	\$1,110	\$299
Inpatient Hospital	\$1,115	\$301
Pharmacy	\$555	\$150
Outpatient Hospital	\$560	\$151
Other	\$130	\$35
Total	\$3,470	\$936²

¹According to the U.S. Internal Revenue Service guidelines, each employee can contribute a maximum of \$2,550 per plan year. For more information, visit www.irs.gov/irb/2012-26_IRB/ar09.html.

²Tax savings is dependent upon your annual income and tax bracket. Example for demonstration purposes only.



If that **\$3,470** were put into an FSA before taxes, the family could save nearly **\$1,000** in taxes!

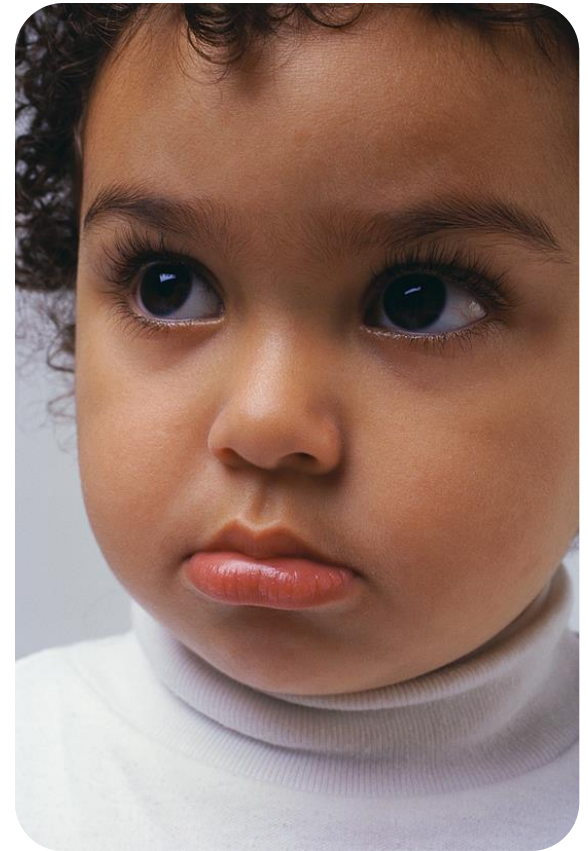
Dependent Care FSA

1/1/2016-6/30/2016



Dependent Care FSA

- A **Dependent Care FSA** provides pre-tax reimbursement of out-of-pocket expenses related to dependent care. This benefit may make sense if you (and your spouse, if married) are working or in school, and:
 - Your dependent children under age 13 attend daycare, after-school care or summer day camp
 - You provide care for a person of any age whom you claim as a dependent on your federal income tax return and who is mentally or physically incapable of caring for himself or herself



Dependent Care FSA

- How much can you contribute?
 - Maximum \$2,500 per year



Dependent Care FSA Reimbursements

- Funds are available as your account is funded by your payroll deductions.
 - The IRS regulations limit reimbursement of a dependent care claim to the amount of money actually in the participant's account via payroll deductions.
- Unused funds are forfeited back to the plan



Using the Card

The Card Makes FSAs Easier

- **Easy** – a simple swipe of the Card makes it hassle free!
- **Automatic** – funds are immediately deducted from your FSA at the time you incur the expense.
- **Convenient** – there are no manual claim forms to submit.
- **Simple to track** – your current balance is available 24/7 at the web site listed on the back of your Card.



How to Use Your Prepaid Benefits Card

- **Swipe & Go:**

Swipe your *HRCTS iCard VISA* for the FSA-eligible items.

- **Funds come directly from your FSA:**

Participating merchant systems will allow the cost of the FSA-eligible items to be deducted from your FSA balance

- **Eliminate Paper:**

No receipts will be needed to verify Card purchases from participating stores



How the Card Works

- Cardholder used Card to pay for eligible items at IIAS merchant that accepts VISA® (over 50,000 locations nationwide)
 - Eligible expenses are deducted from the account balance at the point of sale
 - Transactions are fully substantiated- no paper follow-up needed
- Card can also be used in response to “balance due” notice from a hospital, doctor, dentist, or vision provider
- HRCTS uses its auto-substantiation technology to electronically verify the transaction’s eligibility according to IRS rules
- Receipts must be submitted to HRCTS if a claim is not auto-substantiated.

You can use the Card to pay for Eligible Out-of-pocket Healthcare Expenses such as:

- Prescription and health plan copayments, deductibles and coinsurance
- “Amount Due” on medical and dental statements
- Orthodontics
- Mail-order or online prescription invoices
- Vision services and eyeglasses
- LASIK surgery
- Medical supplies, such as bandages
- Eligible over-the-counter (OTC) items*

*Over-the-counter medicines require a prescription

Substantiation: Manual Process Overview

- IRS requires that 100% of card transactions be substantiated
- A small percentage may not be auto substantiated using the HRCTS methods
- To achieve 100% IRS compliance:
 - HRCTS sends cardholder a letter/email requesting documentation
 - Cardholder sends receipt, which HRCTS reviews and manually substantiates (if appropriate)
 - If transaction is ineligible or if documentation is not sent after third request, HRCTS will request a refund of overpayment from cardholder.



Mobile

FSA Account Access on the Go

Easy, Convenient & Secure

- Simply login to the app using your same health benefits website username and password (or follow alternative instructions if provided to you)
- No sensitive account information is ever stored on your mobile device; secure encryption is used to protect all transmissions

Connects You with the Details

- Check available balances 24/7
- View account details
- Click to call or email Customer Service

Provides Additional Timing-Saving Options View claims requiring receipts

- Submit medical FSA claims
- Take a picture of a receipt and submit for a new or existing claim
- Using Expense Tracker, enter medical expense information and supporting documentation to store for later use in paying claims via your health benefits website

HRCTS Mobile

iPhone and Android Mobile Apps

- Available Via:
 - Consumer Portal
 - Apple App Store
 - Google Android Market
- Simple Login
- Access Available Balance and Important Dates
- Convenient Customer Service Contact Information



HRCTS Mobile

Text Message Alerts

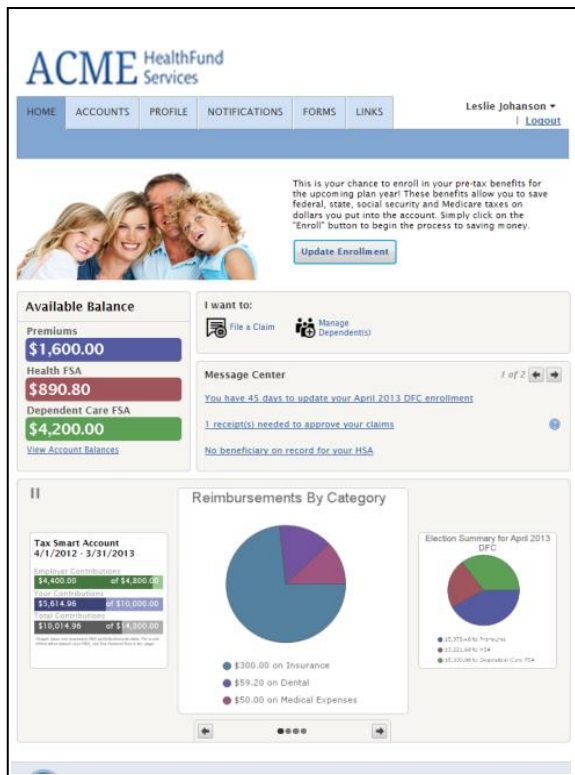
- Balance and Transaction Inquiry
- Configurable Alerts

iPhone and Android Mobile Apps

- Access Account Details
- File Claims with Camera-Based Receipt Imaging



Information You Need, When You Need It



Consumer Portal

Robust portal empowers users - providing everything you need to know about your account, with an industry-leading design that enables quick and easy navigation of content.



In Summary...



Real Savings. Real Simple.

An FSA:

- **Covers what your health insurance doesn't** - like deductibles, co-pays, and other eligible expenses
- **Saves you money on the health care you need** - like dental, vision, prescriptions and more
- **Makes reimbursement for medical expenses easy** - the full amount you set aside is available on your first day of coverage, plus the Prepaid Benefits Card reduces paper claims

Oh, and did we mention that ...

- **IT SAVES YOU MONEY** - setting aside a portion of your pay helps you fund out-of-pocket expenses and reduces your annual taxable income, putting more money *in* your pocket

THAT'S REAL SAVINGS. REAL SIMPLE.

Plan Ahead

- Before you enroll, you must first decide how much you want to contribute to your account(s).
- You will want to spend some time estimating your anticipated eligible medical and dependent care expenses for the short 2016 plan year, as Federal tax regulations require that any amounts above \$500 that go unused in your Health FSA Account the end of the year be forfeited.
- You do have 90 days from 6/30/2016 to submit claims incurred within the plan year. (90 day run-out)



Action Items:

- Plan ahead for next year.
- Sign up today
- Submit enrollment forms to:
- Audrey Barresi in the Payroll & Benefits Dept.
- Save your receipts.



**FSA enrollments submitted to
Audrey Barresi by 1/4/2016.**

Q&A



thank you

