

# Welcome to Your Flexible Spending Account Through PrimePay

Enjoy the benefits of paying for qualified medical and dependent care expenses with pre-tax money... saving you 25% on your eligible expenses.



## WHAT IS A FLEXIBLE SPENDING ACCOUNT?

An FSA allows you to save money by paying for certain medical, dependent care, and insurance premium expenses with pre-tax dollars. Every dollar elected is withheld from your paycheck before Federal, State (if applicable), Social Security and Medicare taxes are factored into your take-home pay. Let's look at a quick example:

	<b>Without FSA</b>	<b>With FSA</b>
Monthly Income	\$3,000	\$3,000
Pre-tax Medical	-N/A-	\$100
Pre-tax Day Care	-N/A-	\$400
Pre-tax Premiums	-N/A-	\$100
Taxable Income	\$3,000	\$2,400
Tax Withholdings	\$750	\$600
Post-tax Medical	\$100	-N/A-
Post-tax Day Care	\$400	-N/A-
Post-tax Premiums	\$100	-N/A-
<b>SPENDABLE INCOME</b>	<b>\$1,650</b>	<b>\$1,800</b>
<b>ANNUAL SAVINGS</b>	<b>\$0</b>	<b>\$1,800</b>

### Medical Flexible Spending Account

This account will help you or your qualified beneficiaries pay for common qualified medical expenses (medically necessary) not covered by your health insurance:

- Deductibles and Co-Pays
- Prescription Drugs and Medical Supplies
- Dental and Orthodontia Expenses
- Eyeglasses and Contacts

Although money is deducted from your paycheck over the plan year, the entire amount you elect is available starting the first day you participate in the plan!

### Dependent Care Flexible Spending Account

This account will help pay for certain expenses incurred by qualified dependents. A qualified dependent is "a child under the age of 13, or someone who is mentally or physically incapable of taking care of themselves." If applicable, both spouses must be working in order to contribute to this account. Some common eligible expenses are:

- Day Care and Adult Day Care
- Preschool and Before/After School Programs
- Summer Day Camp

Money is available for reimbursement as deductions are made and after services are rendered, i.e. payment made for daycare for 6/1-6/30 is eligible for reimbursement 7/1.

### Premium Reimbursement Account

This account allows you to set aside money pre-tax in order to pay for your individual medical insurance premiums not covered by your Employer. Life insurance premiums, long-term care premiums and COBRA premiums are not eligible expenses under a Premium Reimbursement Account.

## **ENROLLMENT IN A FLEXIBLE SPENDING ACCOUNT**

A Flexible Spending Account is a voluntary benefit, so you will want to choose the FSA account that fits your needs. Determine your annual elections for the upcoming plan year by utilizing the worksheet at the end of this booklet. The specifics of each FSA account offered will be detailed in the Summary Plan Description provided by your Employer.

You will need to fill out the Pre-Tax Benefit Enrollment Form or enroll online during the open enrollment period prior to the start of the Plan Year or at the time of your eligibility. You are also encouraged to contact our PrimeFlex Customer Service Team at **877.769.3539** for enrollment assistance. Please see your Employer for specific details as to your eligibility and enrollment.

The elections you make are specific to each type of Flexible Spending Account. This means that dollars set aside for dependent care expenses can only be used with dependent care providers and not for out-of-pocket medical expenses, etc. Your Employer will take your election and divide it by the number of payroll periods in your Plan Year to determine your contribution for each pay period.

### **Changing Elections Mid-Year**

Once you make an election amount for the year, you cannot change it until the following plan year. However, if you have a qualifying change of status event, you are allowed to make mid-year prospective changes to your annual election. The qualifying change of status events are:

- Marriage or Divorce
- Death of a Spouse or Dependent
- Birth or Adoption
- Termination of Employment Effecting Benefit Eligibility
- Change in Work Status Effecting Benefit Eligibility
- Unpaid Leave of Absence

Each Plan Year anniversary provides an opportunity to change elections when re-enrolling for the next plan year.

### **Use-it or Lose-it Rule**

IRS regulations stipulate that any unused funds following the close of the Plan Year (or Grace Period if applicable) are not to be returned to you. This is referred to as the Use-It or Lose-It Rule. In general, it is a good idea to be on the conservative side when making elections.

The IRS allows for Employers to extend their plan year up to an additional 2½ months (called the Grace Period) so you may incur additional claims against your prior year FSA (please consult your administrator to learn if your Employer has added the Grace Period). Following your last day to incur claims in the Plan Year, you generally have 60 days to submit expenses for the previous year. This is known as the Run-Out Period and is an option selected by your Employer. Following the Grace Period and Run-Out Period, any unused money will be forfeited.

## PRIMEFLEX DEBIT CARD

You may receive a PrimeFlex debit card which can be used to pay for eligible medical expenses at health care related providers such as physicians, pharmacies, dentists, optometrists, hospitals, etc. as well as non-health care related merchants such as grocery stores, discount stores and on-line pharmacies. It is

important to make sure that non-health care related merchants have implemented the Inventory Information Approval System (IIAS) or qualify as a 90% Merchant. If the store does not qualify, your card will be denied and a manual claim will need to be submitted.



### The IIAS System

The IIAS system is designed to identify FSA eligible items at the point of sale. When an item is scanned at the checkout, the system will keep separate totals for eligible and non-eligible items. Assuming your available balance is high enough, you will be allowed to use your PrimeFlex debit card to pay for the eligible items. You will be asked to pay for the non-eligible items by some other means (i.e. cash, check, credit or other debit card). The amount debited from your PrimeFlex account will automatically be approved and in most cases will require no further substantiation.

### This is a sample of how the card will work with IIAS eligible merchants:

1. You go to a discount store and bring band aids, contact solution, nasal strips, paper towels and a pair of sneakers to the checkout.
2. You offer your PrimeFlex debit card and swipe it.
3. If there are available funds in your account, the amount of the FSA eligible items (band aids, contact solution, and nasal strips) will be deducted from your Flexible Spending Account.
4. The clerk will ask for another form of payment for the paper towels and sneakers.
5. The receipt should identify the FSA eligible items.

Your card can also be used at merchants that have not implemented the IIAS system, as long as they certify that 90% of the store's gross items are qualified medical expenses under IRS Code Section 213(d). For stores that adhere to the 90% rule, further substantiation will be required.

For a complete list of approved merchants please visit our website at [www.primepay.com](http://www.primepay.com), click on "PrimeFlex Online" at the top.

## HOW DO I ACCESS MY ACCOUNT?

### Accessing your FSA Accounts is easy and can be done 24-hours a day!

Go to [www.primepay.com](http://www.primepay.com), click on "PrimeFlex Online" at the top and click on "Employee and Cardholder Login". (Make sure your pop-up blockers are turned off).

1. Click on "register" at the top right.
2. Please enter your desired User Name.
3. Enter your First Name and Last Name as they were provided to your employer at enrollment.
4. Provide an Email Address.
5. Enter a password with at least 8 characters and at least 1 non-alpha character. Please do not use your name within your password.
6. Enter your Employee ID (often SSN without dashes).
7. Select the ID type you wish to use and then enter either your Employer's Registration ID or your Benefit Debit Card Number (no spaces or dashes).
  - My Employer ID is \_\_\_\_\_
8. Check the Accept the Terms of Service box.
9. Click Register.

Once you are logged into the system you can check your balance, file claims, view pending or past claims, add a checking/savings account for direct deposit, opt-in/out of electronic communications (email/mobile text), and much more.

### Submitting Claims Online

1. Login to the Participant Portal, click on the my accounts tab, and select 'Request Reimbursement'. Click the "Add New" tab and enter your claim information for each individual expense for which you are requesting reimbursement. Be sure to choose the appropriate account type when submitting your claim.
2. If you are able to scan your receipts, you may upload those directly using the "Browse" button. If you are unable to upload your receipts, print the Receipt Submittal Form and fax/mail it along with your substantiation material once you have submitted the claim.
3. Read the Claim Certification and confirm you agree to the disclaimer by checking the box under "Certification" and click the "Submit" tab at the bottom of your screen in order to complete your online claim submission.



It is your responsibility to comply with these guidelines and to avoid submitting duplicate or ineligible claims. Failure to comply may delay payment and/or could result in IRS penalties if audited.

## QUALIFIED MEDICAL EXPENSES

### A

Acupuncture  
Adoption (medical expenses related to)  
Alcoholism treatment  
Allergy medication (prescription)  
Ambulance and emergency health services  
Anesthesia (for non-cosmetic purposes)  
Athletic treatments / braces

### B

Bandages and related items (over-the-counter)  
Birth control  
Blood pressure monitor  
Blood sugar test kits and test strips  
Body scans

### C

Childbirth classes  
Chiropractic office visit or treatment  
Cholesterol test kits and supplies  
Christian Science practitioners  
Co-insurance  
Compression or anti-embolism socks, stockings or hose  
Contact lenses & cleaning solutions  
Contraceptives (prescription)  
Co-payment  
Corneal keratotomy  
Counseling  
Crutches, canes or like equipment

### D

Deductibles  
Dental care (for non-cosmetic purposes)  
Dental reconstruction  
Dentures, bridges, etc.  
Diabetic monitor, test kits, strips and supplies  
Diagnostic services  
Drug addiction treatment  
Dyslexia treatment

Sample Expense	Cost w/o FSA	Cost w/ FSA	Estimated Savings**
Doctor Co-Pay	\$20.00	\$15.00	\$5.00
Rx Co-Pay	\$50.00	\$37.50	\$12.50
Eyeglasses	\$200.00	\$150.00	\$50.00
Braces	\$2,500.00	\$1,875.00	\$625.00
Lasik Eye Surgery	\$3,500.00	\$2,625.00	\$875.00
Annual Day Care Bill	\$5,000.00	\$3,750.00	\$1,250.00

### E

Eye examinations  
Eye related equipment/materials  
Eyeglasses

### F

Fertility monitor (over-the-counter)  
Fertility treatment (for Employee, spouse or dependent)  
First aid dressings (over-the-counter)  
Flu shots

### G

Guide dog (dog, training, care)

### H

Hearing aids and batteries  
Hospital services and fees

### I

Immunizations  
Incontinence products (excludes diapers and diaper services)  
Infertility treatment (for Employee, spouse or dependent)  
Insulin, testing materials and supplies

### L

Laboratory fees  
Lamaze classes  
Laser eye surgery  
Learning disability treatments  
Listening therapy

### M

Mastectomy-related special bras  
Medical abortion  
Medical equipment  
Medical monitoring and testing devices  
Medical records charges  
Midwife  
Mileage (for medical care)  
Monitors & test kits (over-the-counter)  
Motion & nausea (prescription)

### N

Norplant insertion or removal  
Nursing services (wages and taxes)

### O

OB/GYN fees  
Occlusal guards to prevent teeth grinding  
Occupational therapy (related to a medical condition)  
Office visits  
Operations (non-cosmetic)  
Optometrist / ophthalmologist fees  
Organ transplants  
Ortho keratotomy  
Orthodontia (braces and retainers)  
Orthopedic & surgical supports  
Ovulation monitors (OTC)  
Oxygen

### P

Physical exams  
Physical therapy  
Pregnancy tests (over-the-counter)  
Prescription drugs  
Prosthesis  
Psychiatric care  
Psychoanalysis  
Psychologist fees

### R

Radial keratotomy (RK)  
Reading glasses (over the counter)  
Removal of benign mole, cyst or tumor

### S

Sales tax, shipping and handling fees  
Smoking cessation (programs / counseling)  
Smoking cessation drugs  
Speech therapy  
Sterilization  
Student health fees billed for services actually received (dental / medical / vision / prescription)  
Sunglasses (prescription)  
Surgery (for non-cosmetic purposes)

### T

Teeth grinding prevention devices  
Therapy (for a medical condition)  
Tubal ligation

### U

Urological products

### V

Vaccinations  
Varicose vein removal surgery  
Vasectomy  
Viagra and similar prescription medications  
Vitamins (prescription)

### W

Walking aids (canes, walkers, etc.)  
Wart removal treatments (prescription)  
Wheelchair and repairs  
Wound care - non medicinal (over-the-counter)

### X

X-ray fees (dental / medical)

## FREQUENTLY ASKED QUESTIONS

### **Q: What online capabilities do I have?**

A: Our online portal is very comprehensive. You can check your balance, file claims, view pending or past claims, add a checking/savings account for direct deposit, opt-in/out of electronic communications (email/mobile text), and much more. If you need help setting up your account please contact our customer service team and they will be happy to help.

### **Q: Can I participate in the FSA if I am not enrolled in my Employer's health plan?**

A: In most cases yes, as long as you are a benefits eligible Employee. Contact your Employer to determine eligibility.

### **Q: What happens if I terminate during the year?**

A: There will be a period of time after your termination for which you may submit claims for expenses incurred prior to termination. In some cases, COBRA must be offered, which if elected will allow you to continue to contribute to your FSA and make claims against it. You will be required to pay the monthly amount equal to your payroll deductions on a post-tax basis.

### **Q: Will I ever have to pay taxes on the money I put into the account?**

A: You will not have to pay Federal and FICA, however in some cases you may have to pay state and/or local taxes, depending on the state you live in.

### **Q: If my expenses are less than I anticipated, can I change my election?**

A: No, unless you experience a qualifying change of status, elections cannot be changed for the current plan year. You must wait until the following plan year to make a new election.

### **Q: What happens if I don't use all of the money in my FSA by the end of the plan year?**

A: It depends. The IRS allows for Employers to extend their plan year up to an additional 2½ months (called the Grace Period) so Employees may incur additional claims against their prior year FSA (please consult your administrator to learn if your Employer has added the Grace Period). Any unused money at the end of the Grace Period or subsequent Run-Out Period will be forfeited.

### **Q: What will happen if I incur a large expense at the beginning of the plan year and have not yet contributed enough to my FSA to cover it?**

A: If the expense is to be reimbursed by your medical FSA then we will pay the claim up to the maximum amount elected for the year. Your payroll deductions will continue throughout the plan year even if all of the funds have been spent. For a Dependent Care Account and Premium Reimbursement Account, claims are reimbursed as money becomes available through payroll deductions.

### **Q: What do I do if I forgot my username or password?**

A: If you have forgotten your password, please click the "forgot password" link and follow the instructions provided. You may also contact our Customer Service Team if you have forgotten your password or username during normal EDT business hours at **877.769.3539**.

**Q: How much may I elect into my FSA?**

A: For your medical FSA, the limit is determined by your Employer and can be found in your Summary Plan Description. For Dependent Care Accounts, the calendar year limit is \$5000 for head of household or married couples filing jointly, and \$2500 for married couples filing separately.

**Q: If my spouse participates in an FSA through his/her Employer, can I also participate?**

A: Yes, however identical claims may not be reimbursed under both accounts. In addition, if both you and your spouse have signed up for the Dependent Care Account, the maximum election between both accounts is still \$5000.

**Q: Can I be reimbursed for over-the-counter (OTC) medicines?**

A: As of January 1, 2011, OTC medicines and drugs are no longer eligible for reimbursement under a Flexible Spending Account, unless they are prescribed. If the medicines are medically necessary, you must have your doctor write a prescription for the OTC medicine and it must be filled at the pharmacy. Non-medicine OTC items may be eligible.

**Q: Where can I find a complete list of eligible FSA expenses?**

A: In the middle of this booklet is a comprehensive list of all qualified medical FSA expenses. For the complete list including items that are sometimes eligible and non-eligible, please consult our website at [www.primepay.com](http://www.primepay.com) and click on "PrimeFlex Online" at the top.

**Q: How long will it take my claim to be processed and reimbursed?**

A: In general, all claims are processed/reimbursed in 7-10 days. Claim checks and direct deposits are processed daily, but please allow up to 4 days for delivery.

**Q: Why did I receive a letter to provide substantiation?**

A: In some circumstances we will require a receipt to substantiate a claim in order to comply with the IRS guidelines. The receipt must include the date of service, the dollar amount, and a brief description of the service. Voided checks, credit card statements, and balance due statements are NOT valid forms of substantiation. We ask that you keep all receipts for incurred eligible expenses. Failure to provide us with the proper documentation may result in your account being temporarily deactivated.

**Q: Under what circumstances can I participate in a Dependent Care Account?**

A: In order to participate in a DCA, both you and your spouse must be working, actively seeking work, or in school full-time. Eligible dependents are younger than 13, or persons mentally or physically incapable of taking care of themselves. It is important to note that summer day camp is an eligible expense, but overnight camp is not.

**Q: How do I determine which amount to elect?**

A: We have included a worksheet at the end of this booklet to help you figure out just that. Look at last year's receipts and expenses and decide if this year will be similar. Look at what you know for the year coming up; are there big expenses that you know about (i.e. glasses, braces for you or dependents, deductibles/copays, etc.)?



## HOW DO I GET REIMBURSED?

The easiest way to get reimbursed is through our online portal. If you do not have access to the internet you may submit a manual claim. Please do not send duplicate claims.

A request for reimbursement may be filed at any time during the Plan Year and Run-Out Period. Once you have incurred a qualifying expense, fill out a "Claim Reimbursement" form provided by your Employer or available on our website at [www.primepay.com](http://www.primepay.com) under "PrimeFlex Online" near the top. Please fill in all necessary information related to the incurred expense and provide all proper documentation in order to substantiate the incurred expense (i.e. EOB's, itemized receipts, invoices, etc.). Voided or cancelled checks, credit card statements, and balance owed statements from a provider are NOT acceptable forms of documentation. Failure to comply with these requirements may result in a pended or denied claim.

### It is very important to retain your receipts for all of your FSA transactions.

Below is a quick checklist to help make sure you are submitting claims correctly. Send all claim forms and documents to PrimeFlex in one of the following ways:

- |   |   |
|---|---|
| <input type="checkbox"/> My claim is for the current plan year                                  | <b>Email</b> <a href="mailto:primeflex@primepay.com">primeflex@primepay.com</a>         |
| <input type="checkbox"/> I have incurred an eligible expense                                    | <b>Fax</b> 877.632.9372   |
| <input type="checkbox"/> I have filled out the Claim Reimbursement form in its entirety         |   |
| <input type="checkbox"/> I have attached all supporting documentation for the expenses incurred | <b>Mail</b> Attn: PrimeFlex-FSA Claims<br>1487 Dunwoody Drive<br>West Chester, PA 19380 |
| <input type="checkbox"/> I have not submitted this claim before                                 |   |

Once we have received your claim, we will substantiate it. It is important to note that PrimeFlex must follow strict procedures according to IRS regulations in substantiating a claim. Neither PrimeFlex nor your Employer can offer exceptions.

If your claim is approved, one of two things will happen. (1) If you are set-up for direct deposit your reimbursement will usually post to your account the day after the file is processed. (2) If you are not set-up for direct deposit, a paper check will be issued and will usually arrive in about 7-10 days.

If your claim is denied, no disbursements will be made from your FSA account and you will be responsible for paying incurred expenses by some other means. If you feel your claim was denied in error, you may submit an appeal. For more information about appeals, please contact customer service at **877.769.3539**.

Your plan may have been set up to mail payment directly to your medical providers of service. To take advantage of this, check the "Pay Provider Directly" box on the claim form and fill in the appropriate information. Attach the medical invoice with the claim form and we will take care of the rest!

## FSA EXPENSE WORKSHEET

Fill In this worksheet to help you estimate your expenses for the year.

Unreimbursed Medical Expenses	
Co-Insurance	\$
Insurance Deductibles	\$
Prescription Co-Pays	\$
Chiropractic Visits	\$
OB-GYN, Pediatrician Visits	\$
Birth Control Pills	\$
Diagnostic Services	\$
Hearing Aids & Batteries	\$
Maternity Care & Related Services	\$
Smoke Cessation Programs	\$
Physical Therapy	\$
Other	\$

Vision Expenses	
Eye Exams	\$
Contact Lens Expense	\$
Prescription Glasses	\$
Lasik Eye Surgery	\$
Optometrist Expenses	\$
Other	\$

Premium Expenses*	
Individual Insurance Prem.	\$
Individual Insurance Prem.	\$

Dental Expenses	
Teeth Cleanings	\$
Dental Exams & X-Rays	\$
Orthodontia Expenses	\$
Fillings & Crowns	\$
Dentures	\$
Other	\$

Common Pharmacy Items	
Birth Control Products	\$
Blood Pressure Kits	\$
Compression Hosiery	\$
Denture Products	\$
Diabetic Test Supplies/Insulin	\$
Diagnostic Products	\$
First Aid Dressings	\$
Hot, Cold & Steam Packs	\$
Nebulizers	\$
Orthopedic Aids	\$
Pregnancy & Fertility Kits	\$
Reading/Magnifying Glasses	\$
Smoking Deterrents Splints, Supports, Braces	\$
Thermometers/Fever Strips	\$
Wheelchair/Canes/Walkers	\$

Sub-Total \$ \_\_\_\_\_

Dependent Care Expenses*	
Child Care Expenses: Under age 13 (\$5,000 max. married, filing jointly; \$2500 max. married, filing separately)	\$
Adult Day Care: Expenses for day care required for parents and/or dependents incapable of self-care	\$
Summer Day Camps	\$

Sub-Total \$ \_\_\_\_\_

Total Dollars to be set aside in my Flexible Spending Account \$ \_\_\_\_\_

Multiply by 25% to realize your tax savings by participating\*\* \$ \_\_\_\_\_

\*If Applicable to Plan. \*\*Approximate, depending on tax bracket.

**MY FLEXIBLE SPENDING ACCOUNT INFORMATION**

My Open Enrollment Period is: \_\_\_\_\_ to \_\_\_\_\_

My Employer ID is: \_\_\_\_\_

My User ID is: \_\_\_\_\_

My Password is: \_\_\_\_\_

Medical FSA Maximum: \$2,500 (calendar year)

Dependent Care Maximum: \$5,000 (calendar year)

**Notes:**

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1487 Dunwoody Drive | West Chester, PA 19380

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www.primepay.com | www.blog.primepay.com