

Flexible Spending Account (FSA) Enrollment Guide

- Significant savings
- 24/7 web access
- Fast, efficient, convenient
- The benefit that benefits everyone



PROS
YOUR COMPLIANCE SOLUTION

P.O. Box 910785
Lexington, KY 40591
P: 866.283.5151
info@jbcpros.com
www.jbcpros.com

FLEXIBLE SPENDING ACCOUNTS

A Flexible Spending Account (FSA) is an employee benefit plan established under IRC Section 125 that allows you to pay for everyday health care, dependent care expenses with pre-tax dollars.

An FSA saves you money by reducing your taxable income. The FSA amount you elect will be subtracted from your gross income. Federal, state and FICA taxes are then calculated on the lower amount. When you (or your spouse or dependents) incur an eligible expense, you'll receive reimbursement from the funds you've set aside from your paycheck.

General Purpose Health Care FSA:

This account helps you save money on everyday out-of-pocket medical expenses such as medical copays, coinsurance, prescription drugs, orthodontics, vision expenses, hearing aids, dental services, eligible over-the-counter (OTC) items and more. Qualifying dependents for FSA purposes include children through the end of the year in which they turn 26.

Limited Purpose FSA:

A limited-purpose FSA is much like a general-purpose health FSA. The main difference is that the limited-purpose account is set up to reimburse only eligible FSA dental and vision expenses. These plans allow you to contribute to an HSA as well.

Dependent Care Account (\$7,500 maximum):

This account helps you save money on daycare expenses for dependent children and adults so you can work. Qualifying dependents include children under age 13, whom you claim as a dependent on your federal income tax return (special rules apply for divorced parents), a disabled spouse and any other dependent on your tax return who resides with you and is physically or mentally disabled.

Plan Ahead for your FSA!

Planning ahead is important when signing up for your company's FSA Plan and understanding the benefits offered is critical.

Estimate Your Expenses:

You can maximize your FSA account by planning ahead carefully and using this helpful tool. Some common items to consider are listed in the chart. Please refer to IRS Publication 502 for more information on qualified expenses.

Health Care FSA	Annual Expense
Deductibles	\$
Co-pays	\$
Dental Expenses not covered by insurance	\$
Orthodontia	\$
Vision Expenses (Exams, Glasses, Lenses)	\$
Hearing Expenses (Exams, Hearing Aids)	\$
Prescription Drugs	\$
Eligible Over-the-Counter Items	\$
Diabetic Supplies	\$
Therapy (Physical Therapy, Speech, Chiro)	\$
Medical Mileage	\$
Other	\$
Total Estimated Health Care Expenses	\$
Dependent Care Account	Annual Expense
Payment to Dependent Care Facility	\$
Payment to Dependent Care Individual	\$
Payment to Adult Care Provider	\$
Total Estimated Dependent Care Expenses	\$
Total Health Care PLUS Dependent Care	\$

Know the Details:

Be sure to budget for each account expense separately. Elections to and reimbursements from these accounts cannot be blended. Also, a use-it-or-lose-it provision may apply, so plan ahead carefully.

You must re-enroll in this Plan each year. You cannot change your election during a Plan year unless you incur a qualifying life event, such as marriage/divorce, birth/ adoption.

Read your Summary Plan Description (SPD) carefully to understand the specific terms of your Plan. The SPD governs your rights and benefits under each Plan and is available through your employer.

Using Your Flexible Spending Account

We make it easy to access and use your account funds.

1. **Use Your FSA Debit Card:** This is the simplest way to purchase health care or pay for your daycare expenses! Provide your card to a qualified merchant or provider, and they will swipe your card like any other credit or debit card to pay for your purchase.
2. **Pay with Personal Funds and Request Reimbursement:** Pay using your own personal credit card, cash, or check and keep your itemized receipt as documentation. Then, log on to your online account or use our mobile app to file for reimbursement and upload documentation. You can receive reimbursement funds via check or direct deposit.



Tip: Set up direct deposit online to receive quicker reimbursements.

How to Pay at...

- **The Doctor, Dentist, Eye Doctor, or Hospital.** When you pay for health care at the doctor, dentist, eye doctor, or hospital, be sure to always present your health insurance ID card first to ensure proper processing of your charges.
If you are asked to pay a copay, you may pay with your payment card, or you may pay using personal funds and request reimbursement online. Save your itemized receipt to submit as documentation.
If you're asked to pay for additional charges, do not pay your provider until the claim is processed by your health plan and you receive your Explanation of Benefits (EOB) in the mail. This helps avoid overpayment. Compare your EOB with the provider bill to verify the amount being charged by your provider is the same as the patient balance on the EOB. You may then pay using your payment card, or pay using personal funds and request reimbursement online using your EOB or itemized provider bill as documentation.
- **Dependent Care Locations.** Your provider may be setup to accept the FSA debit card as a form of payment. However, not all providers are considered approved merchants. If you have a Dependent Care Account, you may need to pay for your qualified dependent care expenses using personal funds and request reimbursement from your account. You will need to submit your itemized receipt as documentation. Documentation must include the dependent's name, provider name, service period, payment amount, and the tax identification number of the dependent care provider.

Using Your FSA Debit Card

We provide a convenient FSA debit card to access account funds. You will receive two cards in the mail.

Below are four tips to make using your FSA debit card simple and easy.

- 1. Pay for Qualified Expenses with Your Card.**
Pay for qualified products and services directly at approved merchants (see sidebar). The money comes directly out of your FSA account. Provide your card to a qualified merchant or provider, and they will swipe your card like any other credit or debit card to pay for your purchase. If asked, select "credit," to use it without a personal identification number (PIN), or "debit" to use a PIN. To select a PIN, call 866.898.9795 once you receive your cards in the mail.
- 2. Get Your Balance.** By frequently checking your account balance online or on the mobile app, you will have a good idea of the amount of funds available in your account. When you swipe your FSA debit card the system makes sure that your coverage is active and that you have sufficient funds in your account for the full amount. If not, the transaction will be denied. You can swipe the card for the amount left in your account and pay the difference with another form of payment.
- 3. Cashless but Not Always Paperless.** Each time you use your FSA debit card, the IRS requires you to prove you purchased only qualifying expenses. Fortunately, technology behind the FSA debit card automatically substantiates the majority of your transactions. But some will require follow-up documentation from you after the purchase. If you are required to provide copies of supporting documentation for a transaction, you will receive an email. Documentation must be received within the applicable time frame or your card use will be suspended.
- 4. Save Your Itemized Receipts.** Although your FSA debit card eliminates the need to file paper claims, the IRS requires that your charges be verified. Always save your itemized receipts in case they are required to confirm a purchase or for tax purposes.

Use Your Card at Approved Merchants

Your card has been programmed to work only at merchant locations that are designated as health care merchants and day care providers based on their Merchant Category Code (MCC).

Examples of qualified health care merchants include doctor's offices and hospitals. The card should only be used to pay for eligible medical and day care expenses, and you should always save your receipts.

You will not be able to use your FSA debit card at locations that are not approved merchants.

For qualified purchases at locations that are not approved health care or day care merchants, you can pay with other means, then submit a request for reimbursement through your online account or our mobile app.



Using Your Online Account

Our online participant portal puts account information and health education tools at your fingertips.

Online Account Features

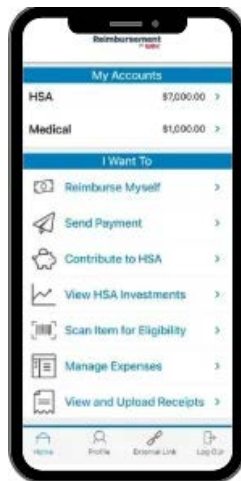
- Get account balance
- View payment card charges
- Enter a request for reimbursement
- View reimbursement requests
- Read important messages
- Use health education tools
- Find answers to frequently asked questions

Mobile Solutions

Mobile App

We offer a secure, interactive mobile application for Android, iOS and Windows devices.

- View account balance, account alerts and transaction history
- View all claims, claims requiring action, and claims details
- Submit a new claim
- Make payments with Online Bill Pay and Click-to-Pay (if applicable)
- Receive important account alerts
- Tap to call Customer Service
- Upload claim documentation – quick and easy way to submit receipts using your device's camera.



Mobile Alerts and Two-Way Texting

Our Mobile Alerts feature lets you access account information at any time using text messaging. Simply opt into the service online. You may also opt into a text alert service that lets you know immediately after you use your payment card if that purchase requires additional documentation. This way, you always know when to save your itemized receipts.

Mobile Browser

We also offer a streamlined version of your online account that allows you to access your most important account information including account balances, transaction history, claim summaries, claim details and FAQs, all on your smartphone without having to download our mobile app.

Where to Begin

- Go to www.jbcpros.com.
- Select the log in link from the upper right hand corner.
- Sign in with your user name and password.
- If it is your first time accessing your account, you will be provided with registration instructions one enrollment is complete.

A screenshot of a web browser displaying an "Accounts / Account Summary" page. The page shows a "Health Savings Account" with a "TOTAL AVAILABLE BALANCE" of \$5,153.69. Below this, it lists "AVAILABLE CASH BALANCE" as \$4,000.00 and "INVESTMENT BALANCE" as \$1,153.69. A table below shows transactions for the period 01/01/2019 - 12/31/2019. The table has columns for Account, Amount, Date, Plan, Expense, Other, and Total. The transactions listed are: Limited Health Care Flexible Spending, Dependent Care Flexible Spending, Parking Reimbursement Account, and Transit Pass Reimbursement Account.

Account	Amount	Date	Plan	Expense	Other	Total
Limited Health Care Flexible Spending	\$2,700.00	\$20.00	\$0.00	\$16.00	\$10.00	\$2,836.00
Dependent Care Flexible Spending	\$5,000.00	\$14.00	\$0.00	\$14.00	\$0.00	(\$14.00)
Parking Reimbursement Account	\$5,120.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Transit Pass Reimbursement Account	\$5,120.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Enter a New Claim

If you pay for an expense using personal funds (not your FSA debit card), you will need to enter a claim for reimbursement. Entering a new claim is easy.

- Log into your online account or mobile app.
- Click to add a new request for payment or reimbursement.
- Enter the required information about your expense.
- Follow the instructions to submit your documentation via upload, fax, or postal mail.

Health FSA Eligible Expenses

Eligible Expense Examples – There are hundreds of eligible expenses for tax-free purchase with your account funds, including prescriptions, doctor’s office copays, health insurance deductibles, and coinsurance. Over-the-counter (OTC) medications and supplies are also eligible.

- Acupuncture
- Alcoholism treatment
- Ambulance
- Artificial limb
- Birth control pills
- Blood pressure monitoring device
- Breast pumps and related supplies
- Chiropractic care
- Contact lenses and related materials
- Dental treatment
- Dentures
- Diagnostic services
- Drug addiction treatment
- Eye examination, eye glasses and reading glasses
- Family planning items
- Feminine hygiene items
- Fertility treatment
- Hearing aids
- Hospital services
- Immunization
- Insulin and diabetic supplies
- Laboratory fees
- Laser eye surgery
- Medical testing devices
- Nursing services
- Obstetrical expenses
- Orthodontia (not for cosmetic reasons)
- Over-the-counter (OTC) treatments containing medicine– cold treatments, ointments, pain relievers, stomach remedies, etc.
- Over-the-counter (OTC) treatments without medicine – bandages, wraps, medical testing devices, etc.
- Oxygen
- Physical exam
- Physical therapy
- Prescription drugs
- Psychiatric care
- Smoking cessation program and medications
- Surgery
- Sunscreen & sun block (SPF 15+, broad spectrum)
- Transportation for medical care
- Vaccinations
- Weight loss program to necessary to treat a specific medical condition
- Wheelchair, walkers, crutches and canes

Ineligible Expense Examples – These items are not generally eligible for tax-free purchase with your account funds.

- Concierge service fees (billed for future services; no treatment provided)
- Cosmetics and cosmetic surgery
- Deodorant
- Exercise equipment
- Fitness programs
- Funeral expenses
- Hair transplants
- Household help
- Illegal operations and treatments
- Insurance premiums
- Maternity clothes
- Teeth whitening

Dual Purpose Items – Items that can be used for a medical purpose or for general health and well-being are considered “dual purpose” and are eligible only with a prescription, doctor’s directive or letter of medical necessity. Examples include:

- Dietary and weight loss supplements
- Fiber supplements
- Orthopedic shoes and inserts
- Snoring cessation aids
- Vitamins and herbal supplements

DCAP Eligible Expenses

Dependent Care Account funds cover care costs for your eligible dependents to enable you to work.

- Before school or after school care (other than tuition)
- Qualifying custodial care for dependent adults
- Licensed day care centers
- Nursery schools or pre-schools
- Placement fees for a dependent care provider, such as an au pair
- Child care at a day camp, nursery school, or by a private sitter
- Late pick-up fees
- Summer or holiday day camps

Ineligible Dependent Care Account Expense Examples

These items are not eligible for tax-free purchase with Dependent Care Account funds.

- Expenses for non-disabled children 13 and older
- Educational expenses including kindergarten or private school tuition fees other than pre-school
- Amounts paid for food, clothing, sports lessons, field trips, and entertainment
- Overnight camp expenses
- Registration fees
- Transportation expenses
- Late payment fees
- Payment for services not yet provided (payment in advance)
- Medical care



Dependent Care Accounts reimburse for dependent care expenses incurred during working hours.

This guide does not constitute tax advice. For more assistance, please contact your tax advisor. You can also find more information in IRS Publication 969 at <http://www.irs.gov/pub/irs-pdf/p969.pdf>. Please keep in mind that your state might have different tax rules. Always refer to your state's tax guidance regarding FSA taxation.