

Notice to Eligible Employees – §125 Employee Benefit

Your employer has made a section 125 Cafeteria Plan available to you. This employee benefit allows you to choose between cash (i.e., your salary/wages) and certain employee benefits. It is now time to decide how much you want to contribute from your pay to the Cafeteria Plan. The information in this packet will help you make this decision.

Remember, this election become effective **January 1, 2021** and cannot be changed until the following plan year unless you experience a qualified life event. Any unused money in your account at the end of the plan year is forfeited (*see the Information Sheet in this packet to confirm if your plan has a grace period or rollover provision*), so please take the time to carefully consider the amount you elect to contribute to this plan.

Read Education Materials

1. Information Sheet
2. Q&A's
3. Eligible Expenses List
4. Estimate-Your-Expenses Chart
5. Plan Documents (Summary Plan Description available upon request)

1st

2nd

Enjoy Your Benefits

1. **Create** your online account (instructions included in this packet),
2. **Download** our mobile app,
3. **Submit** requests for reimbursement (form and instructions included in this packet), and
4. **Contact us** at any time with any questions!

3rd

Make Your Election

Complete the Election Form and return it to your HR department, unless your firm instructs you to enroll online.



BENEFLEX-ERIE

FSA | HRA | HSA

Basic Information Sheet



www.beneflex-erie.com

\$2,750.00

Annual maximum you may elect for your medical FSA

\$5,000.00

Annual maximum you may elect for your DCA

(\$2,500.00 if married filing separately; less if your spouse earns less than \$5,000.00)

814-453-3107

Call us anytime between 7:30am and 4:30pm to speak with a human, not a machine!

Biweekly Fridays

You may submit claims to Beneflex-Erie at any time during the plan year. Reimbursement checks will be issued biweekly on Friday for properly submitted claims.

Enrollment Forms are due no later than December 15, 2020

DECEMBER 2020

Week	S	M	T	W	T	F	S
49	29	30	1	2	3	4	5
50	6	7	8	9	10	11	12
51	13	14	15	16	17	18	19
52	20	21	22	23	24	25	26
01	27	28	29	30	31	1	2
02	3	4	5	6	7	8	9

Online/Mobile Account

Your **Employee ID** is "RCD" + your first initial + your last initial + the last four digits of your SSN

Your **Employer ID** is BENRCD

January
1, 2021

December
31, 2021

March
15, 2022

March
31, 2022

First Day of Plan Year

Services incurred on this day forward are eligible.

Last Day of Plan Year

Services incurred through the end of this day are eligible. This is also the last day you can swipe your debit card for services incurred during the plan year.

Grace Period Ends

Because your employer added a 'grace period', services incurred through the end of this day are eligible (i.e., this becomes the 'Last Day of Plan Year').

Runout Period Ends

This is the last day to submit documentation for expenses incurred during the plan year. **After this date, any available balance reverts back to the employer.**

Questions & Answers

How does the FSA work? What Proof Is Required?

1. You first communicate your election for the plan year.
2. Your employer then makes your entire annual election available to you on the first day of the plan year.
3. You can spend your annual election on qualified expenses.
4. You pay your employer back through pre-tax payroll deductions.

You will be required to complete a *Reimbursement Form* and submit third-party documentation (for example, itemized receipts, detailed invoices, or Explanation of Benefits from your insurance provider) that includes, at a minimum, the following:

1. Date of Service
2. Patient's Name
3. Provider's Name
4. Description of Service
5. Patient Responsibility (\$)

1. Dates of Service
2. Child's Name
3. Provider's Name
4. Provider's Tax ID (EIN or SSN)



What Are the Relevant Tax Forms?

You will not get a 1099 listing your FSA contributions/distributions. Rather, at the end of the year, your W-2 will simply reflect your annual earnings less the deposits you made to the FSA. Because the deposits are not part of your taxable income, you are not liable for federal, state (depending on the state), local, or FICA (Medicare and Social Security) taxes on those amounts.

How Does This Affect My Future Social Security Benefits?

Since you don't pay Social Security taxes on the amount contributed to an FSA, you and your family may receive a slightly smaller Social Security benefit at retirement, disability or death. However, since Social Security benefits are based on your earnings over your lifetime, contributions to this plan should have minimal effect on your final benefit.

How Do I Get Reimbursed?

You may submit claims to Beneflex-Erie at any time during the plan year and throughout the runout period. Reimbursement checks will be issued at a frequency agreed-upon between Beneflex-Erie and your employer (see "Information Sheet" for your employer's frequency).

May I Change My Contribution Amount During the Plan Year?

Changes in the amount of your contributions are only allowed for qualified life events, which may include the birth/adoption/death of a dependent child; marriage/divorce; or a change in your employment status. If you incur a qualified "life event" and if your plan allows a mid-year change, you must complete the required form typically within 30 days of the event. Furthermore, the change to your account must be consistent with the change in family status.

Continues on next page



Questions & Answers

How Do I Enroll?

An enrollment form is included with this packet. The form can be used for both the medical and dependent care reimbursement accounts. Complete the form and return it to your HR department, who will then forward to us at Beneflex-Erie. If your employer provides instructions for online enrollment, please follow their instructions.

What Is an Eligible FSA Expense?

A general-purpose FSA can be used on medical care services/items as defined by IRC Code §213(d) for you, your spouse, and your tax dependents. Medical care expenses are **services incurred during the plan year, regardless of when paid for**, that have not been reimbursed by insurance or any other plan. A list of common expenses is included in this packet.

What If I Don't Use All Money in My Account by the End of the Plan Year/Termination?

If you do not use all the money in your account by the end of the plan year or before your termination, you will be required to forfeit the remaining balance (unless you elect COBRA continuation after termination). The IRS has imposed this strict **"use it or lose it"** rule because of the tax advantages of the plan. However, your plan may include a 2½ month grace period or a \$500 rollover (see "Information Sheet" in this packet) and there is typically a 90-day runout period to request reimbursement for expenses incurred during the plan year/before your termination.

What Is an Eligible DCA Expense?

Daycare expenses you pay for your dependents to be taken care of while you and your spouse work are eligible for reimbursement under a DCA. To use the dependent care reimbursement account you must be:

- a. A single parent, or
- b. Married with a spouse who is not able to provide the care because he or she is:
 - gainfully employed,
 - a full-time student, or
 - mentally or physically disabled.

In addition, eligible dependents must:

- a. live with you
- b. require care while you work
- c. be claimed as a dependent on your income tax return (in some cases of divorce or separation, you may use the account if you have custody of a child even if you do not claim the child as a tax deduction.)
- d. be your (or your spouse's) child younger than 13, or
- e. be a dependent of any age who cannot care for themselves because of a physical or mental disability.

For a combined family income of less than around \$35,000, you may want to claim the Child Care Credit on your income tax. Please consult a tax professional for guidance.



Questions & Answers

How Does the Debit Card Work?

In addition to being reimbursed via check for eligible expenses, you can also use the funds in your account by swiping your Beneflex-Erie debit card at eligible locations wherever MasterCard is accepted. Your account is debited immediately when you use your card. Your debit card can be swiped as a “Debit” transaction with your PIN, or as a “Credit” transaction with your signature. To obtain your PIN, log in to your account (refer to the Online Account Access instructions in this packet).

Beneflex-Erie monitors the transactions daily. If we cannot adjudicate the transaction using IRS-approved auto-adjudication rules, we will ask you to submit third-party documentation. Therefore, it is important that you keep your receipts.

You may view your account online 24 hours a day at www.beneflex-erie.com and through the “Beneflex-Erie” mobile app.

Where Can I Use My Debit Card?

Please refer to your Summary Plan Description to determine the specific types of items that your plan covers. Depending on your plan design, the debit card can be used at doctor and dentist offices, vision service locations, pharmacies, and stores that sell eligible items. It can also be used for Dependent Care expenses where a MasterCard machine is available. Please note that for Dependent Care Expenses you can only be reimbursed the amount of your year-to-date contributions (not your entire annual election).

When/How Do I Receive A Card?

Once we enroll you into the plan, you will automatically receive a debit card within 7-10 days. If you would also like a card for your spouse, please call Beneflex at 814-453-3107 and have your spouse’s birthdate ready.

New Beneflex-Erie cards are not issued each year. Please keep your card to use from year to year.

Beneflex-Erie cards expire after three years and a new card is automatically mailed to you about two weeks prior to the expiration date on your card.

What if I Use the Card for an Ineligible Expense?

You must either offset the ineligible expense by submitting documentation for eligible expenses that weren’t paid for using your Beneflex-Erie debit card or reimburse the plan by writing a check to your employer. Your debit card may be deactivated until the issue is resolved.

What if I Believe a Transaction to be Fraudulent?

By using the Beneflex-Erie debit card, you agree to monitor your transaction history online and contact us immediately if you believe your debit card was used by someone not authorized by you for an ineligible transaction. Dispute paperwork is due to Beneflex-Erie’s debit card provider within 55 days from when the transaction occurred.



List of Common Eligible and Ineligible FSA Expenses

as of January 1, 2020

A general-purpose FSA can be used on medical care services/items as defined by IRC Code §213(d) for you, your spouse, and your tax dependents. Medical care expenses are services incurred during the plan year, regardless of when paid for, that have not been reimbursed by insurance or any other plan.

This list is not exhaustive, as there are thousands of eligible services and items. Therefore, consider the following additional sources for identifying eligible items:

1. Call us at 814-453-3107 (local) or 1-800-454-3107 (toll-free)
2. Review the ERISA-compliant plan documents that have been created (i.e., Adoption Agreement, Basic Plan Document, and Summary Plan Description)
3. Visit www.FSAstore.com (a partner firm of Beneflex-Erie's debit card provider)
4. Some people use IRS Publication 502. Please note that Publication 502 explains eligible items when taking a deduction on your 1040, so there may be language that is not applicable and some items that are still not eligible for reimbursement from an FSA (like Medicare premiums, for example).



- | | |
|---------------------------------|-------------------------------------|
| ✓ Acupuncture | ✓ Gauze Pads |
| ✓ Alcoholism Treatment | ✓ Gender Reassignment Surgery |
| ✓ Allergy Medicine | ✓ Hearing Aids |
| ✓ Ambulance | ✓ Immunizations |
| ✓ Antacids | ✓ Incontinence Supplies |
| ✓ Antibiotic Ointments | ✓ Insulin |
| ✓ Artificial Teeth | ✓ Invisalign* |
| ✓ Aspirin | ✓ Laboratory Fees |
| ✓ Bandages | ✓ Laser Eye Surgery |
| ✓ Birth-Control Pills | ✓ Motion Sickness Pills |
| ✓ Breast Pumps | ✓ Menstrual Products |
| ✓ Cancer Screenings | ✓ Orthodontia* |
| ✓ Chiropractors | ✓ Pain Relievers |
| ✓ Coinsurance | ✓ Physical Therapy |
| ✓ Cold Sore Medicine | ✓ Pregnancy Test |
| ✓ Condoms | ✓ Prescription Drugs that are legal |
| ✓ Contact Lenses and Materials* | ✓ Psychiatric Care |
| ✓ Copays | ✓ Reading Glasses* |
| ✓ Cough Suppressants | ✓ Smoking-Cessation Programs |
| ✓ CPAP Devices | ✓ Speech Therapy |
| ✓ Decongestants | ✓ Sunscreen |
| ✓ Deductibles | ✓ Thermometers |
| ✓ Dental Services* | ✓ Viagra |
| ✓ Diabetic Supplies | ✓ Wheelchair |
| ✓ Eye Exams* | ✓ X-Ray Fees |
| ✓ Eyeglasses* | |
| ✓ First Aid Kits | |



- Appearance Improvements
- Babysitting
- Botox, cosmetic
- COBRA Premiums
- Cosmetic Procedures
- Cosmetics
- CPR Classes
- Dental Floss
- Deodorant
- Dietary Supplements, unless prescribed
- Electrolysis
- Exercise Equipment or Programs, unless to treat a diagnosed illness
- Face Creams
- Finance Charges (i.e., Late Fees)
- Hand Sanitizer
- Health Club Fees
- Insurance Premiums
- Laser Hair Removal
- Marijuana
- Massage Therapy, unless prescribed
- Petroleum Jelly
- Propecia
- Teeth Whitening

*These items are eligible under both a general-purpose FSA and a limited-purpose FSA.

Expense Estimation Worksheet

Beneflex-Erie

Instructions: Use the list below to estimate your out-of-pocket medical care expenses for FSA and/or LPFSA plans. **This worksheet is not an exhaustive list of eligible expenses**, but it may help you estimate how many pre-tax dollars you will want to contribute to the plan(s).

Helpful Hints:

- ✓ Your checkbook/bank statements can be a good source for last year's medical expenses.
- ✓ Consider the medical, dental, or vision expenses that you have been postponing.
- ✓ Remember that FSA funds typically do not roll over from year to year.

Expense Type	Previous Plan Year's Expenses (Actual)	Next Plan Year's Expenses (Estimated)	Expense Type	Previous Plan Year's Expenses (Actual)	Next Plan Year's Expenses (Estimated)
Medical Care			Dental		
Deductibles	\$ _____	\$ _____	Deductibles	\$ _____	\$ _____
Co-Pays / Co-Insurance	\$ _____	\$ _____	Co-Pays / Co-Insurance	\$ _____	\$ _____
Physicals	\$ _____	\$ _____	Orthodontics	\$ _____	\$ _____
Office Visits	\$ _____	\$ _____	Exams / Cleanings	\$ _____	\$ _____
Baby Well Care	\$ _____	\$ _____	Fillings	\$ _____	\$ _____
Immunizations	\$ _____	\$ _____	Crowns / Bridges	\$ _____	\$ _____
Chiropractor	\$ _____	\$ _____	Dentures	\$ _____	\$ _____
Lab Fees	\$ _____	\$ _____	X-Rays	\$ _____	\$ _____
Physical Therapy	\$ _____	\$ _____	_____	\$ _____	\$ _____
Psychologist	\$ _____	\$ _____			
_____	\$ _____	\$ _____			
Hearing			Vision		
Exams	\$ _____	\$ _____	Eye Exam	\$ _____	\$ _____
Hearing Aid	\$ _____	\$ _____	Glasses	\$ _____	\$ _____
Hearing Aid Batteries	\$ _____	\$ _____	Contact Lenses	\$ _____	\$ _____
_____	\$ _____	\$ _____	Contact Solution	\$ _____	\$ _____
			_____	\$ _____	\$ _____
Medicine					
Prescriptions	\$ _____	\$ _____			
Pain Relievers	\$ _____	\$ _____			
Cold Medicines	\$ _____	\$ _____			
Allergy Medicines	\$ _____	\$ _____			
_____	\$ _____	\$ _____			
			Total	\$ -	\$ -

See Note

Note: Dental and vision expenses may be covered under a Limited-Purpose FSA. Therefore, if you participate in both an HSA and LPFSA, you should calculate two separate totals (one for HSA; one for LPFSA).



24/7 access to the following features:

- ✓ Account balance
- ✓ Resources
- ✓ Contact Information
- ✓ Downloadable Reimbursement Forms

ONLINE ACCOUNT REGISTRATION INSTRUCTIONS

Step 1: Go to our website/mobile app

- Go online to www.beneflex-erie.com and/or download the “Beneflex-Erie” mobile app
- click “Log In” in upper, right-hand corner
- Under “Participants”, click the button that says “Click Here”
- A new screen will pop up
- Click “Register” in the upper right-hand corner; a registration page will display

Step 2: Obtain the necessary information

- Your “Employee ID”: See “Information Sheet” provided in your Enrollment Packet
- Your “Registration ID”: enter the “Employer ID” found on the “Information Sheet” provided in your Enrollment Packet or choose “Card Number” and enter your debit card number

Step 3: Enter your registration information

Initial Registration Page

Create a username and password; Enter your Employee ID and Registration ID

Challenge Questions

Choose and provide answers to four challenge questions

Contact Information

Confirm your email address (or add it if it is not currently on file)

Confirmation Page

Verify your registration information is correct, then click “Submit”

Medical Flexible Spending Account (and DCA) Reimbursement Form

Instructions:

- ✓ Fill out each item on this form (including your signature at the bottom);
- ✓ Attach third-party documentation;
 - **FSA:** Itemized bills, eligible receipts, or explanation of benefits.
 - **Dependent Care:** Statement or receipt from the provider confirming the amount of dependent care expenses and the Tax I.D. number of the care provider.
- ✓ Email this form and all documentation to claims@beneflex-erie.com (or fax the form to 814-461-6590 or mail it to us at: Beneflex-Erie, 1314 Griswold Plaza, Suite 102, Erie, PA 16501)

Last 4 Digits of Social Security # _____ Daytime Phone # _____

First Name: _____ Last Name: _____

Address: _____

E-Mail Address: _____

Employer: _____

Medical Care Expenses for You and Your Family				
Patient's Name	Relationship to Participant	Date(s) of Service	Service Provider	Amount Requested
				\$
				\$
				\$
				\$
				\$
<i>Sub-Total</i>				\$
Dependent Care (Daycare) Expenses				
Dependent's Name	Date(s) of Service	Name of Service Provider	Tax I.D. (or SSN) of Service Provider	Amount Requested
				\$
				\$
				\$
<i>Sub-Total</i>				\$
Total Request for Reimbursement				\$

✓ I certify that the expenses on this form are eligible for reimbursement pursuant to my employer's FSA, that they are not eligible for reimbursement by any other benefit plan, and that I will not include them as itemized deductions on my personal income tax returns. I understand and agree that I am solely responsible for determining the validity of the expenses for which I am requesting reimbursement.

Employee's Signature _____ Date _____



FSA

Submitting your
claims has never
been easier!

Instructions for submitting documentation and claims to Beneflex-Erie

Option 1: Submit Online

- Log in to your account at www.beneflex-erie.com
- “Claims” > “Claim Activity” > “Submit Claim”
- Complete the required information and add your third-party documentation
- Click “Submit”



Option 2: Submit Via Mobile App

- Download the “Beneflex-Erie” mobile app from the Apple Store or Google Play
- On the “Home” screen, click “Submit Claim”
- Complete the required information
- Add receipts by clicking the “+” symbol and either taking a photo or choosing an existing photo



Option 3: Submit Via Email

- Complete a Beneflex-Erie reimbursement form (provided to you by your HR department)
- Gather required third-party documentation, as described on the reimbursement form
- Email the completed reimbursement form and documentation in an encrypted email to Beneflex-Erie at claims@beneflex-erie.com



Beneflex-Erie January 1, 2021 – December 31, 2021 Flexible Spending Account Election Form



NAME _____ EMPLOYER _____

Last Four Digits of SOCIAL SECURITY NO. _____ DATE OF BIRTH _____ DATE OF HIRE _____

MAILING ADDRESS _____

CITY, STATE, ZIP _____

DAYTIME PHONE _____ E-MAIL (required) _____

General Information

- See "Information Sheet" provided in your "Enrollment Packet" for maximum election amounts and number of pay periods.
- Read through the Plan Documents to understand the details of each plan.
- Divide your annual election by the # of pay periods to calculate your payroll deduction(s); or if you are a new participant mid-plan year, use the number of remaining pay periods for the plan year.
- (DCA) Per IRS Reg: Daycare expenses can only be reimbursed up to what has been deducted from your pay to date.

Medical Flexible Spending Account (FSA)

My Medical FSA annual election is: \$ _____

Divided by # of pay periods per year: _____

For a per-pay deduction of: \$ _____

Dependent Care Flexible Spending Account (DCA)

My DCA annual election is: \$ _____

Divided by # of pay periods per year: _____

For a per-pay deduction of: \$ _____

Debit Card

If you/your spouse already have a Beneflex-Erie debit card, please continue to use your current debit card. New debit cards are automatically sent before old ones expire. If you are a new participant, a debit card will automatically be ordered for you.

If you would like a debit card to be ordered for your spouse, please fill out the following information:

Spouse Name: _____

Spouse Birthdate: _____

Enrollment Waiver

I elect not to participate in the Medical FSA and DCA.

This election form will remain in effect and cannot be revoked or changed during the plan year, unless the revocation and new election are on account of and consistent with an IRS qualified life event.

I have read the enrollment materials explaining these benefits. I understand that my contributions to each account can only be used to reimburse eligible expenses and that I forfeit any funds remaining in my accounts at the end of the plan period unless my employer has implemented a rollover feature.

I further understand that social security benefits may be reduced since social security taxes are not paid on my contributions. I authorize payroll reductions as contributions to my health and/or dependent care accounts as indicated above.

Signature _____

Date _____