how SMART is your dollar?

MAXIMIZE your income with a **FLEXIBLE SPENDING ACCOUNT**

Benefit Coordinators Corporation's FSA administrative services paired with the industry-leading technology of My SmartCare makes it easier than ever to have Uncle Sam help pay for certain medical, dental, and optical expenses that are not otherwise covered by your insurance plans

www.bccbenefitsolutions.com

BCC'S TOLL-FREE CUSTOMER SERVICE CALL CENTER: 800-685-6100

Monday - Thursday: 8:00am - 8:00pm ET / 5:00am - 5:00pm PT
Friday: 8:00am - 6:00pm ET / 5:00am - 3:00pm PT

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SAVE on Predictable Expenses

Each one of us would like to have more money in our pocket. Participating in your company-sponsored Flexible Spending Account can do just that! What types of FSAs are available?

Premium Conversion

This account type pays your medical, dental and vision plan contributions automatically on a before-tax basis. The monies withheld from your paycheck are used to pay the monthly premiums for these important employee benefits. The benefits you enjoy are two-fold: you are covered by the medical, dental, and/or vision plan AND you receive a tax break.

Health Care Reimbursement

Use this account to pay for qualified, medically necessary medical, dental, or optical expenses that are not covered by any of your insurance plans. A partial list of eligible expenses is listed in this brochure. Either you or your eligible dependents can incur these expenses.

Dependent Care Reimbursement

You can set aside funds annually to offset daycare expenses for your eligible children or elderly dependents. Daycare expenses are defined as those that are necessary in order for you (and your spouse, if you're married) to continue working.

Mass Transit & Parking Reimbursement

If offered by your Plan Sponsor, you can reimburse youself for a number of work-related parking and mass transit expenses.

CALCULATE your Estimated Expenses

Use these worksheets to estimate your annual expenses. Estimate conservatively, because any funds left in your account at the end of the Plan Year may be forfeited under IRS guidelines. Remember, calculated amounts cannot exceed the calendar year limits established by your plan sponsor and the IRS.

HEALTH CARE REIMBURSEMENT ACCOUNT

Estimate the annual amount of uninsured expenses in the plan year:

Deductibles (medical, dental and vision)	$ _____
Co-Payments (medical, dental and vision)	$ _____
Routine Physical Exams Not Covered by Insurance	$ _____
Dental and Orthodontia	$ _____
Vision Care	$ _____
Well-Baby Care	$ _____
Prescribed Over-The-Counter (OTC) Drugs/Meds	$ _____
Prescription Drugs (birth control included)	$ _____
Other Allowable Expenses (see list)	$ _____
TOTAL	$ _____
DIVIDE by the number of paychecks you will receive during the plan year & round to the nearest whole dollar.*	$ _____
This is your per pay period contribution:	$ _____

DEPENDENT CARE REIMBURSEMENT ACCOUNT

Estimate your eligible dependent care annual expenses for the plan year:

CHILD CARE EXPENSES	
Day Care Services	$ _____
In-Home Care/Au Pair Services	$ _____
Nursery & Pre School	$ _____
After School Care	$ _____
Summer Day Camps	$ _____
ELDER CARE EXPENSES	
Day Care Center Services	$ _____
In-Home Care	$ _____
TOTAL	$ _____
DIVIDE by the number of paychecks you will receive during the plan year & round to the nearest whole dollar.*	$ _____
This is your per pay period contribution:	$ _____

* If you are a new employee enrolling after the Plan Year begins, divide by the number of pay periods remaining in the plan year.

a STRATEGY that works for EVERYONE

FSAs offer employees a unique way to pay for certain necessary expenses with tax-free dollars. These examples help illustrate how you might see more money in your pocket by participating in a Flexible Spending Account

ASSUMPTIONS ON THE CHART BELOW: Single parent's estimated federal tax 15% and state tax 5%; dual income's estimated federal tax 25% and state tax 5%; full family's estimated federal tax 25% and state tax 5%. Note: Payroll calculations are for illustrative purposes only and normally vary by state and local taxing entities.

Christy is a divorced parent raising two children alone with an annual income of $30,000. She uses her Premium Conversion Account to pay her monthly premium contributions for their group medical and dental plans. She uses the Health Care Reimbursement Account to receive reimbursement of their annual medical and dental deductibles. Christy uses her Dependent Care Reimbursement Account to pay for daycare expenses on a pre-tax basis. By participating in the Flexible Spending Account, Christy's spendable income is increased by $158.99 per month.

Paul and Jenny are both employed, have two children, and have a combined annual income of $76,000. They decide on a Premium Conversion Account to help pay the premium contributions for their dependent medical coverage. Their Dependent Care Reimbursement Account helps with their daycare expenses. One of their children is in braces, so they also use the Health Care Reimbursement Account to help pay orthodontic expenses not covered by their dental plan. By participating in the Flexible Spending Account, Paul and Jenny increase their spendable income by $266.82 per month.

Mike and his wife Linda have two grown children that no longer live with them. Mike's annual salary is $98,000 and he uses a Premium Conversion Account to pay for the monthly premium contributions for health care coverage for himself and his wife. He uses the Health Care Reimbursement Account to cover their annual medical and dental deductibles. By participating in the Flexible Spending Account, Mike's spendable income is increased by $128.01 per month.

Pay Per Month	$2,500		$6,334		$8,167	
Less Non-Taxable Benefits	without	with flex	without	with flex	without	with flex
Medical Premiums	--	$115.00	–	$185.00	–	$140.00
Medical/Dental Expenses	–	$60.00	–	$125.00	–	$200.00
Dependent Care Expenses	–	$400.00	–	$400.00	N/A	N/A
Total Pay Subject to Tax	$2,500	$1,925.00	$6,334	$5,624.00	$8,167.00	$7,827.00
Less Tax Deductions						
Federal & State	$500.00	$385.00	$1,900.20	$1,687.20	$2,450.10	$2,348.10
FICA	$191.25	$147.26	$484.06	$430.24	$624.78	$598.77
After Income Tax	$1,808.75	$1,392.74	$3,949.74	$3,506.56	$5,092.12	$4,880.13
After Tax Expenses						
Medical Premiums	$115.00	–	$185.00	–	$140.00	–
Medical/Dental Expenses	$60.00	–	$125.00	–	$200.00	–
Dependent Care Expenses	$400.00	–	$400.00	–	N/A	N/A
Spendable Income	$1,233.75	$1,392.74	$3,239.74	$3,506.56	$4,752.12	$4,880.13
Increased Spendable Monthly Income	$158.99		$266.82		$128.01	

BCC's MY SMARTCARE makes it SIMPLE

ONLINE & MOBILE ACCOUNT ACCESS

We are all 'on the go', so why shouldn't our FSAs be too? The My SmartCare online portal and mobile app are fast, secure, and best of all - **CONVENIENT!** Check your account balance in real-time, file a claim for reimbursement by snapping a photo of the receipt, check on a claim status from anywhere, and more! It's that **SIMPLE**!

By registering with My SmartCare, you will begin receiving e-mail or text notifications (your choice) to help you manage your funds. You will be alerted of your account balance each month, when a manual claim begins processing, and when a debit card is mailed to you. The My SmartCare app is available for iOS and Android users.

BENEFITS DEBIT CARD CONVENIENCE

The BCC benefts debit card has made spending your FSA funds easier than ever! If your plan-sponsor utilizes this feature, the card allows you to avoid out-of-pocket expenses, cumbersome paperwork, and reimbursement delays. Swiping your benefits debit card at the point of service deducts the payment directly from your account, giving you instant access to your FSA dollars. It can be used at all eligible FSA locations where Mastercard® is accepted.

One benefits debit card can manage multiple account types, such as a Healthcare Account, Dependent Care Account, Mass Transit Account, Parking Account, Health Reimbursement Account, or Health Savings Account. The My SmartCare online portal and mobile app support the use of this card by separating each of your account types for fast and easy review of all your funds in one place.

REIMBURSEMENT EASE

If your plan-sponsor utilizes the benefits debit card, you can swipe your card at the point of service to automatically use your FSA funds. If you don't have your card with you or your plan does not include a debit card, you can simply use one of these methods to submit for reimbursement:

SUBMISSION THROUGH MY SMARTCARE:

(no Reimbursement Form required, uploaded photo of substantiation required)

- My SmartCare Online Portal
- My SmartCare Mobile App

OTHER ELECTRONIC SUBMISSION:

(Reimbursement Form and photo of substantiation required)

- E-mail: fsa-claims@bccbenefitsolutions.com

PAPER SUBMISSION:

(Reimbursement Form and photo of substantiation required)

- Fax: 412-276-7185
- Mail: BCC, Attn: Claims
  Two Robinson Plaza, Suite 200
  Pittsburgh, PA 15205

DIRECT DEPOSIT

If you don't use your benefits debit card for payment or your plan-sponsor does not utilize a benefits card, you may have your reimbursement deposited directly into your checking or savings account. These transactions are reflected on the Explanation of Benefits (EOB). To enroll in this optional service, use the Reimbursement Settings in your My SmartCare account to set up your bank account information or obtain an authorization form from your HR Department and submit a completed copy to BCC.

FSA STORE

BCC partners with the FSA Store to offer a simple, convenient way to use FSA dollars. This partnership gives you access to:

Exclusive Discounts	Free Shipping	Full Eligibility List	24/7 Customer Service
on 4,000+ FSA Eligible Products	on orders of $50 or more	to reduce FSA Eligibility Confusion	through an Online Chat or Phone Call

Visit fsastore.com/BCCOE to learn more!

Q & A on Health Care FSAs

How do I know how much money is in my account(s)?
You can check your balance through the My SmartCare online portal, mobile app, or by calling BCC's Customer Service Call Center. Once registered with My SmartCare, you will receive monthly balance reminders via e-mail.

When can I start using my FSA funds?
You can access your entire annual contribution on the first day of your Plan Year. For example: if your Plan starts January 1st and you incur a large expense that day that is not covered by your insurance plan, you can submit the expense (up to your annual contribution amount) for reimbursement even though the Plan Year's contributions have not all been collected.

Can I change my election amount mid-year?
No. Health care FSA election may only be altered if you experience a change in status as defined by IRS regulations (i.e. marriage, divorce, birth, or death in your immediate family). The change must be made within 30 days of experiencing the status change.

What happens to the money left over when the Plan Year ends?
Check with your plan-sponsor for guidance on what happens to your unused funds when the Plan Year ends. Remaining funds may be forfeited under the IRS "Use It or Lose It" rule. Or, your plan-sponsor may have adopted a rollover provision or grace period.

How do I determine the date my expense was incurred?
Expenses are incurred at the time that the service was provided, no when you are invoiced or when you pay the bill.

Can I use my funds to pay for my family's qualifying expenses?
Your FSA funds cover eligible expenses for you and all of your dependents, even if you and/or your dependents are not covered under your Plan Sponsor's primary health plan.

Do I choose Debit or Credit at the payment terminal when I use my benefits debit card?
Your benefits debit card can be swiped as either credit or debit at the time of purchase. If you choose to swipe as credit, you will need to sign for the purchase. If you choose to swipe as debit, you will need to enter your PIN number for purchase. To obtain the PIN associated with your card, you can use the My SmartCare online portal or mobile app. Your PIN is pre-determined at issue and cannot be customized.

Can I get cash back at the point of sale or ATM with my PIN?
No. Your benefits debit card is only to be used for qualifying purchases and is not enabled for cash back.

What do I do if I forget by benefits debit card PIN?
You can retrieve your PIN through the My SmartCare online portal or mobile app. For security purposes, neither BCC's Customer Service Call Center nor your HR Department have access to your PIN. If you forget your PIN, you can swipe your card as credit and sign for the purchase instead.

How can I use my card if I receive a bill from a provider in the mail?
If the bill provides a space for payment via credit card, fill out that section with your card information OR call the provider for payment over the phone to provide payment information.

What if the doctor's office does not take credit cards?
Cardholders would have to use another method of payment and then submit a manual claim.

What should I do if I accidently use the card for an ineligible expense?
You will receive a notice from BCC asking that you reimburse your account for the ineligible amount.

Can I order additional cards for my family?
Yes, for your spouse or other eligible dependents (over the age of 18). You must compelte and return a request form to BCC for processing and card generation.

What do I do if my card is lost or stolen?
This must be reported to BCC via the My SmartCare online portal, mobile app, or by calling BCC's Customer Service Call Center. A replacement card will be ordered and the lost or stolen card will be deactivated.

What do I do with my card after I've used all of my available funds?
Your benefits debit card is good for up to three years. Keep the card after you have used all of your available funds because you will be able to use it again next year for future Plan Years when you re-enroll.

Do I still need to keep my receipts?
Yes. Although there is no requirement for you to complete claim forms and submit physical receipts, additional documentation may be requested in some cases to confirm the eligibility of a benefits debit card purchase.

Why should I use by benefits debit card if I still might have to submit paper at a later date?
Not all transactions will trigger a request for substantiation. According to IRS Publication 969, "...If the use of these cards meets certain substantiation methods, you may not have to provide additional information to the health FSA." BCC's hosted debit card system works in conjunction with registered IIAS terminal merchants to help ensure cards are used for eligible expenses only.

My transaction is a Code §213(d) medical expense. Why did I receive a letter requesting additional documentation?
To ensure compliance with IRS guidelines, BCC must perform audits on large dollar claims and amounts over $50.00 at certain locations where it is not readily discernible as to the use of the funds. Additional audits may also be performed to ensure the integrity of the claims payment process.

My benefits debit card transaction already went through and payment was made. What happens if I don't respond to BCC's request for documentation?
Failure to provide appropriate documentation within 30 days from the date of the initial request will result in the benefits card being made temporarily inactive. Claims will then only be processed via the regular request for reimbursement method until appropriate documentation in received, reviewed, and approved.

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HEALTH CARE FSAs

ELIGIBLE EXPENSES

- Acupuncture
- Adoption, Pre-Adoption medical expenses
- Alcoholism Treatment
- Ambulance
- Artificial teeth & limbs
- Asthma treatments
- Bandages, elastic, gauze pads, liquid adhesives for small cuts
- Blood pressure monitoring devices
- Breast pumps and lactation supplies
- Carpal tunnel wrist supports
- Chiropractors
- Circumcision
- Co-insurance amounts
- Cold/hot packs
- Contact lenses, materials and equipment
- Contraceptives
- Co-payments
- Crutches
- Deductibles
- Dental sealants
- Dental treatment (excludes cosmetic)
- Dentures and denture adhesives
- Drug addiction treatment
- Egg donor fees
- Eye examinations and eyeglasses
- Feminine Care Products
- First aid (creams and kits)
- Flu shots
- GIFT (Gamete Intra-Fallopian Transfer)
- Guide dog
- Hearing aids
- Hospital services
- Immunizations
- Laboratory fees
- Lasik eye surgery
- Medical information plan charges
- Medical monitoring and testing devices
- Medical records charges
- Norplant insertion or removal
- Obstetrical expenses
- Occlusal guards to prevent teeth grinding
- Operations (excludes cosmetic procedures)
- Organ donors
- Orthodontia
- Osteopath fees
- Over-the-Counter drugs
- Oxygen
- Physical exams
- Physical therapy
- Pregnancy Test Kits
- Preventive care screenings
- Prosthesis
- Psychiatric care
- Radial keratotomy
- Shipping and handling fees
- Sterilization procedures
- Sunscren (SPF 15+)
- Taxes on medical services and products
- Termination of Pregnancy
- Thermometers
- Transplants
- Transportation expenses for person to receive medical care
- Usual and customary charges
- Vaccines
- Viagra
- Walkers
- Wheelchair
- X-ray fees

EXPENSES REQUIRING A LETTER OF MEDICAL NECESSITY

- Arthritis gloves
- Braille books and magazines
- Breast reconstruction surgery following mastectomy
- Chelation therapy
- Fluoridation devices or services
- Herbal Supplements
- Learning disability, instructional fees
- Massage therapy
- Medical alert bracelet or necklace
- Patterning exercise
- Television or telephone for hearing impaired persons
- Vitamins

What is a letter of medical necessity?
The IRS mandates that eligible expenses be primarily for the diagnosis, treatment, or prevention of disease or treatment of conditions affecting any functional part of the body. For example, vitamins are not typically covered because they are used for general wellness, but your doctor may prescribe a vitamin to treat a medical condition. The vitamin would then be eligible if your doctor verified the necessity of treatment.

EXPENSES REQUIRING A PRESCRIPTION

- Antibiotics
- Anxiety medication
- Blood pressure medication
- Heart Disease medication
- Steroids

EXPENSES NOT ELIGIBLE FOR REIMBURSEMENT

- Insurance premiums
- Elective cosmetic surgery
- Expenses reimbursed by another insurance or FSA
- Expenses not qualified by the IRS
- Expenses claimed as deductions or credits on your federal tax return
- Expenses incurred before you were a participant in the FSA plan
- Expenses incurred when you are no longer a participant in the FSA plan
- Amounts above the maximum plan limits for medical reimbursement

HEALTH CARE FSAs

SUPPORTING DOCUMENTATION GUIDELINES

Required for Most Health Care Services:

- All PPO Services: Explanation of Benefits (EOB) from the insurance carrier
- Non-PPO Services: Itemized bill or receipt from service provider that includes all of the following:
  - Name of Service Provider
  - Name of Patient
  - Date of Service
  - Details of Service or Product
  - Cost of Service or Product
- **DO NOT SUBMIT:** Cash Register Receipts, Balance Forward Statements, Cancelled Checks, Credit Card Receipts/Statements, Recieved-on-Account Statements, Estimates for Services to be Performed

Required for an Office Co-Pay:

- Receipt or Invoice that includes all of the following:
  - Name & Address of Service Provider (pre-printed or stamped)
  - Name of Patient
  - Date of Service
  - Wording indicating that it is a co-pay or office visit
  - Cost of Co-Pay
- **DO NOT SUBMIT:** Cash Register Receipts, Balance Forward Statements, Cancelled Checks, Credit Card Receipts/Statements, Recieved-on-Account Statements

Required for Prescriptions:

- A copy of the itemized prescription label (often attached to the outside of the bag upon purchase) or mail-order prescription invoice that includes all of the following:
  - Name of Pharmacy
  - Name of Patient
  - Date of Purchase
  - Name of Drug
  - Cost of Prescription (if not subject to co-pay)
- **DO NOT SUBMIT:** Cash Register Receipts, Balance Forward Statements
- If you do not have a copy of the label, contact your pharmacy

Special Circumstances:

- Orthodontia: Requires an Orthodontia Financial Agreement each Plan Year (contact BCC's Customer Service Center regarding this document)
- Some expenses require a letter from your doctor each Plan Year (ex: Hypnotherapy, Massage Therapy, Support Hose, Weight Loss)

RULES TO REMEMBER

Participants must actively enroll in an FSA plan each year. FSA Enrollment does not automatically carry forward from one Plan Year to the next.

Once FSA contributions begin, an election can change ONLY if a change in family status occurs, as defined by the IRS. This includes marriage, divorce, birth or adoption of a child, or the death of a dependent.

IRS regulations very clearly define FSA rules because you are affecting your taxable income by contributing to an FSA. You must keep these rules in mind when you are planning your contributions and using FSA funds.

Be aware that when taxable income decreases, one's Social Security contributions decrease. This reduction of Social Security (FICA) contributions may affect future retirement or disability benefits.

Estimate your annual contributions conservatively as unused funds at the end of the Plan Year may be forfeited under the IRS "Use It or Lose It" Rule. Check with your plan-sponsor on any available rollover provisions or grace periods.

If enrolled in more than one FSA category, reimbursement can only occur from the account for which the contribution was designated. In other words, if a contribution is made to both Health Care and Dependent Care Accounts, reimbursement for a dependent care expense cannot occur from the Health Care account.

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DEPENDENT CARE reimbursement

ELIGIBLE DEPENDENT CARE EXPENSES

- Child Day Care Services
- In-Home Child Care/Au Pair Services
- Nursery & Preschool
- After School Care
- Summer Day Camp
- Elder Day Care Center & In-Home Care

EXPENSES NOT ELIGIBLE FOR REIMBURSEMENT

- Food
- Clothing
- Entertainment
- Education (expenses to attend kindergarten or higher)
- Activity Fees
- After School Educational Classes/Homework Clubs
- Tutoring Costs
- Late Payment Fees (for eligible dependent care expenses)

SUPPORTING DOCUMENTATION GUIDELINES:

Dependent Care Documentation Must Show:

- Name of Dependent(s)
- Begin & End Date of Service
- Provider Tax ID Number for health care facility OR Social Security Number for individual service providers
- Amount Incurred
- Signature of Provider

Do NOT Submit:

- Copies of Checks/Cancelled Checks (copies of cancelled checks are acceptable so long as both the front and back of the cancelled check are copied)
- Balance Forward Statements
- Credit Card Statements (Cash register receipts & credit card receipts are acceptable, provided that they are detailed & the request form is itemized)
- Estimates for Services to be Performed

Special Circumstances:

- Reimbursement requests received incomplete or without proper documentation will be returned unprocessed
- You may only be reimbursed for current or previous dependent care expenses
- Keep originals for your records as supporting documents become part of your claim and will not be returned
- Reimbursements will be sent to your home address unless the direct deposit feature is available under your Flexible Benefits Plan and is requested

WHAT IS THE FSA DEFINITION OF "DEPENDENT"?

- he/she must be your dependent,
- under the age of 13 when the care is provided, AND
- for whom you can claim an exemption, OR
- your spouse who was physically or mentally unable to care for him/herself

**For more in-depth information or clarification on elder care as a qualified expense, consult your tax advisor*

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PARKING & MASS TRANSIT FSA reimbursement

DO I HAVE THIS BENEFIT?

Your Plan Sponsor (employer) decides if a Parking or Mass Transit FSA is offered. Check your Plan Document or contact your HR Department for more information.

ELIGIBLE PARKING EXPENSES (if your Plan Sponsor offers this benefit)

- Fees for parking that is located on or near employer's premises
- Fees for parking at or near a mass-transit location (allowing you to commute via mass-transit)
- Fees for parking at or near a van-pooling or car-pooling meeting site
- Parking provided to you where your employer pays directly to a parking lot operator
- Parking that an employer provides on its premises that requires a lease

ELIGIBLE MASS TRANSIT EXPENSES (if your Plan Sponsor offers this benefit)

- Transit Pass
- Transit Token
- Transit Fare-Care
- Transit Voucher
- Van-Pooling
- Commuter Highway Vehicle Expense*
- Similar items may also be eligible pending approval from your Plan Sponsor

**A Commuter Highway Vehicle is any highway vehicle with a seating capacity of at least six adults, not including the driver, used for travel between the employee's residence and place of employment.*

Expenses must be provided by a Mass Transit Facility of Qualified Van Pooling Service

EXPENSES NOT ELIGIBLE FOR REIMBURSEMENT

- EZ Pass
- Highway Tolls
- Bicycle expenses
- Parking expenses cannot be reimbursed from a Mass Transit FSA (i.e. if you pay to park at a mass transit pick-up location, the parking expense cannot be reimbursed under your Mass Transit FSA; the parking expense can only be reimbursed if you are enrolled in a Parking FSA)

SUPPORTING DOCUMENTATION GUIDELINES FOR PARKING & MASS TRANSIT EXPENSES:

Parking & Mass Transit Documentation Must Show:

- Date(s) of Service
- Amount Incurred

Do NOT Submit:

- Cancelled Checks
- Credit Card Statements (Cash register receipts & credit card receipts are acceptable, provided that they are detailed & the request form is itemized)

Special Circumstances:

- If you cannot obtain a receipt, you must complete and sign the Employee Certification section AND the Authorization section of the Reimbursement Form. Examples of this instance include paying via parking meter or paying via coin box.