

Delivering the Future Today

Dependent Day Care Expense Requirements

Dependent day care expenses are those that must be incurred to enable you and your spouse, if married, to be gainfully employed. The expense must be incurred for services received after the effective date of your election and during the plan year to which it applies. The expenses must be for a qualifying individual. This includes a dependent younger than age 13, a spouse, or other dependents who are physically or mentally incapable of self-care and for whom you are entitled to claim as a dependent on your federal tax return.

The dependent day care services must be provided by an eligible dependent day care provider. This includes a licensed day care facility that complies with applicable state and local laws and any individual who is not a tax dependent of yours or a child of yours age 19 or older.

Dependent day care expenses must be for services incurred, not for services to be provided in the future. The annual expense reimbursement may not exceed the lesser of your earned income, if married; your spouse's earned income; or \$5,000 (\$2,500 if married, filing separate income tax returns). You must file Form 2441 annually with your individual tax return identifying all your dependent care providers.

Healthcare Expense Requirements

Healthcare expenses must be incurred for services rendered after the effective date of your election and during the plan year to which it applies. Each individual, for whom you can incur expenses, generally includes a dependent younger than age 19 or, if older, is a full-time student whom you are entitled to claim as dependent on your federal tax return as well as a spouse or other tax dependents who are physically or mentally incapable of self-care.

All expenses must be for services incurred and already provided, not for services to be provided in the future. In addition, the expenses cannot have been reimbursed and must not be reimbursable by insurance or any other source. You cannot claim the same expenses as a deduction on your annual income-tax return. Other ineligible items include individual insurance premiums, other group insurance premiums and long-term care expenses.

Questions?

If you have any questions or wish to obtain your account balance via our IVR system, please call PayFlex at **800.284.4885**. Customer service representatives are available 7:00 am - 7:00 pm CST, Monday - Friday.

Special Plan Rules

- You may enroll in a Flexible Spending Account only during open enrollment or when you first become eligible. This enrollment covers your pay periods from your effective date through the end of the plan year.
- Once you establish your plan year contribution, you may only change it if you experience a change in status.
- Any amount(s) left in your account(s) at the end of the plan year will be forfeited. If your employer has implemented a "grace period", forfeitures may be eliminated or minimized.
- You may file claims through the run out period as established by the plan as long as the claims were incurred during the plan year.
- If you haven't enrolled in your employer's health plan, you can still participate in a Flexible Spending Account. If you or your family members are covered by health insurance elsewhere, you can still claim qualifying out-of-pocket healthcare expenses under the Flexible Spending Account.
- Remember that your expenses must be incurred during your period of coverage. Expenses are considered as having been incurred when you are provided with the healthcare or dependent day care and not when you are formally billed, charged for or pay for the care.

Change in Status Rules

Internal Revenue Service (IRS) guidelines may allow you to change your plan contribution during the plan year for one of the following conditions:

- Change in legal marital status (marriage, divorce, legal separation, annulment or death of a spouse)
- Change in number of tax dependents (birth, adoption or death)
- Change in employment status that affects eligibility
- Dependent satisfying or ceasing to satisfy coverage requirements (reaching limiting age, gain/loss of student status, marriage)
- Change in residence that affects eligibility

To apply for a change, you must complete a change-in-election form through your employer's Human Resources/Benefits department within 30 days of the date of the event.



www.mypayflex.com



FSA's and You



go green PayFlex invites you to go online and go green wherever you see this symbol.

What is an FSA?

An FSA is a Flexible Spending Account, which is authorized by the IRS and available through your employer. This type of account allows you to set aside money for healthcare and/or dependent day care expenses on a pre-tax basis. As you incur healthcare and/or dependent day care expenses throughout the year, you may submit a claim for those expenses to get reimbursed with tax-free dollars from your PayFlex account.

A healthcare account reimburses you for out-of-pocket expenses, meaning those expenses that are not covered by your medical, dental, prescription or vision programs. These expenses include deductibles, co-pays, coinsurance and certain over-the-counter (OTC) expenses.

The dependent day care account reimburses you for expenses you incur to allow you and, if married, your spouse to work. These expenses include day care, before-and-after school programs, nursery school or preschool, summer day camp and even adult day care.

When you use either one or both of these accounts, you reduce your taxable income so you pay less in income taxes. To see a list of all eligible expense items for either a healthcare or a dependent day care account, visit our website at www.mypayflex.com.

How do I get started?

Your employer has made setting up an FSA simple. During your annual enrollment period, you will be allowed to put aside a portion of your salary on a pre-tax basis. The amount you choose to set aside will be deducted from your paycheck in equal amounts each pay period throughout the plan year. If you decide to enroll in a healthcare and/or dependent day care account, you will need to estimate the amount you will spend on out-of-pocket healthcare expenses and/or dependent day care expenses during the plan year.

When estimating your expenses, please remember that several over-the-counter items such as aspirin or other pain relievers and cold/sinus remedies are also eligible for reimbursement. To assist in estimating your out-of-pocket expenses, use the FSA Planning Worksheet at the right or visit www.mypayflex.com to use our Savings Calculator or to print expense planning worksheets.

FSA Tax Savings Example

Annual Tax Savings	Without an FSA	With an FSA
Salary	\$50,000	\$50,000
Annual Pre-tax Election	\$0	(\$3,000)
Taxable Income	\$50,000	\$47,000
Taxes Withheld (30.65%)	(\$15,325)	(\$14,405)
Annual After Tax Expenses	(\$3,000)	\$0
Take Home Pay	\$31,675	\$32,595
Increase in Take Home Pay w/ an FSA	\$0	\$920

FSA Planning Worksheet

HEALTHCARE EXPENSES	Annual Estimate
Medical Expenses not covered by Insurance	
Deductibles, co-pays, coinsurance	\$ _____
Physician co-pays, prescription co-pays	_____
Chiropractic treatments	_____
Over-the-counter medicines	_____
Other	_____
Subtotal medical expenses	\$ _____
Dental Expenses not covered by Insurance	
Annual deductible	\$ _____
Crowns/bridges/dentures coinsurance	_____
Oral surgery coinsurance	_____
Orthodontia	_____
Root canals	_____
Other	_____
Subtotal dental expenses	\$ _____
Vision/Hearing Expenses not covered by Insurance	
Exams	\$ _____
Frames/lenses	_____
Prescription sunglasses	_____
Contact lenses & cleaning solutions	_____
Corrective eye surgery (LASIK, cataract etc.)	_____
Hearing exams/hearing aids & batteries	_____
Other	_____
Subtotal vision/hearing	\$ _____
TOTAL HEALTHCARE EXPENSES	\$ _____
DEPENDENT DAY CARE EXPENSES	
January	\$ _____
February	\$ _____
March	\$ _____
April	\$ _____
May	\$ _____
June	\$ _____
July	\$ _____
August	\$ _____
September	\$ _____
October	\$ _____
November	\$ _____
December	\$ _____
TOTAL DEPENDENT DAY CARE EXPENSES	\$ _____

How do I get reimbursed?

As you incur healthcare and/or dependent day care expenses, you will submit a claim for reimbursement online at www.mypayflex.com or by completing a paper claim and sending to PayFlex by fax or mail. Reimbursements are made on a scheduled basis which is determined by your employer, however you can file claims as often as you would like. Your FSA dollars will be used for reimbursement which will be provided by check or direct deposit into your bank account. You may elect to have your reimbursements deposited directly into your checking or savings account, simply by providing your account information online via the **Direct Deposit** link at www.mypayflex.com.



How do I submit a claim online? **go green**

The process for submitting a claim online using **Express Claims** is quick, easy and always available.

Simply go to www.mypayflex.com, click on **Login** and enter your username and password, then click **Submit**. Select **Express Claims** located on the left navigation bar, then enter your claim information; type of expense, date of expense, and the amount of expense. To add additional claims, select **Add Row**. Once you have entered in all of your claims, click **Submit**. You will have the option to "Fax" or "Upload" your supporting documentation. Uploading your documentation will save paper and will allow PayFlex to process your claim quicker. If you select "Fax", print and sign the form and fax claim and itemized receipts to **866.932.2567**. You will receive an email from PayFlex notifying you when your claim has been processed.

Reimbursement Methods

Express Claims: www.mypayflex.com
Fax: 402.231.4310
Mail: PayFlex Systems USA, Inc.
 PO Box 3039
 Omaha, NE 68103-3039

How do I access the balance in my account? **go green**

To check the balance in your account, view transactions, or your claim history, go to www.mypayflex.com, click on **Login** and enter your username and password. Then, click **Select** for the plan year you wish to view. You will now be able to access your account information.

What if I don't use all the money in my account? Will I lose it?

Money left in your account at the end of the year is forfeited. However, if your employer has elected to include a "grace period" within your plan, you will be allowed an additional 2 1/2 months after the end of your plan year to use your FSA funds. For example, if your plan year ends on December 31, your employer will allow expenses to be incurred through March 15. You can avoid forfeitures by carefully reviewing your prior year's expenses and planning only for predictable costs.

In addition, PayFlex has established partnerships with various online vendors to help you spend your FSA dollars more efficiently. Accessible via our website, you can buy items such as glasses, contacts, and eligible over-the-counter medications using your PayFlex™ Card (if available through your employer), or any other major credit card. When using your own credit card, make sure to keep the receipt you receive from your purchase and submit along with a claim form for reimbursement.

What is available online at www.mypayflex.com?

- Account Information
- FSA Tutorial
- Savings Calculator
- Expense Planning Worksheets
- Listing of Eligible & Ineligible Expense Items
- Frequently Asked Questions
- Administrative Forms & Publications
- IRS Forms & Publications