

Flexible Spending Account Enrollment Form



Step 1: Participant Information

*=Required Fields

<input type="text"/>	<input type="text"/>	
*Employer Name (Do not abbreviate)	*Employee ID Number	
<input type="text"/>	<input type="text"/>	<input type="text"/>
*Participant Name (First, MI, Last)	*Social Security Number	
<input type="text"/>	<input type="text"/>	
*Participant Mailing Address	Email Address (If provided, all notifications will be sent via email)	
<input type="text"/>	<input type="text"/>	<input type="text"/>
*City	*State	*Zip
<input type="text"/>	<input type="text"/>	<input type="text"/>
Day Telephone	*Birth Date (mm/dd/yyyy)	*Hire Date (mm/dd/yyyy)
*Pay Frequency (Please circle one): Monthly / Semi-Monthly / Bi-Weekly (24) / Bi-Weekly (26) / Weekly / Other		Gender (Please circle one): Male/Female
		Marital Status (Please circle one): Married/Single

Step 2: Employee Premiums

If you have a payroll deduction for insurance premiums, eligible premiums will be deducted before taxes are calculated. You will automatically be enrolled in this portion of your Section 125 Plan. However, if you wish, you may opt out of the Employee Premium Conversion part of the Plan by contacting your HR Department and filling out the waiver form. *Please Note: Insurance premiums are not eligible for reimbursement with your Medical or Limited Medical Spending Account.

Step 3: Enrollment and Election Information

*Enrollment Type (Please circle one):	Open Enrollment Period / New Hire		
	Medical Spending Account <i>Limit set by employer</i>	Dependent Care Account <i>Limit set by employer up to IRS maximum</i>	Limited FSA <i>(If applicable)</i>
*Annual Election	\$		
*Number of Pay Periods (Note: If enrolling mid-year, please enter the number of remaining pay periods within the plan year)	÷		
*Per Pay Period Amount (To be deducted each pay period)	=		
*Date of First Payroll (mm/dd/yyyy)			
*Participant Effective Date (mm/dd/yyyy)			

Step 4: Optional Services

Please select only one. Check with your employer as to which services your plan offers.

<input type="checkbox"/>	Debit Card	A debit card pays directly from your Flexible Spending Account at the point-of-sale. Itemized receipts are required for all transactions that are not auto-substantiated at the point-of-sale.
<input type="checkbox"/>	Auto-EOB	Auto-EOB is the automatic crossover of eligible health claims from a participant's health insurance carrier. Payment is made automatically to you from your Flexible Spending Account.

Step 5: Authorization or Refusal

*Please select only one.

<input type="checkbox"/>	<p>Participant Authorization</p> <p>I authorize my employer to reduce my pay on a per pay period basis as indicated above. I understand my reduction is for one flex plan year and that I cannot change or revoke my election unless I experience a qualifying event in accordance with Internal Revenue Code Section 125 and submit my request within a reasonable amount of time as deemed by the IRS and my employer. I am aware of the plan's forfeiture provision and that my Social Security and federal unemployment benefits may be reduced because of my reduced salary for tax purposes. Further, I authorize the release of any information necessary to substantiate claims submitted against my Flexible Spending Account.</p>
<input type="checkbox"/>	<p>Participant Refusal</p> <p>I do not want to participate. I understand that by refusing to participate, I will be unable to enroll this plan year unless I experience a qualifying event in accordance with Internal Revenue Code Section 125 and submit the change within a reasonable amount of time as deemed by the IRS and my employer.</p>

<input type="text"/>	<input type="text"/>
*Employer Signature (Not required during open enrollment)	*Date
<input type="text"/>	<input type="text"/>
*Participant Signature	*Date



Direct Deposit Enrollment/Change Form

Step 1: Participant Information

*=Required Fields

*Employer Name (Do not abbreviate)

*Employee ID

*Participant Name (First, MI, Last)

 - -

*Social Security Number

 - -

*Day Telephone

Updates or changes to your information can be made by logging into your account at www.discoverybenefits.com

Step 2: Financial Institution Information

Important: A voided (or photocopied) check is required for all checking accounts. We cannot accept deposit slips.

*I am (circle one) beginning / canceling / changing a direct deposit account.

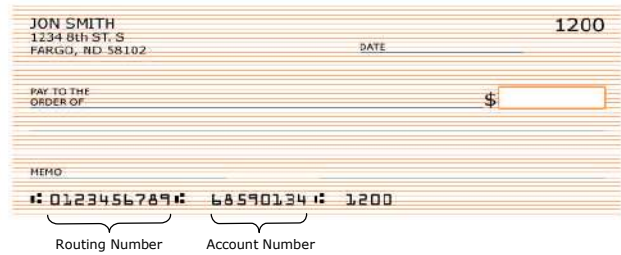
*Account Type (circle one): Checking / Savings

*Routing Number (must be 9 digits)

*Account Number

*Financial Institution Name

Financial Institution Address



City

State

Zip

Step 3: Participant Authorization

I hereby certify the information provided on this form is accurate. Further, I understand my completion and submission of this form authorizes Discovery Benefits to issue payment directly to the specified account unless I notify them otherwise. I also understand a \$25.00 fee will be deducted from my account for deposits returned for any reason.

*Participant Signature

Date

For office use only:



Authorized Representative/HIPAA Form

This form is to document the designation of an Authorized Representative for a participant. This form authorizes the release of medical information to the named representative(s). This authorization does not provide your Authorized Representative with any authority, either implied or direct, over any direct care decisions or account management. If you wish to set up a power of attorney or living will, please discuss this with your attorney. We will not condition benefit payments, enrollment or eligibility for benefits on the execution of this form.

Step 1: Participant Information

*=Required Fields

*Employer Name (Do not abbreviate)

*Employee ID

*Participant Name (First, MI, Last)

 - -

*Social Security Number

 - -

*Day Telephone

Updates or changes to your information can be made by logging into your account at www.discoverybenefits.com

Step 2: Authorized Representative Information

*=Required Fields

*Authorized Representative Name

 - -

Day Telephone

*Authorized Representative Name

 - -

Day Telephone

*Authorized Representative Name

 - -

Day Telephone

*Authorized Representative Name

 - -

Day Telephone

Step 3: Expiration & Revocation and Authorized Use & Disclosure

I understand that due to HIPAA regulations Discovery Benefits will not disclose my personal health information to other parties without my written authorization or as permitted or required by law. For this reason, I authorize you to discuss and disclose my personal health information to the person(s) named above for the purpose of assisting with, or facilitating, the coordination or payment of my health benefits. I also understand that if my Authorized Representative is not a health care provider or another entity subject to federal or applicable state privacy laws, my personal health information may no longer be protected by those privacy laws and my Authorized Representative may further disclose my personal health information without my authorization. I acknowledge that my authorization is voluntary.

I understand I have the right to revoke or end this authorization at any time. I understand that if I do not wish the person(s) named in Step 2 to remain my Authorized Representative, I must revoke this authorization in writing by giving written notice of my decision to Discovery Benefits, Inc. I understand that my revocation of this authorization will not affect any action that you have taken, or any information that you have already released based upon this authorization before you actually receive my request to revoke it.

Further, I understand this authorization will terminate 12 months from the date of signature below.

*Participant Signature

Date



Additional Debit Card Request Form

Complete and remit this form if requesting an additional card for your spouse or any dependents.

If requesting a replacement card for yourself, spouse or dependents, please contact us at 866-451-3399 or customerservice@discoverybenefits.com and we would be happy to assist you. Please note that issued cards are valid for 3 years.

Step 1: Participant Information

*=Required Fields

*Employer Name (Do not abbreviate)

*Employee ID

*Participant Name (First, MI, Last)

 - -

*Social Security Number

 - -

*Day Telephone

Updates or changes to your information can be made by logging into your account at www.discoverybenefits.com

Step 2: Additional Card Information

Please complete the following information for each additional card request.

Spouse Information

*Name (First, MI, Last)

*Birth Date (mm/dd/yyyy)

Mailing Address

City

State

Zip

Dependent(s) Information

*Dependent Name (First, MI, Last)

*Birth Date (mm/dd/yyyy)

Mailing Address

City State

Zip

*Dependent Name (First, MI, Last)

*Birth Date (mm/dd/yyyy)

Mailing Address

City

State

Zip

Step 3: Participant Authorization

I hereby certify the information provided on this form is accurate. I understand a fee may be deducted from my Discovery Benefits account for any additional or replacement cards and that specific information regarding the fees can be obtained by logging into my account at www.discoverybenefits.com or contacting Discovery Benefits via their toll-free number or email. Further, I understand I am only able to request cards for dependents over the age of 18.

*Participant Signature

Date

For office use only:



Automatic Dependent Care Request Form

This form is to be completed each plan year the participant wants to receive automatic reimbursement of dependent care expenses. Should the cost of daycare per month meet or exceed the monthly payroll deduction, reimbursements will be made as payroll deductions post to your Dependent Care Account. If the monthly cost of daycare is less than the monthly payroll deductions, reimbursement will be made once per month at the end of the month.

Step 1: Participant Information

*=Required Fields

<input type="text"/>	<input type="text"/>
*Employer Name (Do not abbreviate)	*Employee ID
<input type="text"/>	<input type="text"/> - <input type="text"/> - <input type="text"/>
*Participant Name (First, MI, Last)	*Social Security Number
<input type="text"/> - <input type="text"/> - <input type="text"/>	
*Day Telephone	

Updates or changes to your information can be made by logging into your account at www.discoverybenefits.com

Step 2: Auto-Dependent Care (DCA) Information

*Please select only one. If changing or stopping

Start Auto-DCA: Please begin automatic reimbursement of my dependent care expenses	Effective Date (mm/dd/yyyy)
Change Auto-DCA Information: Please update my automatic reimbursement information with the provided information effective by the date specified in box A.	A.
Stop Auto-DCA: Please stop automatic reimbursement of my dependent care expenses effective by the date specified in box A.	A.

*Dependent(s) Name	*Date of Birth (mm/dd/yyyy)	*Start Date of Service (Must be within current plan year)	*End date of Service (Must be within current plan year)

Step 3: Dependent Care Provider Information and Signature (to be completed by the provider)

I certify the information provided below is accurate. I understand the purpose of my signature on this form is to eliminate the necessity for the participant to provide receipts for reimbursement purposes.

<input type="text"/>	\$ <input type="text"/> per month/week	<input type="text"/>
*Provider's Name	*Cost per month/week (circle one)	*Provider's Signature
<input type="text"/>	\$ <input type="text"/> per month/week	<input type="text"/>
*Provider's Name	*Cost per month/week (circle one)	*Provider's Signature

Step 4: Participant Certification

To the best of my knowledge the provided information is complete and accurate. I certify that the requests I am submitting are eligible expenses as defined by the IRS and that I have not been previously reimbursed for these expenses nor am I seeking reimbursement from any other source. I understand that Discovery Benefits, including its agents and employees, will not be held liable if I submit ineligible expenses for reimbursement. I have obtained or made reasonable efforts to obtain the provider's Tax ID (TIN) and I will include the TIN on IRS Form 2441 which I must attach to my federal income tax return. If there are any changes in the provided information, I understand it is my responsibility to notify Discovery Benefits. I understand that I should retain a copy of all submitted documentation in the event of an IRS audit.

By submitting this form I certify the above.

CHANGES TO YOUR FSA ELIGIBLE EXPENSES EFFECTIVE 1/1/11

Included in The Patient Protection and Affordable Care Act (PPACA), otherwise known as Health Care Reform, are provisions affecting the expenses that are eligible under your Flexible Spending Account.

Currently, there are thousands of over-the-counter items that can be purchased with your FSA. Once PPACA goes into effect on January 1, 2011, the list of eligible over-the-counter items will be reduced. ***However, you may still be reimbursed for these items with a prescription from your doctor.***

Though we do not yet know the specific items that will be affected, we have been provided a list of categories that will require a prescription. Please review the list below to better assess your FSA election going forward. Categories that will be affected are as follows:

- Acid Controllers
- Allergy & Sinus
- Antibiotic Products
- Anti-Diarrheals
- Anti-Gas
- Anti-Itch & Insect Bite
- Anti-parasitic Treatments
- Baby Rash Ointments/Creams
- Cold Sore Remedies
- Cough, Cold & Flu
- Digestive Aids
- Feminine Anti-Fungal/Anti-Itch
- Hemorrhoidal Preps
- Laxatives
- Motion Sickness
- Pain Relief
- Respiratory Treatments
- Sleep Aids & Sedatives
- Stomach Remedies

In order to ensure you do not elect more than you need, please take these changes into account when determining your election for your next Plan Year. Remember you may still be reimbursed for these items, however it will require you to provide information showing it was prescribed.

We have been working with different organizations regarding these changes and will have specific information to you as soon as it's made available. Discovery Benefits will continue to keep you informed of these changes and ensure that you're aware of how these changes will affect you.

If you have any questions, our Specialists can be reached at 866-451-3399 and are available from 7:30 AM to 7:30 PM CST, Monday through Friday. You may also email us at customerservice@discoverybenefits.com and we'll respond within one business day.



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Discovery Benefits

**Flexible Benefits
Employee Guide**

FSA • HSA • HRA • COBRA • Transportation

Keep more of the money you earn.

A Flexible Benefits Plan through Discovery Benefits will:

- Boost your take-home pay
- Lower your medical costs
- Cut your income taxes
- Reduce your day care costs

Save 40% or more!

It works like an expense account. You automatically set aside part of your salary (before taxes) to pay for qualified medical expenses or child or dependent care. You save money because you don't pay taxes on the money you set aside. And you can use it to pay for day care, medical and prescription drug costs that aren't covered by insurance, as well as over-the-counter medicines and drugs you buy every day. It's a great perk from your employer and it'll save you money.

Getting money from your account is simple.

You'll have online access to your account 24/7 at www.DiscoveryBenefits.com. And with our benefits debit card, you can pay your provider directly from your account. You can also submit expenses online, via email, through our toll-free fax or through the mail.

We process claims within two business days. On the third business day, we'll send reimbursement directly to your checking or savings account via FREE direct deposit or mail you a check to the address on your account.

It's simply the smartest way to keep more of your take-home pay while saving thousands of dollars on your medical and dependent care expenses. Enroll now!



Get started today. It's easy. Find everything you need to enroll at:
www.DiscoveryBenefits.com

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A Flexible Benefits Plan simply saves you money.

Most employers already offer premium conversion where you pay your portion of group insurance premiums and some voluntary insurance premiums pre-tax, saving you money!

Cut your medical bills, child and dependent care costs by 40% or more!

Another way to save is by participating in the Flexible Spending Accounts (FSA). There are two types of accounts with your plan:

Medical Spending Account - pays for medical expenses not covered by insurance.

Your employer may also offer a Limited Flexible Spending Account (Limited FSA) which coordinates with a qualified high deductible health plan (HDHP) and health savings account (HSA). Limited FSAs only allow reimbursement for preventive care, vision and dental expenses until the required HDHP deductible is met during the current calendar year. Refer to your Summary Plan Description for more information about Limited FSAs.

Dependent Care Spending Account - pays for dependent care for children up to age 13, for a disabled dependent of any age or for a disabled spouse. You and your spouse, if applicable, must both work or be full-time students to qualify for this benefit.

Both FSAs work like a personal expense account. You set aside a portion of your salary – before taxes. The money is used to pay certain childcare or medical expenses not covered by insurance, including prescription drugs and many over-the-counter medicines. Since the money is set aside pre-tax, you save on federal, state, Social Security and Medicare taxes, and keep a lot more of your take-home pay. It's a great benefit from your employer and it's the easiest way for you to save big on expenses that typically occur throughout the year.

You decide how much you want to contribute to each account. We've provided a simple worksheet in this booklet to help you budget your election to get the most out of your Flexible Benefits Plan. It's quick and easy to enroll. And this year, it could save you thousands of dollars!

Here's a simple example:

Married couple with four exemptions

Without a Flexible Benefits Plan	
Gross monthly salary	\$2,500
Medical spending contribution	\$0
Dependent care spending account contribution	\$0
Taxable income	\$2,500
Taxes	\$270
Net pay	\$2,230
Post tax Medical	\$75
Post tax dependent care	\$300
Monthly income	\$1,855

With a Flexible Benefits Plan	
Gross monthly salary	\$2,500
Medical spending contribution	\$75
Dependent care spending account contribution	\$300
Taxable income	\$2,125
Taxes	\$196
Net pay	\$1,929
Post tax Medical	\$0
Post tax dependent care	\$0
Monthly income	\$1,929

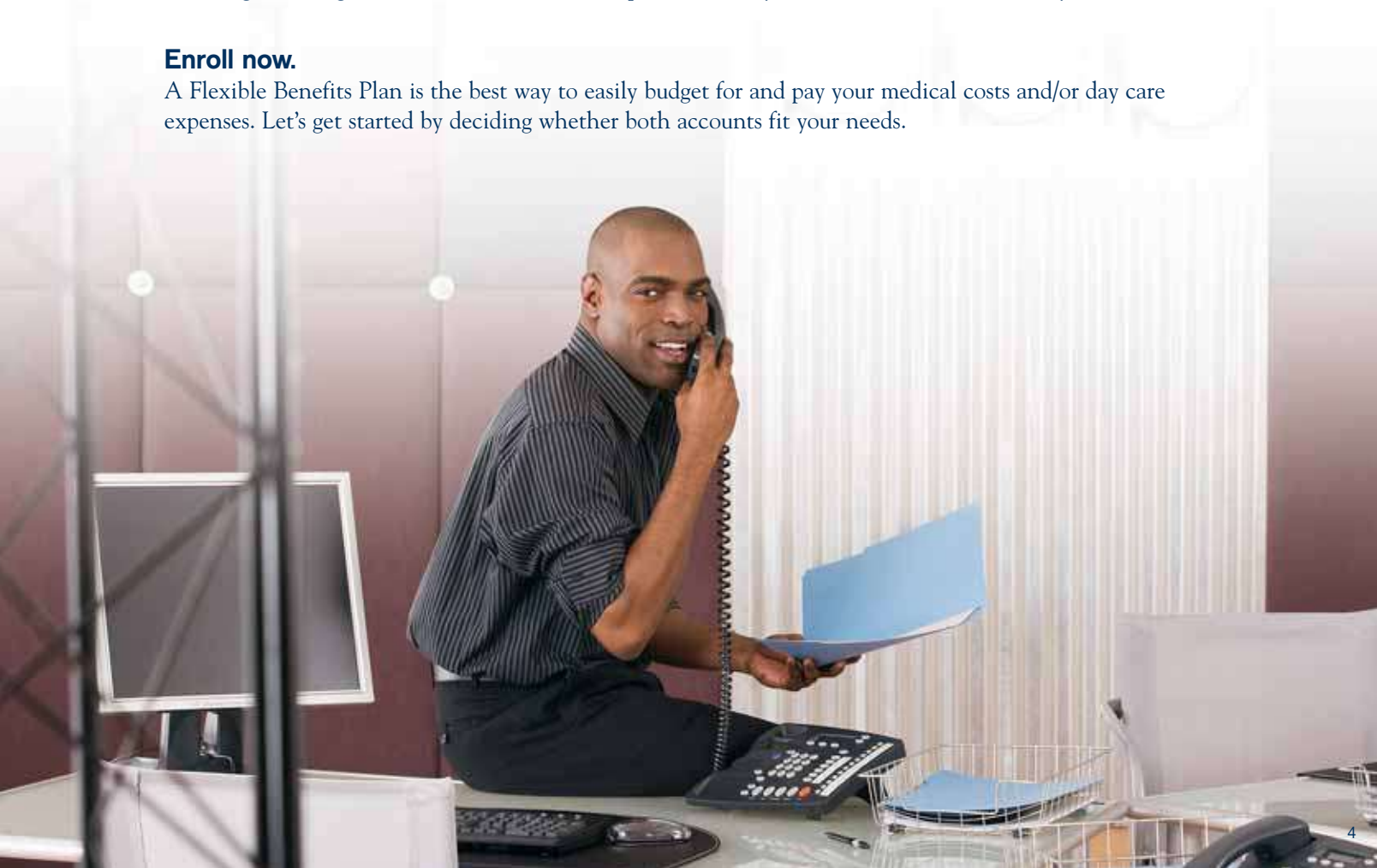
With a Flexible Benefits Plan this couple increased their take-home pay \$74 a month. That's \$888 a year! Just think what you could do with the extra cash.

Getting money from your Flexible Spending Account is simple.

If your employer offers the benefits debit card, you can pay your provider directly from your spending account. You can also submit expenses online, via email, toll-free fax or through the mail. We process claims within two business days. On the third business day, we'll send reimbursement directly to your checking or savings account via FREE direct deposit, or mail you a check to the address on your account.

Enroll now.

A Flexible Benefits Plan is the best way to easily budget for and pay your medical costs and/or day care expenses. Let's get started by deciding whether both accounts fit your needs.





Medical Spending Account

Your Medical Spending Account is the best way to budget and save for medical expenses you plan to incur over the next year. It's a great savings tool for you and your family.

You can use the money in this account to pay for the diagnosis, cure, treatment or prevention of a disease, and for treatments affecting any part or function of the body. The expenses must be primarily to alleviate or prevent a physical or mental defect or illness and cannot be reimbursed by insurance or any other source.

Medical Spending Account worksheet

The following worksheet will help you determine how much you should set aside in your account. You can also use our Tax Savings Calculator found on our web site.

It's important to remember that if you are enrolling in a Limited FSA, you may only be reimbursed for vision, dental and preventive care expenses. If enrolled in a Health Savings Account (HSA), your HSA may be used to reimburse other eligible medical expenses.

How much do you plan to spend on the following services/products next year?

Insurance deductibles	\$ _____
Co-pays/coinsurance	\$ _____
Exams	\$ _____
Prescription drugs	\$ _____
Diabetic supplies	\$ _____
Chiropractic	\$ _____
Over-the-counter medicines (aspirin, cough medicine, band-aids, anti-bacterial ointment, for example)	\$ _____
Hearing exams	\$ _____
Hearing aid	\$ _____
Hearing aid battery	\$ _____
Dental fillings, bridges, crowns	\$ _____
Dentures	\$ _____
Orthodontia	\$ _____
Exams	\$ _____
Vision exams	\$ _____
Glasses (lenses and frames)	\$ _____
Contact lenses	\$ _____
Contact lens solution	\$ _____
Corrective eye surgery	\$ _____
Total plan year expenses	\$ _____

Medical Spending Account

Eligible expenses

Acupuncture	Drug addiction	Operations
Alcoholism treatment	Eyeglasses	Osteopathic Physicians
Ambulance	Eye exams	Over-the-counter medications*
Artificial limbs	Guide dog	Oxygen
Artificial teeth	Health club membership dues*	Prescription drugs
Birth control	Health institute	Psychiatric care
Braces	Hearing aids	Psychoanalyses
Braille books and magazines	Hearing aid batteries	Psychologist
Capital expenses	Hospital services	Sterilization
Special car hand controls/special car equipment for a disability	Immunizations	Telephone for hearing impaired
Chiropractor's fees	Insulin	Television for hearing impaired
Christian Science practitioners' fees	Laboratory fees	Therapy*
Contact lenses	Lead-based paint removal	Transplants (organ)
Contact lens solution	Learning disability	Transportation
Crutches	Medical information plan	Vitamins*
Dental fees (not considered cosmetic)	Medical services	Weight loss programs* (not food)
Diagnostic fees	Nursing services	Wheelchair
		X-ray

*These expenses may require documentation of medical necessity.

Ineligible expenses

Baby-sitting and childcare	Funeral expenses	Prescription drugs considered cosmetic
Bleaching teeth (cosmetic)	Hair transplants	Rogaine
Cosmetic surgery	Household help	Swimming lessons
Dancing lessons	Illegal operations or treatments	Any expenses not considered "medically necessary" by the IRS
Diaper service	Insurance premiums	Any expense for your general health, even if your doctor prescribes the program
Electrolysis	Laetrile	
Face lifts	Liposuction	
Feminine hygiene products	Marijuana used medically	
Food	Maternity clothes	



Over-the-counter medicines and drugs

Medicines and drugs are classified as eligible, ineligible, or dual purpose expenses. Dual purpose means that the items may or may not be eligible, depending on whether the expense is based on medical necessity, or if it's a personal or cosmetic expense.

“But for” test

When determining whether an expense is eligible for reimbursement, consider the “but for” test. But for this condition, would the person purchase or use the item anyway?

Example: But for the baby's rash, would the parents purchase the diaper rash ointment anyway?

Answer: No. The purchase is made only because the baby has diaper rash. The expense is eligible.

Example: But for the dental problem, would the individual brush his teeth anyway?

Answer: Yes. Individuals will continue to brush their teeth whether or not they have a dental problem. Toothbrushes are not eligible.

Be conservative

Be conservative in your estimate, because the IRS has a “use or lose” rule which states that you lose any leftover balance in your account at the end of the plan year or grace period if one is available through your employer's plan. Refer to your Plan's Summary Plan Description to find out if a grace period is offered with your plan. Also, most employers set a maximum amount you can contribute to your Medical Spending Account. Ask your employer to make sure you're within the limits of your program.

Medical Spending Account reimbursement tips

Regardless of your account balance, your full annual election amount for the Medical Spending Account is available at any time during the plan year. For example, your plan year is January through December. If you elect \$1,200 for your Medical Spending Account for the year and you incurred a bill for \$500 on March 1, you will receive the full \$500 even though you've only contributed \$200 through January and February.

Claims must be incurred during your plan year dates to be eligible for reimbursement from your Medical Spending Account. Incurred is the date you receive the services, not when you are billed or pay for the service.

If your Flex Plan includes a grace period, you may continue to incur expenses through the grace period and be reimbursed from your prior plan year FSA balance.

Your deadline for submitting eligible expenses incurred during your plan year and grace period, if applicable, depends on the length of your plan's run-out period. The length of the run-out period varies by employer so be sure to check your Summary Plan Description for your plan's run-out period.

Common Medical Expenses

Medicine/Drug	Eligible*	Ineligible**	Dual purpose***
Acne treatment	x		
Allergy medicines	x		
Antacids	x		
Anti-diarrhea medicine	x		
Bactine	x		
Bandages	x		
Band-aids	x		
Bug bite medication	x		
Calamine lotion	x		
Carpal tunnel wrist supports	x		
Chapstick		x	
Condoms	x		
Contact cleaning medicine	x		
Cough drops	x		
Cough or cold medicine	x		
Creams or ointments for muscle or joint pain	x		
Diaper rash ointments	x		
Dietary supplements to treat specific medical condition			x
Face cream		x	
Feminine hygiene products			x
Fiber supplements			x
First aid cream	x		
First aid kits	x		
Food with weight loss programs		x	
Gauze pads	x		
Glucosamine/Chondroitin			x
Health club dues			x
Incontinence supplies	x		
Lactose intolerant pills			x
Laxative	x		
Liquid adhesives for small cuts	x		
Medicated shampoos		x	
Medicated soap		x	
Moisturizers		x	
Motion sickness pills or patches	x		
Nasal sinus sprays	x		
Nasal sprays for snoring			x
Nasal strips			x
Nicotine gum or patches for stop smoking purposes	x		
One-a-day vitamins		x	
Orthopedic shoes and inserts (only reimburse for cost above cost of regular shoes)			x
Over-the-counter home therapy and treatment for menopause to treat symptoms – hot flashes, night sweats, etc.			x
Pain relievers	x		
Pedialyte for ill children's hydration	x		
Pregnancy test kits	x		
Prenatal vitamins			x
Reading glasses	x		
Rubbing alcohol	x		
Shipping and sales tax for eligible item	x		
Sinus medications	x		
Sleeping aids	x		
Special ointment or creams for sunburn (not just regular skin moisturizers)	x		
Spermicidal foam	x		
St. John's Wort for depression			x
Sunscreen - SPF 30 or greater	x		
Suntan lotion		x	
Suppositories and creams for hemorrhoids	x		
Thermometers (ear or mouth)	x		
Throat lozenges	x		
Toothbrushes (electric or otherwise), even if medical practitioner recommends special ones to treat a condition		x	
Toothpaste		x	
Visine tears and other such eye products	x		
Wart remover treatments	x		
Weight-loss drugs			x

*Primarily for medical care. The IRS allows reimbursement of reasonable quantities in the case of over-the-counter medicines, drugs and medical supplies.

**Never eligible for reimbursement under the IRS guidelines.

***Items that may or may not be eligible for reimbursement. The expense is not eligible for reimbursement if it is for personal use, cosmetic or used for general health purposes.

Dependent Care Spending Account

A Dependent Care Spending Account is a simple way to save money on quality care for your loved ones. It allows you to set aside pre-tax dollars to pay for day care expenses.

If you're married and you file a joint return, or you file a single or head of household return, the annual IRS limit is \$5,000. If you're married and file separate returns, you can each elect \$2,500 for the calendar year. To qualify, you and your spouse must be employed, or your spouse must be a full-time student.

Eligible dependents include:

- Child under age 13 who is claimed as a dependent for tax purposes
- Disabled spouse or dependent of any age

Ineligible expenses

- Costs already claimed as a dependent care tax credit on your tax return
- Nursing home, respite care or other residential care centers

- Services provided by one of your dependents
- Expenses while on vacation or for nighttime babysitting
- Your own dependents, under age 19, babysitting your own dependents

Refer to www.DiscoveryBenefits.com for more information.

Important consideration

When considering funding a Dependent Care Spending Account, you need to weigh your potential savings from the spending account versus your savings through the dependent care tax credit. The money reimbursed through a Dependent Care Spending Account will reduce the amount of eligible expenses you can use for the tax credit on a dollar-for-dollar basis.

Tax savings with a Dependent Care Spending Account become more valuable as your income increases. Generally, if your family's adjusted gross income is less than \$39,000 a year, it's best for you to take the tax credit rather than participating in the Dependent Care Spending Account.



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Some additional points to consider

- You will save federal, state, Social Security and Medicare taxes when you participate in a Dependent Care Spending Account
- To the extent you reduce your Social Security tax, you may also reduce your Social Security benefits
- Participating in a Dependent Care Spending Account will not affect your eligibility for the Earned Income Credit (EIC), as it is not included in the definition of Earned Income for the EIC

When will I receive a greater tax benefit using the Dependent Care Spending Account instead of the tax credit?

It depends on your family income and dependent care expenses.

- If you have one dependent, and spend more than the \$3,000 tax credit limit, you're better off with the Dependent Care Spending Account since the limit per family is \$5,000
- If you have two dependents and spend more than the \$6,000 tax credit limit, you're better off putting \$5,000 into the Dependent Care Spending Account and applying the remaining \$1,000 in eligible expenses to the tax credit limit. Amounts reimbursed through the Dependent Care Spending Account will reduce the amount eligible for the tax credit dollar for dollar
- If you have little or no taxable income, you're better off in the Dependent Care Spending Account since it allows you to still save on FICA taxes

Can I use both the tax credit and the Dependent Care Spending Account?

Maybe. If you have two or more qualified dependents and pay more than \$5,000 a calendar year in day care expenses, you can take the remaining amount and apply it toward the tax credit maximum. Based on your family's income level, you'll receive a credit for a percentage of that amount.

For example, if your family's income is \$33,000 a year, you have two dependents and you spent \$6,000 in childcare expenses, you would be eligible to take an additional tax credit of \$250 (\$1,000 x 25% tax credit percentage based on income level).

When can I make changes to my Dependent Care Spending Account?

- At the time you change day care providers
- When your child turns age 13
- If the cost of qualified day care expenses increases or decreases

Dependent Care Spending Account reimbursement tips

You may receive reimbursement up to your current balance in your account at the time the request is made. As additional contributions are received, any eligible claim amounts not yet paid will be issued to you automatically.

For example, you elected \$5,000 for your Dependent Care Spending Account. Your day care expenses for one dependent are actually \$6,000 a year. Your monthly contribution to the Dependent Care Spending Account is \$416.67 and your actual monthly expense is \$500. You can submit the \$500 expense; however, your reimbursement amount will be \$416.67, the balance in your Dependent Care Spending Account. The difference, \$83.33, will remain in your account as an unpaid claim until the next contribution.

Automatic Dependent Care Reimbursement

Eliminate the need to submit substantiation throughout the year for dependent care expenses by enrolling in Automatic Dependent Care.

This process only requires that you submit one form per year for each day care provider used during the year.

If your day care expenses exceed your payroll deduction, reimbursement will automatically be sent to you as your payroll contributions are received. If your day care expenses do not exceed your payroll deductions, reimbursement is made monthly for the expenses incurred during that month.

To begin receiving automatic reimbursements, complete the Automatic Dependent Care Request Form found on our website under Printable Forms for FSAs. This form must be completed by you as the participant and by your day care provider. A separate form must be completed for each day care provider if you use more than one.

Reimbursement options

Online

Enter your claim information on our web site. A confirmation will appear that you will print and fax along with your substantiation. Reimbursement will be processed once your substantiation is received.

Email

Complete a Reimbursement Request Form found under Printable Forms under FSA on our web site. Email the form along with the required substantiation to customer service@discoverybenefits.com.

Fax

Complete a Reimbursement Request Form found under Printable Forms under FSA on our web site. Fax the completed form along with your substantiation. The form and substantiation can also be mailed to Discovery Benefits.

Mail

Complete the Reimbursement Request Form found under Printable Forms under FSA on our web site and mail to:

Discovery Benefits
PO Box 2926
Fargo, ND 58108-2926

Using your Benefits Debit Card

Use your card at the time of service to pay for qualifying expenses and products. The payment is withdrawn directly from your flexible spending account, so you don't have out-of-pocket costs.

Debit cards may be used at health-care related merchants, such as hospitals, doctor's offices, vision and dental stores, as well as merchants who have implemented an Inventory Information Approval System (IIAS). A list of merchants who have implemented IIAS can be found on our web site. Your debit card may no longer be used at non-IIAS pharmacies or drug stores unless they meet an IRS requirement called the "90% rule." Don't use the card for amounts that still need to be processed by insurance, such as deductibles and co-insurance. When you receive your final statement from the provider showing insurance has paid, write your benefits debit card number on the statement and mail it to your provider.

If your Plan offers a Limited FSA and you are enrolled, you can use your debit card for dental and vision expenses only. If your Plan allows, once you have met the required deductible threshold in the calendar year, you may use your FSA for all eligible IRS expenses by submitting the claim online and faxing in your documentation or submitting via fax or email the appropriate claim form along

with the necessary documentation. Check your Plan's Summary Plan Description for more information about the Limited FSA.

We will ask for receipts to substantiate services received at health-care related merchants (doctors, hospitals, vision, dental for example). Substantiation is also required for purchases at pharmacies and drug stores that fall within the IRS 90% rule. No additional substantiation is required for purchases at IIAS merchants since these merchants already substantiate at the point of service.

You will receive one card when you enroll and may request additional cards for your spouse and dependents 18 years of age or older. Simply fill out an Additional Card Request Form found under Printable Forms under FSA of our web site and fax or mail the form to Discovery Benefits. A small one-time fee for each additional card may be deducted directly from your FSA.

Payment choices

You can choose FREE direct deposit or reimbursement by check. To enroll in direct deposit, simply complete the Direct Deposit Form found under Printable Forms under FSA on our web site.

Connect with us.

Online

You can check your account status 24/7. Go to www.DiscoveryBenefits.com and press the login button in the top right-hand corner of the screen. Select Participant Login – Reimbursement Account. There you can view your profile, account balance, claim status, view your account history and access administrative forms. Plus, you can file a claim and contact a Participant Services representative via email.

Phone

Call Participant Services at 866-451-3399. A live representative will answer your questions and give you your account information once verifying your identity.

Customer service hours are 7:30 a.m. to 7:30 p.m. CST Monday through Friday, excluding holidays.

Contact Quick Reference

www.DiscoveryBenefits.com

Phone: 866-451-3399

Fax: 866-451-3245

Discovery Benefits

P.O. Box 2926

Fargo, ND 58108-2926



Download reimbursement forms and access your account anytime at:
www.DiscoveryBenefits.com

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Claim Substantiation Requirements

The IRS requires you submit substantiation for incurred expenses in order to receive reimbursement from your flexible spending account. In some cases, a medical necessity form may be required when the expense could be for either a medical or personal use item.

The IRS requires the following information for medical expenses:

- Date service was received or purchase made
- Description of service or item purchased
- Dollar amount
- Provider or store name
- Prescription drug number and name

In some cases, the Plan's design requires that your health carrier's explanation of benefits (EOB) is provided as substantiation for your expense.

If you receive a receipt from your provider for a copay amount, make sure the receipt says "copay." If not, ask your provider to write "copay" on your receipt before leaving their office.

Unacceptable forms of substantiation include:

- Provider statements that only indicate the amount paid, a balance forward amount or a credit card charged (no date or type of service)
- Credit card receipt (no detail of date, type of service, amount or provider name)
- Missing or vague medical practitioner's note
- Missing day care provider signature
- Prepaid dependent care where dates submitted have not yet occurred (dependent care spending accounts only)

If we need additional substantiation, you'll receive an email or letter from us. Hang on to your receipts! If you have any questions, we encourage you to call us at 866-451-3399. A live representative is available to answer your questions about what documentation is needed from 7:30 a.m. to 7:30 p.m. CST Monday through Friday, excluding holidays.

Debit Card - Claim Substantiation Requirements

The IRS requires you submit substantiation for expenses incurred at health-care related merchants such as doctor's offices, hospitals, clinics, dental and vision stores. Substantiation is also required for expenses incurred at pharmacies and drug stores that do not have IIAS in place. In some cases, a medical necessity form may be required when the expense is considered either a medical expense or a personal use item.

Substantiation is required for each dependent care expense submitted (visit www.DiscoveryBenefits.com for information about the Automatic Dependent Care option).

We will not request substantiation for purchases made at merchants who have implemented IIAS since these merchants automatically substantiate at the point of service. A list of IIAS merchants can be found at www.DiscoveryBenefits.com.

The IRS requires the following information for dependent care expenses:

- Incurred Dates of Service
- Dollar amount incurred
- Day care provider name
- Day care provider Tax ID or Social Security Number
- Day care provider signature

Day care expenses must be incurred (not just paid) in order to receive reimbursement. If you prepay day care, please submit only as incurred or sign up for Automatic Dependent Care. Registration fees cannot be reimbursed until the services are actually incurred.

You will be required to report your dependent care provider's Tax ID (TIN) or SSN on IRS Form 2441 when you file your federal income tax return.

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Changing your Flexible Benefits Plan elections

Once the plan year has started, you cannot change your elections unless there is an IRS approved status change event. Refer to your Summary Plan Description for more information about family status changes, including how to change your election.

Your privacy

HIPAA (the Health Insurance Portability and Accountability Act) has changed the way we share information. We no longer share balances, claims, or payments with spouses or anyone else without a signed authorization form from you. This form must be completed each year in accordance with HIPAA regulations. If you decide you want us to share information with someone, simply complete the Authorized Representative Form (available under Printable forms on our web site) and send it to us. The authorization is in effect for one year, unless we receive a written request from you to terminate the authorization.



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Discovery Benefits

Discovery Benefits is transforming the complexity of employee benefits administration with innovative solutions and extraordinary customer service delivered by empowered and knowledgeable employees.

Simply put, we work hard to make it easy to do business with us.

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