

NOTICE TO EMPLOYEES PARTICIPATING IN THE FLEXIBLE BENEFIT PLAN

This notice summarizes administrative aspects of this Plan such as the frequency of adjustments to your paycheck, how to submit claims for reimbursement and the claims payment process. Please read this notice carefully.

PAY REDUCTION ADJUSTMENTS

Premium Conversion – Pay reduction adjustments for your employer-sponsored health plan premium contributions will be taken from your gross wages before taxes rather than from your net wages after tax. Coverage is always effective the 1st of the month following date of hire and coverage will remain in force through the last day of the month in which employment ends. The City does not do prorata adjustments to payroll deductions to accommodate mid month starts and stops.

10 Month Employees – In order to cover employees who do not get paychecks during the summer months (July & August) employee premium shares for those two months is contributed during the first six months of the same year. Since premium is deducted on a pre-tax basis, any unallocated premium shares will remain in the plan if an employee leaves prior to the end of the coverage period and will be forfeited.

Health or Dependent Care Reimbursement Plans – If you elect to participate in the Health or Dependent Care Reimbursement Plan accounts, the pay reductions you elect will be taken in equal installments from each paycheck throughout the plan year until the plan maximum or the maximum you designated to be contributed has been reached. Each time you receive a payroll check, an amount equal to the payroll reduction will be added to your account.

If you sign up for the Debit Card (For the Health Reimbursement portion of the plan) there will be an annual \$5.00 charge for each card.

SUBMITTING CLAIMS

If you use the Debit Card for Health Care expenses, you will need to keep your receipts because you may be asked to provide them to Benefit Strategies at a later date; however, no claim forms are necessary when you use the Debit Card. If you incur expenses and do not use the Debit Card to pay, please submit claims as follows;

1. **Claim Form** – Fill out the Request for Reimbursement form. Forms are available on the City's Pension & Benefits website or can be downloaded from the Benefits Strategies website: www.benstrat.com. Complete the form, including signature. List the expenses you are requesting reimbursement for clearly showing the amount, the date the service was incurred and a brief reimbursement for clearly showing the amount, the date the service was incurred and a brief description of the service. Attach receipts, Explanation of Benefit forms (Third Party Documentation, described below) to the claim form.

2. **Third Party Documentation** – Reimbursement will only be made for qualifying expenses for which proof has been submitted during the plan year. Where submitting claims for health plan copayments, deductibles or coinsurance, please be sure to submit your claim to the health plan first and use the Explanation of Benefits Form (EOB) you receive with any payment to submit with this claim form.

- Proper documentation of all health and/or dependent care expenses is a requirement of this plan. Even if you use the debit card, you should retain all receipts. Documentation should include;
 - the date the expense was incurred (not the date paid),
 - the amount of the expense that you are responsible for,
 - the provider of services, and
 - a description of the service and/or expense.
- Examples of proper documentation are statements, itemized bills, EOB's, pharmacy receipts, etc. Keep copies of all documents submitted, as originals will not be returned to you.
- Note that for Dependent Care reimbursements, the funds must actually be in your Dependent Care account in an amount equal to the claim reimbursement requested. This is different from the Health Care Account, where you can immediately access those funds.

3. **Where to Submit Claims** - Mail or FAX to:

Benefit Strategies, LLC
P. O. Box 1300
Manchester, New Hampshire 03105-1300

Phone: (603) 647 – 4666
FAX: (603) 647 – 4668

4. **Reimbursement** – Claims received by 12:00 noon on Thursday will be processed for reimbursement on Friday or by the following week at the latest. Health Care claims will be reimbursed up to the full amount of your election (reduced by previously paid claims) at all times during the Plan Year. Dependent Care claims will be reimbursed up to the balance in your account. The remaining amount will be held until sufficient funds have accumulated in the Dependent Care account. Payments will not be made which exceed your account balance.

5. **Forfeitures** – Funds remaining in accounts at the end of the plan year will be forfeited; however, under this plan, employees are granted a 2 ½ month extension to use those funds (to March 15).