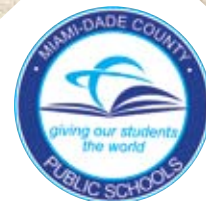




*Giving you the tools to stay healthy*

# 2008 Updated FSA Information



# Flexible Spending Accounts (FSAs)

## What is a Flexible Spending Account?

Fringe Benefits Management Company (FBMC) provides you with IRS tax-favored Flexible Spending Accounts (FSAs) to stretch your medical expense and dependent care dollars.

Flexible Spending Accounts feature:

- IRS-approved reimbursement of eligible expenses tax-free
- per-pay-period deposits from your pre-tax salary
- savings on income and Social Security taxes and
- the security of paying anticipated expenses with your FSA.

## Is an FSA right for me?

If you spend \$200 or more on recurring eligible medical expenses during your plan year or \$250 on eligible dependent care expenses, you may save money by paying for them with an FSA. A portion of your salary is deposited into your FSA each pay period.

- You decide the amount you want deposited.
- You are reimbursed for eligible expenses before income and Social Security taxes are deducted.
- You save income and Social Security taxes each time you receive wages.
- Determine your potential savings with a Tax Savings Analysis **by visiting the "Tax Calculators" link at [www.myFBMC.com](http://www.myFBMC.com).**

## What types of FSAs are available?

Your employer offers you a Medical Expense FSA as well as a Dependent Care FSA. If you incur both types of expenses during your plan year, you can establish both types of FSAs.

### Medical Expense FSAs

Medical expenses not covered by your insurance plan may be eligible for reimbursement using your Medical Expense FSA, including:

- birth control pills
- eyeglasses
- orthodontia and
- Over-the-Counter items.

### Dependent Care FSAs

Dependent care expenses, whether for a child or an elder, include any expense that allows you to work, such as:

- day care services
- in-home care
- nursery and preschool
- summer day camps.

Refer to the *Medical Expense FSA and Dependent Care FSA* sections of the online Open Enrollment Guide for specifics on each type of FSA.

## Receiving Reimbursement

Your reimbursement will be processed within 15-20 business days from the time FBMC receives your properly completed and signed FSA Reimbursement Request Form. To avoid delays, follow the instructions for submitting your reimbursement requests included in the FSA materials packet you will receive following enrollment.

## How do I request reimbursement?

### For Medical Expense FSA:

Requesting reimbursement from your Medical Expense FSA is easy. Simply mail or fax a correctly completed FSA Reimbursement Request Form along with the following:

- a receipt, invoice or bill from your health care provider listing the date you received the service, the cost of the service, the specific type of service and the person for whom the service was provided and
- an Explanation of Benefits (EOB)\* from your health insurance provider that shows the specific type of service you received, the date and cost of the service and any uninsured portion of the cost and
- a written statement from your health care provider indicating the service was medically necessary if those services could be deemed cosmetic in nature, accompanied by the receipt, invoice or bill for the service.

## FSA Savings Example\*

With an FSA		Without an FSA
\$31,000	Annual Gross Income	\$31,000
<u>- 5,000</u>	FSA Deposit for Recurring Expenses	<u>- 0</u>
\$26,000	Taxable Gross Income	\$31,000
<u>- 5,889</u>	Federal, Social Security Taxes	<u>-7,021</u>
\$20,111	Annual Net Income	\$23,979
<u>- 0</u>	Cost of Recurring Expenses	<u>-5,000</u>
\$20,111	Spendable Income	\$18,979

**By using an FSA to pay for anticipated recurring expenses, you convert the money you save in taxes to additional spendable income. That's a potential annual savings of**

**\$1,132!**

\* Based upon a 22.65% tax rate (15% federal and 7.65% Social Security) calculated on a calendar year

## For Dependent Care FSA:

Requesting reimbursement from your Dependent Care FSA is easy. Simply mail or fax a correctly completed FSA Reimbursement Request Form along with receipts showing the following:

- the name, age and grade of the dependent receiving the service
- the cost of the service
- the name and address of the provider and
- the beginning and ending dates of the service.

Be certain you obtain and submit the above information when requesting reimbursement from your Dependent Care FSA. This information is required with each request for reimbursement.

**NOTE:** If you elect to participate in the Dependent Care FSA, or if you file for the Dependent Care Tax Credit, you must attach IRS Form 2441, reflecting the information above, to your 1040 income tax return. Failure to do this may result in the IRS denying your pre-tax exclusion.

**Mail to:** Contract Administrator  
Fringe Benefits Management Company  
P.O. Box 1800  
Tallahassee, FL 32302-1800

**Fax Toll-Free to:** 1-888-800-5217

## Reimbursement Methods for Medical FSAs:

- Your check will be mailed to your home.
- You may have your reimbursement direct deposited into your bank account.
- You may also use your new myFBMC Card<sup>SM</sup> Visa<sup>®</sup> Card a stored value card – to receive instant reimbursements with no out-of-pocket expense.

## Direct Deposit

Enroll in Direct Deposit to expedite the time of your reimbursement.

- FSA reimbursement funds are automatically deposited into your checking or savings account.
- There is no fee for this service.
- With Direct Deposit, you don't have to wait for postal service delivery of your reimbursement.
- You will receive notification by mail that your claim has been processed.

To apply, visit **www.myFBMC.com** or call FBMC Customer Service at 1-800-342-8017. Please note that processing your Direct Deposit enrollment may take between four to six weeks.

## Where can I get information about FSAs?

If you have specific questions about FSAs, contact FBMC Customer Service.

- Visit **www.myFBMC.com**
- Call **1-800-342-8017** (Monday-Friday, 7 a.m. - 10 p.m. ET).

Please note that due to FBMC's Privacy Policy, we will not discuss your account information with others without your verbal or written authorization.

# Medical Expense FSA

**Minimum Annual Deposit: \$200**

**Maximum Annual Deposit: \$5,000**

**NOTE:** Employees hired mid-year must calculate minimum/maximum amounts based on remaining payroll deductions.

## What is a Medical Expense FSA?

A Medical Expense FSA is an IRS tax-favored account you can use to pay for your eligible medical expenses not covered by your insurance or any other plan. These funds are set aside from your salary before taxes are deducted, allowing you to pay your eligible expenses tax-free. A partial list of these eligible expenses can be found on this page.

## Whose expenses are eligible?

Your Medical Expense FSA may be used to reimburse eligible expenses incurred by:

- yourself
- your spouse and
- your qualifying child or qualifying relative

An individual is a **qualifying child** if the child is not someone else's qualifying child and:

- is a U.S. citizen, national or a resident of the U.S., Mexico or Canada
- has a specified family-type relationship to you
- lives in your household for more than half of the taxable year
- is 18 years old or younger (23 years, if a full-time student) at the end of the taxable year and
- has not provided more than one-half of their own support during the taxable year.

An individual is a **qualifying relative** if the relative is a U.S. citizen, national or a resident of the U.S., Mexico or Canada and:

- has a specified family-type relationship to you, is not someone else's qualifying child and receives more than one-half of their support from you during the taxable year **or**
- if no specified family-type relationship to you exists, is a member of and lives in your household (without violating local law) for the entire taxable year and receive more than one-half of their support from you during the taxable year.

**NOTE:** There is no age requirement for a qualifying child if they are physically and/or mentally incapable of self care. An eligible child of divorced parents is treated as a dependent of both, so either parent or both parents can establish a Medical Expense FSA.

## Can travel expenses for medical care be reimbursed?

Travel expenses primarily for, and essential to, receiving medical care, including health care provider and pharmacy visits, may be reimbursable through your Medical Expense FSA. With proper substantiation, eligible expenses can include:

- actual round-trip mileage
- parking fees
- tolls and
- transportation to another city.

## When are my funds available?

Once you sign up for a Medical Expense FSA and contributions commence, the maximum annual amount of reimbursement for eligible health care expenses will be available throughout your period of coverage.

Since you don't have to wait for the cash to accumulate in your account, you can use it to pay for your eligible health care expenses at the start of your deductions.

## Partial List of Eligible Medical Expenses\*

Acupuncture  
Ambulance service  
Birth control pills and devices  
Chiropractic care  
Contact lenses (corrective)  
Dental fees  
Diagnostic tests/health screening  
Doctor fees  
Drug addiction/alcoholism treatment  
Drugs  
Experimental medical treatment  
Eyeglasses  
Guide dogs  
Hearing aids and exams  
Injections and vaccinations  
In vitro fertilization  
Nursing services  
Optometrist fees  
Orthodontic treatment  
Over-the-Counter items  
Prescription drugs to alleviate nicotine withdrawal symptoms  
Smoking cessation programs/treatments  
Surgery  
Transportation for medical care  
Weight-loss programs/meetings  
Wheelchairs  
X-rays

**NOTE:** Budget conservatively. No reimbursement or refund of Medical Expense FSA funds is available for services that do not occur within your plan year, or grace period.

\* IRS-qualified expenses are subject to federal regulatory change at any time during a tax year. Certain other substantiation requirements and restrictions may apply, and will be supplied to you following enrollment.

## Are prescriptions eligible for reimbursement?

Yes, most filled prescriptions are eligible for Medical Expense FSA reimbursement, as long as you properly substantiate the expense. Proper submission of the reimbursement request is needed to ensure that the drug is eligible for reimbursement. The IRS requires that the complete name of all medicines and drugs be obtained and documented on pharmacy receipts. This information must be included when submitting your request to FBMC for reimbursement.

## Over-the-Counter Expenses

Your Over-the-Counter (OTC) items, medicines and drugs may be reimbursable through your Medical Expense FSA. Save valuable tax dollars on certain categories of OTC items, medicines and drugs, such as: allergy treatments, antacids, cold remedies, first-aid supplies and pain relievers. For a more comprehensive list of eligible OTC items, please visit [www.myFBMC.com](http://www.myFBMC.com).

You may be reimbursed for OTCs through your Medical Expense FSA if:

- the item, medicine or drug was used for a specific medical condition for you, your spouse and/or your dependent(s)
- the submitted receipt clearly states the purchase date and name of the item, medicine or drug
- the reimbursement request is for an expense allowed by your employer's Medical Expense FSA plan and IRS regulations and
- you submit your reimbursement request in a timely and complete manner already described in your benefits enrollment information.

**NOTE:** OTC items, medicines and drugs, including bulk purchases, must be used in the same plan year in which you claim reimbursement for their cost. The list of eligible OTC categories will be updated on a quarterly basis by FBMC. It is your responsibility to remain informed of updates to this listing, which can be found at [www.myFBMC.com](http://www.myFBMC.com). As soon as an OTC item, medicine or drug becomes eligible, it will be reimbursable retroactively to the start of the then current plan year.

Newly eligible OTC items, medicines and drugs are not considered a valid change in status event that would allow you to change your annual Medical Expense FSA election or salary reduction amount. Be sure to maintain sufficient documentation to submit receipts for reimbursement. You may resubmit a copy of your receipt from your records if a rejected OTC expense becomes eligible for reimbursement later in the same plan year.

## Is orthodontic treatment reimbursable?

Orthodontic treatment designed to treat a specific medical condition is reimbursable if the proper documentation is attached to the initial FSA Reimbursement Request Form each plan year:

- a written statement, bill or invoice from the treating dentist/orthodontist showing the type and date the service incurred, the name of the eligible individual receiving the service and the cost for the service
- a copy of the patient's contract with the dentist/orthodontist for the orthodontia treatment.

Reimbursement of the full or initial payment amount may only occur during the plan year in which the braces are first installed. For reimbursement options available under your employer's plan, including care that extends beyond one or more plan years, refer to the information provided following your enrollment, or call FBMC Customer Service at 1-800-342-8017.

## Should I claim my expenses on IRS Form 1040?

With a Medical Expense FSA, the money you set aside for health care expenses is deducted from your salary before taxes. It is always tax free, regardless of the amount. By enrolling in a Medical Expense FSA, you guarantee your savings.

Itemizing your health care expenses on your IRS Form 1040 may give you a different tax advantage, depending on the percentage of your adjusted gross income. You should consult a tax professional to determine which avenue is right for you.

## Are some expenses ineligible?

Expenses not eligible for reimbursement through your Medical Expense FSA include:

- insurance premiums
- vision warranties and service contracts and
- cosmetic surgery not deemed medically necessary to alleviate, mitigate or prevent a medical condition.

## When do I request reimbursement?

You may use your Medical Expense FSA to reimburse eligible expenses after you have sought (and exhausted) all means of reimbursement provided by your employer and any other appropriate resource. Also keep in mind that some eligible expenses are reimbursable on the date available, not the date ordered.

**Visit [www.myFBMC.com](http://www.myFBMC.com) for a list of frequently asked questions. You must keep your documentation for a minimum of one year and submit to FBMC upon request.**

## FSA WORKSHEET Tax-Free Medical Expense FSA

### Projected Expenses Plan Year 2009

**1. Uninsured Eligible Medical Expenses**

- Medical deductible, co-insurance \_\_\_\_\_
- Medical & prescription co-payments \_\_\_\_\_
- Dental deductible, co-insurance or co-payments \_\_\_\_\_
- Immunizations, injections & vaccinations \_\_\_\_\_
- Routine exams and physicals \_\_\_\_\_
- Orthodontic expenses\* \_\_\_\_\_
- Vision exams \_\_\_\_\_
- Eyeglasses & contacts (corrective) \_\_\_\_\_
- Hearing exams \_\_\_\_\_
- Other expenses \_\_\_\_\_

**2. Total uninsured eligible expenses**, January 1, 2009, through December 31, 2009. Amount cannot exceed \$5,000. \_\_\_\_\_

**3. Divide** by number of payroll deductions in plan year. This is the amount taken from each paycheck and deposited into your Medical Expense FSA. \_\_\_\_\_

\* Medical expenses incurred for primarily cosmetic reasons, including orthodontic procedures, are not eligible for reimbursement.

Minimum annual amount: \$200. Maximum: \$5,000 contribution.

**At your request, your FSA reimbursement checks may be deposited into your checking or savings account by enrolling in Direct Deposit. Visit [www.myFBMC.com](http://www.myFBMC.com) to download this form or call FBMC Customer Service at 1-800-342-8017.**

## FSA WORKSHEET Tax-Free Dependent Care FSA

**Estimate your eligible dependent care expenses from January 1 through December 31, 2008.**

**1. Multiply** your weekly day care expenses by the number of weeks you expect to have the expenses January 1, 2009, through December 31, 2009. \_\_\_\_\_

**2. Divide** by the number of payroll deductions in the plan year. This is the amount taken from each paycheck and deposited into your Dependent Care FSA. Amount cannot exceed your maximum tax filing status. See Page 7 for details. \_\_\_\_\_

Minimum annual amount: \$250. Maximum: \$5,000 contribution. (maximum amount based on your tax filing status)

**At your request, your FSA reimbursement checks may be deposited into your checking or savings account by enrolling in Direct Deposit. Visit [www.myFBMC.com](http://www.myFBMC.com) to download this form or call FBMC Customer Service at 1-800-342-8017.**

**Minimum Annual Deposit: \$250**

**Maximum Annual Deposit: The maximum contribution depends on your tax filing status as the list below indicates\*.**

## What is a Dependent Care FSA?

A Dependent Care FSA is an IRS tax-favored account you can use to pay for your eligible dependent care expenses to ensure your dependents (child or elder) are taken care of while you and your spouse (if married) are working. These funds are set aside from your salary before taxes are deducted, allowing you to pay your eligible expenses tax-free. A partial list of these eligible expenses can be found on this page.

## Whose expenses are eligible?

You may use your Dependent Care FSA to receive reimbursement for eligible dependent care expenses for qualifying individuals.

A qualifying individual includes a **qualifying child**, if the child:

- is a U.S. citizen, national or a resident of the U.S., Mexico or Canada
- has a specified family-type relationship to you
- lives in your household for more than half of the taxable year
- is 12 years old or younger and
- has not provided more than one-half of their own support during the taxable year.

A qualifying individual includes your **spouse**, if the spouse is:

- is physically and/or mentally incapable of self care
- lives in your household for more than half of the taxable year and
- spend at least eight hours per day in your home.

A qualifying individual includes your **qualifying relative**, if the relative:

- is a U.S. citizen, national or a resident of the U.S., Mexico or Canada
- is physically and/or mentally incapable of self care
- is not someone else's qualifying child
- lives in your household for more than half of the taxable year
- spend at least eight hours per day in your home and
- receive more than one-half of their support from you during the taxable year.

**NOTE:** Only the custodial parent of divorced or legally-separated parents can be reimbursed using the Dependent Care FSA.

## Partial List of Eligible Dependent Care Expenses\*

After school care  
Baby-sitting fees  
Daycare services  
In-home care/au pair services  
Nursery and preschool  
Summer day camps

**NOTE:** Budget conservatively. No reimbursement or refund of Dependent Care FSA funds is available for services that do not occur within your plan year.

\* IRS-qualified expenses are subject to federal regulatory change at any time during a tax year. Certain other substantiation requirements and restrictions may apply, and will be supplied to you following enrollment.

## \*What is my maximum annual deposit?

- If you are married and filing separately, your maximum annual deposit is \$2,500.
- If you are single and head of household, your maximum annual deposit is \$5,000.
- If you are married and filing jointly, your maximum annual deposit is \$5,000.
- If either you or your spouse earn less than \$5,000 a year, your maximum annual deposit is equal to the lower of the two incomes.
- If your spouse is a full-time student or incapable of self-care, your maximum annual deposit is \$3,000 a year for one dependent and \$5,000 a year for two or more dependents.

## When are my funds available?

Once you sign up for a Dependent Care FSA and decide how much to contribute, the funds available to you depend on the actual funds in your account. Unlike a Medical Expense FSA, the entire maximum annual amount is not available during the plan year, but rather after your payroll deductions are received.

## Should I claim tax credits or exclusions?

Since money set aside in your Dependent Care FSA is always tax-free, you guarantee savings by paying for your eligible expenses through your IRS tax-favored account. Depending on the amount of income taxes you are required to pay, participation in a Dependent Care FSA may produce a greater tax benefit than claiming tax credits or exclusions alone.

Remember, you cannot use the dependent care tax credit if you are married and filing separately. Further, any dependent care expenses reimbursed through your Dependent Care FSA cannot be filed for the dependent care tax credit, and vice versa.

# Dependent Care FSA

To help you choose between the available taxable and tax-free benefits, or a combination of both, consult your tax advisor and/or the IRS for additional information. You may also visit [www.myFBMC.com](http://www.myFBMC.com) to complete a Tax Savings Analysis.

## Are some expenses ineligible?

Expenses not eligible for reimbursement through your Dependent Care FSA include:

- books and supplies
- child support payments or child care if you are a non-custodial parent
- health care or educational tuition costs and
- services provided by your dependent, your spouse's dependent or your child who is under age 19.

## Will I need to keep any additional documentation?

To claim the income exclusion for dependent care expenses on IRS Form 2441 (Child and Dependent Care Expenses), you must be able to identify your dependent care provider. If your dependent care is provided by an individual, you will need their Social Security number for identification, unless he or she is a resident or non-resident alien who does not have a Social Security number. If your dependent care is provided by an establishment, you will need its Taxpayer Identification number.

If you are unable to obtain a dependent care provider's information, you must compose a written statement that explains the circumstances and states that you made a serious and earnest effort to get the information. This statement must accompany your IRS Form 2441.

**Be certain you obtain and submit all needed information when requesting reimbursement from your Dependent Care FSA.**

**This information is required with each request for reimbursement.**

**A properly completed request will help speed along the process of your reimbursement, allowing you to receive your check or Direct Deposit promptly.**

## When do I request reimbursement?

You can request reimbursement from your Dependent Care FSA as often as you like. However, your approved expense will not be reimbursed until the last date of service for which you are requesting reimbursement has passed. Also, remember that for timely processing of your reimbursement, your payroll contributions must be current.

## If I experience a Change in Status, can I start, stop or change the level of contribution to my Dependent Care FSA?

In determining your annual contribution during the enrollment period, consider any time that you will not incur eligible expenses during the plan year (i.e., vacation, child starting kindergarten, etc.), as some events do not constitute a permitted mid-plan year election change and changes to your contribution amount will not be allowed.

## How do I request reimbursement?

Requesting reimbursement from your Dependent Care FSA is easy. Simply mail or fax a correctly completed FSA Reimbursement Request Form along with receipts showing the following:

- the name, age and grade of the dependent receiving the service
- the cost of the service
- the name and address of the provider and
- the beginning and ending dates of the service.

Be certain you obtain and submit the above information when requesting reimbursement from your Dependent Care FSA. This information is required with each request for reimbursement.

**Mail to:** Contract Administrator  
Fringe Benefits Management Company  
P.O. Box 1800  
Tallahassee, FL 32302-1800

**Fax Toll-Free to:** 1-888-800-5217

**NOTE:** If you elect to participate in the Dependent Care FSA, or if you file for the Dependent Care Tax Credit, you must attach IRS Form 2441, reflecting the information above, to your 1040 income tax return. Failure to do this may result in the IRS denying your pre-tax exclusion.

## FSA Guidelines:

1. The IRS does not allow you to pay your medical or other insurance premiums through either type of FSA.
2. You cannot transfer money between FSAs or pay a dependent care expense from your Medical Expense FSA or vice versa.
3. You have a three month and 15 day run-out period (until April 15) at the end of the plan year for reimbursement of eligible Medical Expense FSA expenses incurred during your period of coverage and any applicable grace period within the Plan Year.
4. You may not receive insurance benefits or any other compensation for expenses which are reimbursed through your FSAs.
5. You cannot deduct reimbursed expenses for income tax purposes.
6. You may not be reimbursed for a service which you have not yet received.
7. Be conservative when estimating your medical and/or dependent care expenses for the 2009 Plan Year. IRS regulations state that any unused funds which remain in your FSA after the run-out period ends and all reimbursable requests have been submitted and processed cannot be returned to you nor carried forward to the next plan year. Use the FSA Calculation Worksheet on Page 6 to determine your annual contribution estimate.
8. When enrolling in either or both FSAs, written notice of agreement with the following will be required.
  - I will only use my FSA to pay for IRS-qualified expenses eligible under my employer's plan, and only for me and my IRS-eligible dependents
  - I will exhaust all other sources of reimbursement, including those provided under my employer's plan(s) before seeking reimbursement from my FSA
  - I will not seek reimbursement through any additional source and
  - I will collect and maintain sufficient documentation to validate the foregoing.
  - I agree to a salary deduction for the amount of any outstanding myFBMC Card<sup>SM</sup> transactions (as permitted by law) if I do not send in documentation for an unverified myFBMC Card<sup>SM</sup> expense. See Page 10 for details on the card.

## What documentation of expenses do I need to keep?

The IRS requires FSA customers to maintain complete documentation, including keeping copies of receipts for reimbursed expenses, for a minimum of one year.

## How do I get the forms I need?

To obtain forms after enrolling in either a Medical Expense or Dependent Care FSA, such as an FSA Reimbursement Request Form, Letter of Medical Need or Direct Deposit Form, visit FBMC's Web site, [www.myFBMC.com](http://www.myFBMC.com) or call FBMC Customer Service at 1-800-342-8017.

## Will contributions affect my income taxes?

Salary reductions made under a cafeteria plan, including contributions to one or both FSAs, will lower your taxable income and taxes. These reductions are one of the money-saving aspects of an FSA. Depending on the state, additional state income tax savings or credits may also be available. Your salary reductions will reduce earned income for purposes of the federal Earned Income Tax Credit (EITC).

To help you choose between the available taxable and tax-free benefits, or a combination of both, consult your tax advisor and/or the IRS for additional information.

## FSA Grace Period

IRS Revenue Notice permits a "grace period" of two months and 15 days following the end of your 2009 Plan Year (December 31, 2010) for a Medical Expense FSA. This grace period ends on March 15, 2010. **During the grace period, you may incur expenses and submit claims for these expenses.** Funds will be automatically deducted from any remaining dollars in your 2009 Medical Expense FSA.

You should not confuse the grace period with the plan's "run-out period." The run-out period extends until April 15, 2010. This is a period for filing claims incurred anytime during the 2009 Plan Year, as well as claims incurred during the grace period mentioned above.

Your Dependent Care FSA also has a "run-out period" that extends until March 31, 2010. However, the "grace period" mentioned above does not apply to this account. You may not submit reimbursement requests for expenses that occur after December 31, 2009 against the 2010 Plan Year.

Claims will be processed in the order in which they are received by FBMC, and your accounts will be debited accordingly. This is true for both paper claims and myFBMC Card<sup>SM</sup> transactions. If you have funds remaining in an account for the prior plan year, these funds will be used first until exhausted. Then, subsequent claims will be debited from your new plan year account balance.



## What is the myFBMC Card<sup>SM</sup>?

The myFBMC Card<sup>SM</sup> is a stored-value card. It is a convenient Medical Expense FSA reimbursement option that allows FBMC to electronically reimburse eligible expenses under your employer's plan and IRS guidelines. Your annual Medical Expense FSA contribution is available to you at the beginning of your plan year. When you use your myFBMC Card<sup>SM</sup> to pay for eligible expenses, funds are electronically deducted from your Medical Expense FSA.

## What are the myFBMC Card<sup>SM</sup> advantages?

You can use your myFBMC Card<sup>SM</sup> for your eligible Over-the-Counter (OTC) expenses! Other advantages include:

- instant reimbursements for health care expenses, including prescriptions, co-payments and mail-order prescription services
- instant substantiation of some medical, prescription, vision and dental expenses
- no out-of-pocket expense and
- easy access to your Medical Spending Account funds.

You **cannot** use your myFBMC Card<sup>SM</sup> for cosmetic dental expenses or eyeglass warranties.

## How do I get an myFBMC Card<sup>SM</sup>?

You must elect to receive a myFBMC Card<sup>SM</sup> on your Enrollment application when you start a Medical Expense FSA. Two cards will be sent to you in the mail; one for you, and one for your spouse or eligible dependent. You should retain your cards for use each plan year until their expiration date.

## How do I use the myFBMC Card<sup>SM</sup>?

For eligible expenses, simply swipe your myFBMC Card<sup>SM</sup> like you would with any other credit card. Whether at your health care provider or at your drugstore, the amount of your eligible expenses will be automatically deducted from your Medical Expense FSA. Effective January 1, 2009, for Over-the-Counter and prescription purchases the card will only be accepted at IIAS merchants. For all other qualified expenses, such as medical co-payments, the myFBMC Card<sup>SM</sup> will be used normally. To find out if a pharmacy or drugstore near you accepts the card, please refer to the IIAS Store List at [www.myFBMC.com](http://www.myFBMC.com).

Visit [www.myFBMC.com](http://www.myFBMC.com) to access your account and to see a list of participating drugstores.

## What does it cost to use the myFBMC Card<sup>SM</sup>?

The School Board pays the \$20 non-refundable, annual fee for your card.

## When do I send in documentation for an myFBMC Card<sup>SM</sup> expense?

You may need to send in documentation for certain myFBMC Card<sup>SM</sup> transactions, such as those that are **not** a known office visit or prescription co-payment (as outlined in your health plan's Schedule of Benefits). When requested, you must send in documentation for these transactions. Documentation for an myFBMC Card<sup>SM</sup> expense is a statement or bill showing:

- name of the patient
- name of the service provider
- date of service
- type of service (including prescription name) and
- total amount of service.

**NOTE:** This documentation must be sent with a FBMC Claim Form and cannot be processed without it. Like all other FSA documentation, you must keep your myFBMC Card<sup>SM</sup> expense documentation for a minimum of one year, and submit it to FBMC when requested.

As an FSA participant, you should go to [www.myFBMC.com](http://www.myFBMC.com) to see your account information and check for any outstanding Card transactions. If an outstanding transaction appears in **red** on the Web site or in **blue** in the *Outstanding Card Transactions Requiring Documentation* section of your monthly statement, you must submit the proper expense documentation to FBMC prior to the end of your run out period.

## If you fail to send in the requested documentation for an myFBMC Card<sup>SM</sup> expense, you will be subject to:

- withholding of payment for an eligible paper claim to offset any outstanding myFBMC Card<sup>SM</sup> transaction
- suspension of your myFBMC Card<sup>SM</sup> privileges
- the reporting of any outstanding myFBMC Card<sup>SM</sup> transaction amounts as income on your W-2 at the end of the tax year.

## What agreement am I making when I use the myFBMC Card<sup>SM</sup>?

By using the myFBMC Card<sup>SM</sup>, you are agreeing to the "FSA Guidelines" portion of the online reference guide.

## What happens if I have money left in my account at the end of the plan year?

These funds will be used first until exhausted — through March 15, 2010, which is the grace period allowed by the IRS. Then, subsequent claims will be debited from your new plan year account balance. For more information on the grace period, see Page 9.