

## Participant Reference Guide

Welcome to FlexSystem and to the tax saving benefits of a Section 125 Cafeteria Plan. We hope you will find FlexSystem to be an efficient and valuable service. This Guide will walk you through the reimbursement process, explain the change of elections rules and procedures, show you how to track your account, and explain how to handle the end of the Plan Year. Please retain this Guide for future reference.

### Request for Reimbursement

Log on to [www.accesstasc.com](http://www.accesstasc.com) to submit a Request for Reimbursement. Along with this Guide you received a personalized Request for Reimbursement Form. **Make additional copies of this form for future requests** or go on-line to print additional copies. On the back of the Request for Reimbursement Form are some valuable Reimbursement Tips meant to help you receive swift reimbursements.

You may request reimbursement any time a qualified expense has been incurred. The service related to the expense needs only to have taken place; it need not be paid before requesting reimbursement. Only request reimbursements (a) for eligible expenses incurred during the applicable Plan Year, (b) for eligible plan participants, and (c) for expenses that have not been previously reimbursed under this or any other benefit plan or claimed as an income tax deduction. It is your responsibility to comply with these guidelines and to avoid submitting duplicate or ineligible claims.

FlexSystem processes requests for reimbursement daily. Once a request is reviewed and approved, a reimbursement is issued. For dependent care and non-employer sponsored insurance premium reimbursements, the account must contain sufficient funds for the full request to be reimbursed. If there are insufficient funds in the account, reimbursement will be limited to that particular account's balance amount only. The outstanding balance of the request will remain as an open item until additional deposits

are received, at which time an additional reimbursement will be initiated. Out-of-pocket medical expenses will be reimbursed for the full amount of the request, provided the total of the request does not exceed the total Plan Year election.

Approved requests received by FlexSystem before noon CST will be processed that day, with reimbursements initiated the following day. **Actual receipt of the reimbursement depends on the mail and banking systems.** To receive your reimbursement sooner, use our Direct Deposit option. A service fee of \$30 is charged to the Participant for the reissue of lost, stolen, or expired paper-copy checks. (Note: This fee can be avoided with the election of Direct Deposit.) With Direct Deposit, funds are forwarded to your bank within 48 to 72 hours of a complete submission.

### Substantiating Requests

You will need to substantiate your Requests for Reimbursements for medical expenses only. To submit requests on-line, follow the *VeriFlex* process to substantiate your requests. Submitting Requests for Reimbursement on-line is easy! Here are the simple steps you should follow.

#### Step 1

- Log on to [www.accesstasc.com](http://www.accesstasc.com) and click on the 'Submit Reimbursement Request' link located on the left side of the screen. This will take you to the *Reimbursement Wizard*.



(over)

- Fill in the Participant, Client, and PIN numbers and click on the words ‘log in.’ (This information is provided on your personalized Request for Reimbursement Form sent to you, or you may also obtain it from your employer.)
- Verify your name and address and make any necessary changes.

### Step 2

- Enter the month, day, and year of the service incurred, *not* the billing or paid date. These dates must be within the current Plan Year. Select the appropriate *Benefit Code* from the drop down menu.
- After selecting the *Benefit Code*, enter the *Service Type Code*, once again selecting it from the drop down menu offered.
- Now, describe the services, and enter the amount of the expenses; **do not** use the dollar sign or commas. Use a period to indicate any decimals.
- Finally, enter the *Service Provider* (e.g., Dr. Smith, Corner Pharmacy, Kid Keepers Daycare).
- Click *Save & Review*.

### Step 3

- Review your submittal.
- Click on ‘Submit’ or “Add Another Request.” A new screen will confirm successful submission of the Request for Reimbursement.

### Step 4

- If the Request requires substantiation, you will find (on the confirmation page) a link to download a *VeriFlex* Cover Sheet which will automatically contain a unique identification number. You **must print** this *VeriFlex* Cover Sheet.

**FlexSystem VeriFlex Cover Sheet**

CLIENT ID: GROUP ID: PARTICIPANT ID: REQUEST ID: SERVICE TYPE:

DATE OF SERVICE: AMOUNT: SERVICE PROVIDER: DATE OF BILLING: DATE OF PAYMENT:

Request ID	Request Amount	Request Type

123-45-6789 - 0000 6000001-01

- After printing the *VeriFlex* Cover Sheet fax or mail it to FlexSystem along with the substantiation documents. Be sure to fill in the box for any Request ID’s that have substantiation documents attached. Fax the *VeriFlex* Cover Sheet and substantiation documents to 1-800-296-3529. Use this fax line for *VeriFlex* Cover Sheets and substantiation documents only. **All other documents faxed to this number will be discarded, including Request for Reimbursement Forms.** *VeriFlex* Cover Sheets and substantiation documents may be mailed to FlexSystem, PO Box 8837, 2302 International Lane, Madison, WI 53704-8837.
- All substantiation document(s) must be sent on a standard 8.5 x 11 piece of paper. Copy or attach substantiation document(s) (do not use staples) to a standard size piece of paper prior to submitting.

If you are submitting a Request for Reimbursement by fax or mail, simply include your substantiation documents (receipts) with the Request for Reimbursement Form.

### Change of Elections

You may change your election during the Plan Year only under certain circumstances and only within 30 days of the qualifying event. For example, if you get married or divorced, have a child, or experience a change in work status you may make a change of elections. (See your employer for a complete list of circumstances and the appropriate form to use.) In addition, each Plan Year anniversary provides an opportunity to change elections when re-enrolling.

### Tracking Account Balances

Track your account balances on the web (at [www.accesstasc.com](http://www.accesstasc.com)) or on our Interactive Voice Response (IVR) System (at 1-800-422-4661). You will need your Client ID, Participant ID, and PIN assigned by TASC to access your account on both the IVR and the website.

### Plan Year End

Near the end of the Plan Year you will have the opportunity to re-enroll in FlexSystem. Your employer may change Plan parameters at this time as well. The three months following the end of the Plan Year are called the transitional period. During this time, you may continue to submit Reimbursement Requests for expenses incurred in the previous Plan Year. The Plan Year is officially closed three months following the end of the Plan Year, or sooner if directed by your employer. Once closed, any unused funds are returned to your employer.

Enroller Code No. \_\_\_\_\_



## Flexible Compensation Enrollment Form

Make sure to sign and date the enrollment form. Every line must be completed. Please enter zero (0) where no amount is being deducted. Return the completed and signed form to your employer. For enrollment assistance call 1-800-422-4661. Have your enrollment form, Client ID, and company name ready. You may also enroll on-line at [www.accesstasc.com](http://www.accesstasc.com).

### Please Print

Client ID \_\_\_\_\_ Employer Name \_\_\_\_\_ Participant ID Number \_\_\_\_\_

Employee Last Name \_\_\_\_\_ First Name \_\_\_\_\_ Middle Initial \_\_\_\_\_

Employee Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Date of first payroll \_\_\_\_\_

### Employee Plan Year Election Amount

I request the following amount(s) to be deducted pre-tax:

- |   |          |
|---|----------|
| 1. <b>Medical Expenses</b><br>(EEXP) (Out-of-pocket medical expenses)                   | \$ _____ |
| 2. <b>Dependent Day Care</b><br>(DEPC) (Not to exceed \$5,000 in a calendar year)       | \$ _____ |
| 3. <b>Non-Employer Sponsored Premiums</b><br>(106P) (Independently-purchased insurance) | \$ _____ |
| 4. <b>Transportation Expenses</b><br>(TRAN)   | \$ _____ |

If elections are not evenly divisible by the number of pay periods, the amount will be rounded down (i.e. \$500 election divided by 12 pay periods equals \$41.66 per pay period, for a total deduction of \$499.92).

**AUTHORIZATION:** I certify the above information to be true to the best of my knowledge and that the children for whom I will be claiming dependent or child care expenses either reside with me in a parent-child relationship or are legally dependent on me for their support. I agree to have my compensation reduced by the deduction amount(s) stated above. I understand that any amounts remaining in my account(s) not used for qualified expenses incurred during the plan year will be forfeited in accordance with current Plan provisions and tax laws. I further understand that the Flexible Compensation deduction(s) will be in effect for the entire Plan year and cannot be changed or revoked except as permitted by federal law. I understand that my share of eligible group premium(s) will be automatically deducted before taxes. I also understand that if I do not wish to have my eligible insurance contributions deducted pre-tax and prefer to be taxed on these dollars, I will contact my payroll department.

Signature \_\_\_\_\_ Date \_\_\_\_\_

### Enrollment Form Instructions

**Client ID and Employer Name:** Enter your Client ID and Employer name in the space indicated. Refer to your employer for the correct Client number and Employer name. Make sure to have this information available when calling for enrollment assistance. Check whether this enrollment is for a new (first-time) enrollment or for the renewal of a previous flexible spending account. If this is a mid-year election, calculate only the number of payroll deductions remaining in the year.

**1. Medical Expenses:** This amount is usually paid per year toward deductible and co-insurance portions of health insurance, dental expenses, orthodontic expenses, eye care and other miscellaneous health care expenses. After determining the payroll amount, multiply that number by the number of payrolls to determine your annual election. Check with your employer for the amount you may deduct.

**2. Dependent Day Care:** Amount paid for day care expenses per year. The maximum allowable amount under IRS regulations is \$5,000 per calendar year per family. This limit holds fast regardless of the number of dependents you may have.

**3. Non-Employer Sponsored Premium:** Privately purchased insurance premiums, including health, disability, cancer and term life insurance. Group insurance premiums deducted from your paycheck for your employer-sponsored plans **DO NOT** qualify within this category. Insurance premiums deducted through your spouse's employer are not eligible. Term life insurance premiums for the employee only can be deducted up to the first \$50,000 (in death benefits), including any term life insurance elected through your employer sponsored premiums to determine limits.

**4. Transportation Expenses:** Amount paid for costs per year associated with a commuter highway vehicle to travel to and from work. Includes costs associated with transit passes as well as qualified parking. Federal limits apply. Contact your employer or FlexSystem for details.

**Signature and Date:** Make sure to sign and date the enrollment form. Return the completed and signed form to your employer.

## Pre-Tax Example

	Without FlexSystem	With FlexSystem
Gross Pay	\$3,500/mo	\$3,500/mo
<b>Pre-Tax Benefits</b>		
-Medical/Dental Premiums	0	300
-Medical Expenses	0	100
-Dependent Care Expenses	0	400
TOTAL	<u>0</u>	<u>800</u>
Wages subject to tax	3,500	2,700
Federal Tax	525	405
FICA Tax (Social Security)	268	207
State Tax	175	135
Out-of-Pocket expenses	<u>800</u>	<u>0</u>
Spendable Income	1,732	1,953

### Net Increase in Take-Home Pay = \$221/mo

This is just an illustration and actual numbers may vary. Paying certain qualified expenses before tax increases your take-home pay.

## Questions Frequently Asked by Employees

### 1. What does FlexSystem offer?

FlexSystem offers you a choice to pay for certain qualified benefits on a pre-tax basis. Paying for certain benefits with pre-tax dollars reduces the amount you pay in taxes and increases your take-home pay. Every dollar paid on a pre-tax basis results in a savings to you. (See example in box.)

### 2. Any cost or fee to me?

No.

### 3. Must I participate in my employer's health insurance?

FlexSystem is not tied to any insurance plan or company. You may participate in FlexSystem regardless of your particular insurance provider.

### 4. What are qualified medical expenses?

These expenses include dental care, prescriptions, eyeglasses, and out-of-pocket medical expenses not covered by insurance. In addition, any over-the-counter medication needed to alleviate or treat personal injuries and/or illness are eligible. However, vitamins and other dietary supplements taken for general health purposes are not eligible. Here are some examples of eligible expenses. (This list is for reference only. For an entire listing visit [www.irs.gov](http://www.irs.gov).)

Alcoholism, treatment of  
Ambulance hire  
Birth control  
Braces  
Chiropractors  
Co-insurance  
Contact lenses and cleaning solution  
Deductibles  
Dental fees, unless cosmetic

Diagnostic fees  
Eyeglasses, including exam fee  
Hearing devices and batteries  
Insulin  
Laboratory fees  
Medical supplies  
Nurses' fees  
Orthodontia  
Orthopedic shoes

Over-the-counter medications  
Prescribed medicines  
Psychiatric care  
Routine physicals and other non-diagnostic services and treatments  
Surgical fees  
Transportation expenses primarily for rendition of medical services  
X-rays

### 5. How does the Dependent Care Account compare with the tax credit available on the individual Form 1040?

The circumstances that determine which option offers greater savings vary from family to family, as such, the decision to choose the tax credit or the dependent care deduction may be made on a case by case basis only. Participation in FlexSystem results in an immediate savings on Federal, State and Social Security tax, whereas the Federal credit will affect Federal Income Tax only and will be taken at year-end.

### 6. How does a Cafeteria Plan affect Social Security benefits?

Reduction of your Social Security benefits will be minimal and is offset by the tax savings and lower health care costs available under FlexSystem. To compensate for this minimal reduction you may consider increasing your retirement plan funding.

### 7. Under what circumstances can the annual election be changed?

The elections may be changed only if there is a change in family or employment status. See the "Change of Elections Form" for more detail.

### 8. What is the "Use-It-or-Lose-It" rule?

Any funds left unused at the end of the Plan Year are forfeited. Take precautionary steps to avoid having balances in the Flexible Spending Accounts at year-end. The key is to be conservative when making elections.

### 9. Who determines the rules and regulations of FlexSystem?

Flexible Spending Accounts are regulated by the IRS. Our documentation guidelines are intended as a means to ensure eligibility of your requests for reimbursement. It is the participant's responsibility to comply with these guidelines and to avoid duplication of requests or submission of ineligible charges. Failure to adhere to the above requirements could lead to payment delays or denial of expenses.

In the event of an error or omission in the course of administering the Plan on behalf of the employer and participating employees, TASC will notify and remedy the error or omission within a reasonable period of time following the error or omission. The employer and employees agree to TASC's procedures for making any corrections, including but not limited to payroll reduction. An error by the employer or TASC does not constitute an assumption of liability for the amount of the error.

The information contained in this communication is confidential and is to be used by TASC employees and representatives for its intended purpose only.



## Direct Deposit Election Form

**Note for re-enrolling Participants:** *If you already have an established Direct Deposit account with FlexSystem, do not submit a new Direct Deposit Form.*

I hereby authorize Total Administrative Services Corporation, hereinafter called TASC, to initiate credit entries for \_\_\_\_\_ (name) to my checking/savings account indicated below and the financial institution named below, hereinafter called FINANCIAL INSTITUTION, to credit the same to such account. **I acknowledge that the origination of ACH transactions to my checking/savings account must comply with the provisions of U.S. law.**

\_\_\_\_\_  
(Financial Institution Name)

\_\_\_\_\_  
(Branch)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City/State) (Zip)

\_\_\_\_\_  
(Client Name)

\_\_\_\_\_  
(Client ID #)

\_\_\_\_\_  
(Participant ID #)

\_\_\_\_\_  
(Checking/Saving Account Routing Number – 9 digits)

\_\_\_\_\_  
(Checking/Saving Account Number – 6-13 digits)

This account is a: (check one)       Checking       Savings

This authority is to remain in full force and effect until TASC has received written notification from me of its termination in such time and manner as to afford TASC or my FINANCIAL INSTITUTION a reasonable opportunity to act on it.

### Notes:

- Single entry reversals do not require authorization by the Receiver.
- Due to our effort to ensure accuracy in establishing your direct deposit account, your initial transactions will occur by check. Please allow 7-10 days for processing. Thank you for your patience.
- You must notify us immediately of any changes in your financial institution.
- This authorization may be revoked only by notifying TASC in the manner indicated above.
- Note: There may be a check-processing fee applied to a check reimbursement.
- A Service Fee of \$30.00 will be charged to the Participant for the reissue of lost, stolen, or expired paper-copy checks. This Service Fee is avoided with the election and submittal of this Direct Deposit Election Form.

**You must attach a copy of a voided check to this form to activate this service to your checking account. We cannot accept checking account deposit slips.**

**Fax completed form to: (608) 245-3623**

**Or by mail to: FlexSystem  
2302 International Lane  
Madison, WI 53704**

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