

Section 125 Flexible Spending Account Employee Enrollment Information



PAYCHEX[®]
HR Services

What Is an FSA?

Your benefits package includes a Flexible Spending Account (FSA), which allows eligible employees to set aside a specific pretax dollar amount for unreimbursed medical, dental, vision, orthodontia, and dependent care expenses. If you have predictable out-of-pocket expenses, you may want to consider enrolling in the FSA. Depending on your plan, you have the option to join two separate FSA accounts:

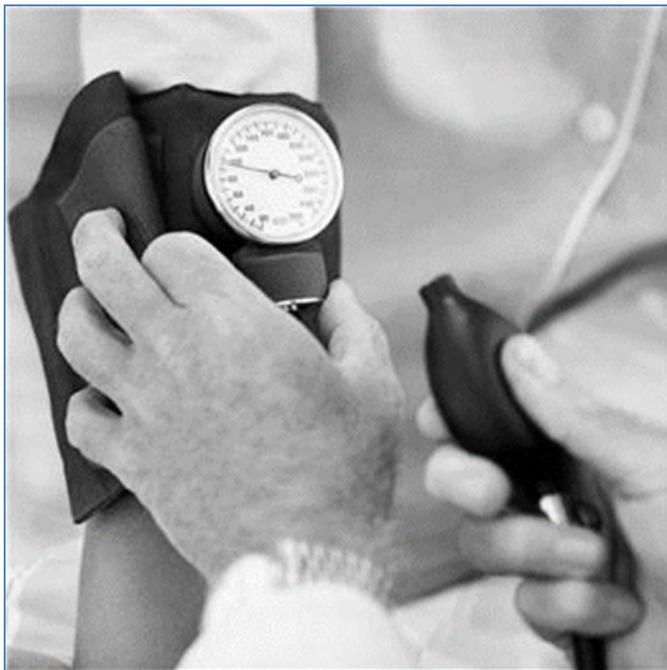
An Unreimbursed Medical Account can be used for eligible medical, dental, and vision expenses. Examples include:

- Office visit co-pays
- Deductibles
- Prescription eyeglasses or contact lenses
- Dental cleanings
- Orthodontia

For a list of common medical, dental, and health-related expenses typically considered to be qualifying expenses, please refer to the list at www.paychexflex.com*

A Dependent Care Account can be used for custodial expenses for a claimed dependent. Examples include:

- A day care center or babysitter to allow you (and your spouse, if married) to work, actively look for work, or be a full-time student
- Custodial or elder care



Why Should I Participate in an FSA?

Tax Savings. FSA deductions come out of your paycheck before most withholding taxes are computed, reducing your taxable income and **increasing your take-home pay!**

Budgeting. Regular payroll deductions help you budget medical, dental, vision, orthodontia, and dependent care expenses.

Ease and Convenience. The PBA Employee Website is available 24 hours a day/7 days a week, at www.paychexflex.com* and you can contact Paychex at PaychexBenefitAccount@paychex.com or by phone at 877-244-1771, Monday through Friday, from 8:00 a.m. to 8:00 p.m. ET.

When Can I Enroll in FSA?

Open Enrollment

If you meet the plan's eligibility requirements outlined in the Summary Plan Description (SPD), you can enroll or change your annual election for the upcoming year during the open enrollment period using our website or automated phone system. You can view the SPD at www.paychexflex.com* or request a copy from your employer. The effective date for benefit plans elected during open enrollment is January 1 of the following year.

Note: For new plans, you will be able to enroll online or by phone approximately two weeks prior to your plan effective date.

Sole proprietors, partners in a partnership, greater than two percent owners of an S-Corporation, and members of LLCs taxed as such, and their family members, are ineligible to participate in a Section 125 plan. You do not need to re-enroll in the FSA plan each year. If you do not submit a change or a request to cease participation during open enrollment, the annual election amount currently on file will be used for the following plan year.

Note: The IRS maximum annual employee contribution for Unreimbursed Medical Expenses (UME) for 2018 is \$2,600. Please refer to the SPD for your plan's maximum contribution as it may be different from this amount.

Entry Date Enrollment

If you are a new employee who has met the eligibility requirements outlined in the SPD, you need to submit a paper enrollment form, which can be obtained online on the PBA Employee Website on the Tool & Reports tab, under Forms or from your employer. If you are eligible for enrollment, but do not enroll prior to your eligibility or effective deadline, you will not be eligible again until January of the following year unless a qualifying event occurs.

How Do I Know How Much to Contribute?

Use the Flexible Spending Account Deduction Worksheet in the back of this booklet to calculate your eligible expenses and determine the per-pay-period FSA deduction amount. You can also use our online calculator at www.paychex.com/print/fsa-calc.

Important: Be sure to consider the maximum amount your employer allows for unreimbursed medical expenses (refer to the SPD) and any amount he is contributing toward the plan. The maximum household deduction* allowed for dependent care expenses, per federal guidelines, is \$5,000.

A “household” can be described as the total number of taxpayers (living as spouses as defined under federal law) who are filing tax returns either jointly or separately. The amount of dependent care assistance is limited to \$5,000 per tax year (\$2,500 for married individuals filing separate returns).

Enrolling

You can enroll in the FSA plan using one of the following options:

1. Online

- Log in to www.paychexflex.com* and select **Paychex Benefit Account**.
- If you have not already registered, select **Register for a New Account** and follow the prompts. Use the Online Enrollment Instructions section of this booklet to help you enroll.

2. Phone

- Call 877-244-1771, say **Flexible Spending Account**, then **Enrollment**, and follow the rest of the prompts.



How Do I Get Reimbursed?

Eligible Expenses

Medical expenses are eligible for reimbursement if they are to diagnose, treat, or prevent an existing medical condition, and you have not been reimbursed for them through any other benefits plan. Some items may require a prescription, doctor's note, or additional certification from a medical provider to show expenses are eligible. For a list of common medical, dental, and health-related expenses typically considered to be qualifying expenses, please refer to the list on the back of the Flexible Spending Account (FSA) Reimbursement Claim Form for Unreimbursed Medical Expenses go to the PBA Employee Website at www.paychexflex.com* on the Tools & Support tab.

Submitting Claims

After you have paid for a medical or dependent care expense using out-of-pocket funds, claims and appropriate documentation can be easily submitted online at www.paychexflex.com* to request reimbursement. Use the Submitting Claims instructions section of this booklet to help you submit claims online.

Receipts must include: the name of the service provider, date(s) of service, dollar amount of the service, and a description of the service provided. A prescription must be included with the receipt for over-the-counter medicine and drug purchases other than insulin.

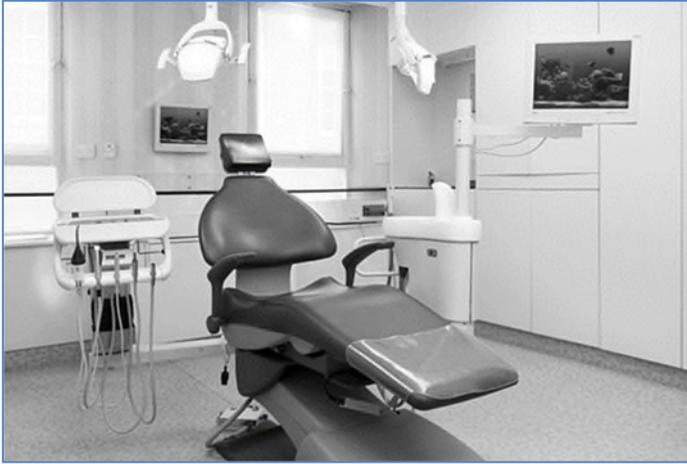
Claims are processed within two business days of receipt, payments are issued after the claim is processed and may take more than two days. Please continue to check the status of the claim on the PBA Employee Website for confirmation that the claim has been accepted and approved.

If your claim denied, or needs additional documentation, you will receive an email or written notification explaining the reason for the denial or need for additional documentation. You can access your claims status anytime at www.paychexflex.com* or by calling 877-244-1771.

Orthodontia

For orthodontia reimbursement, you must provide a copy of an orthodontia contract indicating the length of treatment and schedule of payments. This is required since treatment of orthodontia is ongoing, and reimbursement of medical expenses prior to services being rendered is not permitted. You can use the Flexible Spending Account (FSA) Reimbursement Claim Orthodontia Services on the PBA Employee Website on the Tools & Support tab.

You will not be reimbursed in full if the orthodontia bill is paid up front. Once Paychex receives the contract, you must submit a claim form and itemized receipt from the service provider to be reimbursed. The claim form and receipt must match the amount listed on the payment schedule of the orthodontia contract. You can elect to submit only one claim form each plan year for the total amount of orthodontia care as opposed to monthly amounts. Services will be allocated over the length of the contract, and you will receive reimbursement as services are incurred.



Reimbursement Request Timeframes

You have up to 90 days (“closeout period”) after the end of the plan year (December 31), or termination of your employment, to submit claims for reimbursement.

Eligible expenses must be incurred during the plan year (up to and including your termination date) while you are an active participant. Your employer may choose to offer one of the following options for your FSA plan.

- Your employer may offer a grace period up to and including March 15 of the following year to incur expenses that can be reimbursed from your prior year’s account. This applies only if you were an active participant on the last day of the plan year (December 31) and have a balance remaining in your prior year’s account. If a reimbursement received by March 31, 2018, is put “on hold” because we need additional documentation, you have until May 15, 2018, to submit the required documentation.
- Your employer may offer an option to carry over up to \$500 of unreimbursed medical expense funds from the current year to the following year. This allows you to incur expenses up to and including December 31 of the following year that can be reimbursed from your prior year’s account. This applies only if you were an active participant on the last day of the plan year (December 31) and have a balance remaining in your prior year’s account. If a reimbursement received by March 31, 2018, is put “on hold” because we need additional documentation, you have until May 15, 2018, to submit the required documentation.

Reimbursement requests will be processed in the order in which they are received. If your employer offers a grace period or \$500 carryover, submit reimbursement requests for services from the previous plan year before you submit claims for the current year to ensure that you receive the maximum benefit.

FSA Debit Card

You can use your PBA debit card to access your funds and pay for FSA-eligible items and services at a point-of-sale terminal rather than submitting a reimbursement claim request online. You can also use your FSA debit card at www.paychex.com/fsastore-employee to purchase FSA-eligible products.

Depending on the items purchased, you may still need to submit documentation to validate the expense as eligible under the plan. You will receive a notification from Paychex if documentation is required; please respond to the notice promptly so your debit card remains active.

To stay up-to-date about vendor card acceptance and see the most current list of accepting merchants, refer to www.sig-is.org.

FSA Direct Deposit

FSA direct deposit allows you to receive medical and dependent care claim reimbursement through direct deposit to your bank account. You can set this up on the PBA Employee Website at www.paychexflex.com*

Termination

If your employment is terminated, you will have 90 days to submit receipts for expenses incurred on or prior to your termination date. Additionally, you have 90 days from your termination date to submit documentation for any claims that were placed on hold or required substantiation prior to your termination date.

Forfeitures

All claims for services incurred on or before December 31 must be submitted by March 31 of the following calendar year. If unclaimed funds remain in your account after the claim filing and resolution deadlines, they are forfeited to the plan and cannot be reimbursed.

If your employer offers the grace period, you will have until March 15, 2018, to incur expenses; however, you must submit request for reimbursement by March 31. If unclaimed funds remain in your account after this time, they are forfeited to the plan and cannot be reimbursed. If your employer offers the carryover option, you can carry over up to \$500 of your prior year’s remaining account balance; however, any amounts in excess of the plan’s carryover limit, will be forfeited to the plan and cannot be reimbursed. Please contact your plan administrator to determine whether your company offers the grace period or carryover option.

Changing Your Election

Your FSA election cannot be changed during the plan year unless you experience a qualifying event. Qualifying events include:

- Marriage or divorce (as defined by federal law)
- Death of your spouse or dependent
- Birth or adoption of a child
- Termination or commencement of spouse's employment
- Change in employment status from part-time to full-time or full-time to part-time for you or your spouse*
- Unpaid leave of absence by you or your spouse
- Eligibility or ineligibility of Medicare/Medicaid
- Cost-motivated dependent care changes, such as cost increases/decreases (for example, relative becomes available to watch child)

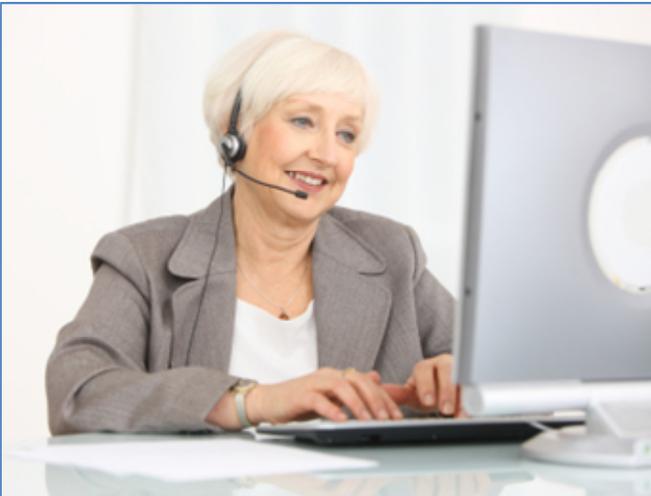
Please refer to the SPD for more information about changing your deduction. If a qualifying event has occurred, you must submit supporting documentation and enrollment modifications to your employer within 30 days of the event. In addition, per federal regulations you cannot move money between your medical and dependent care accounts.

Tools to Manage Your FSA

Visit the PBA Employee Website at www.paychexflex.com* or use the Paychex mobile app anytime to:

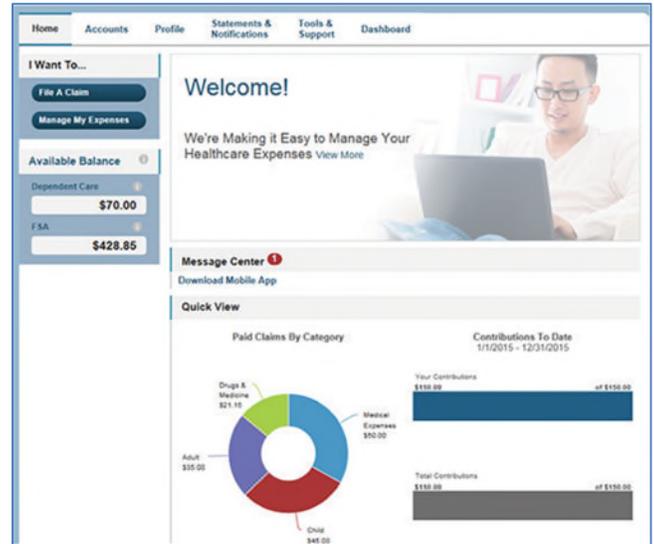
- Update your email address or home phone number;
- Access, submit, and track FSA claim, payment, and balance information;
- Review account balances and election amounts;
- Request FSA forms; or
- View important FSA-related balance information.

To find out how to download the PBA mobile app to your smartphone, go to www.paychexflex.com* or click Download Mobile App from your home page. You can also call the automated Paychex Employee Services phone line at 877-244-1771.



Submitting Claims

1. Log in to www.paychexflex.com* and select Paychex Benefit Account.
2. When your Home Page displays, you'll see a quick view of your plan information and available balance(s) for the plan year.



3. Click **File Claim** and fill out all the information to submit the claim:
 - a. Account Type will be a drop down of Medical or Dependent Care depending on what the plan allows and/or if dependents are listed on the account.
 - b. You cannot file a claim without having a valid receipt
 - c. Receipt upload must be .jpg, .gif or .pdf file type and cannot be larger than 2MB.

The screenshot shows the 'File Claim' form on the Paychex website. The form is titled 'File Claim' and has a 'Claims Basket (0)' button. The form fields are: 'Account Type' (dropdown menu set to 'Medical'), 'Do you have a valid receipt?' (radio buttons for 'No' and 'Yes', with 'Yes' selected), 'Receipt' (button for 'Upload Receipt'), 'Date of Service' (text input field), 'Claim Amount' (text input field with a dollar sign), 'Provider' (text input field), 'Category' (dropdown menu set to 'Choose from list...'), 'Type' (dropdown menu set to 'Choose from list...'), and 'Description' (text input field). There are also links for 'What is a valid receipt?' and 'What expenses are eligible?'. A note at the bottom states: 'If the category is "Other" or "Over-the-Counter Drugs", you must provide a description.'

- Click **Add Claim**. This will bring you to your Claims Basket where you can either add more claims or complete the submission process. If you log out of your PBA account at any time without submitting the claims in the Claims Basket, you will need to re-enter your claims. The Claims Basket does not save data in between log in sessions

- To submit, confirm that you've read the Terms and Conditions, and then click **Submit Claim**.
- You may also access a copy of the Claims Confirmation form.
- You can check the status of a claim at any time by accessing your Dashboard.

- Click **Enroll Now** to see the plans your company offers for the plan year. Some basic plan information will display, but if you need specific plan details, please ask your employer for a copy of the Summary Plan Description (SPD). The site information does not replace the SPD. Click **Begin Your Enrollment Now** to continue.

- You will then be asked to verify your profile information.

- If you have or would like a Dependent Care plan, you can add a dependent by clicking **Yes** to "Do you have any dependents?" and adding the dependent information.

Online Enrollment

These steps will help you navigate the Employee Website during Open Enrollment:

- Log in to your Paychex Benefit Account at www.paychexflex.com* and select **Paychex Benefit Account**.
- When Open Enrollment is available, you will see the option to **Enroll Now**.

*MyPaychex account users (Preview software) must access the website through <https://www.mypaychex.com>.

- You must then approve the plan rules. Again, this is not a substitute for the SPD, so please see your employer for additional information. Click **Continue**.

- You will be asked for your election amount(s) for the plans offered. Use www.paychex.com/print/fsa-calc if you need help calculating what you should contribute for the year.

	Company Contribution	Your Election	Max Employee Election
FSA	\$500.00	1500.00	\$2,550.00
Dependent Care		3000	\$5,000.00
Total election for the year:		\$4,500.00	
Total tax savings for the year:		\$1,350.00	

- Select **Check** or **Direct Deposit** to indicate your secondary reimbursement method. Direct deposit instructions are shown here.

- Verify your enrollment information. **Submit** if everything appears to be correct. You can change/update this amount until the close of the Open Enrollment period.

Full Name	Birth Date	Gender	Full Time Student	Relationship
Testing Dependent	1/7/2003	Male	No	Dependent

	Employee Contribution	Company Contribution
FSA	\$1,500.00	\$500.00
Dependent Care	\$3,000.00	
Total Election for the year:		\$4,500.00

- Your confirmation message will display.

Plan	Company Contribution	Employee Contribution
FSA	\$500.00	\$1,500.00
Dependent Care		\$3,000.00

Employee Resources Summary

Resources	Description	Employee Website Tab
Flexible Spending Account Deduction Worksheet	Helps participants calculate eligible expenses and how much the FSA deduction will be each pay period.	Tools & Support
Enrollment Form	This form needs to be completed by all newly-eligible employees signing up for FSA and all current FSA participants who are making changes to their current Medical or Dependent Care deduction.	Tools & Support
FSA Medical Expense Listing	Lists eligible and ineligible FSA expenses for UME.	Tools & Support
Direct Deposit Sign Up Form	Allows Paychex to directly deposit claim reimbursements into participant bank accounts.	Tools & Support
Employee Enrollment Guide	Explains FSA benefits to employees and includes the forms they need to enroll in your plan.	Quick Links

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