Health Care Flexible Spending Accounts

The Value of Health Care Flexible Spending Accounts

A Health Care Flexible Spending Account (FSA) helps you to save BIG on healthcare expenses that are not covered by your medical, dental and vision insurance plans. Uncovered expenses such as deductibles, co-payments and certain over-the-counter items can mean significant costs are still being paid directly from your pocket.

Save 20% - 40% on your healthcare expenses

Because your FSA contributions are exempt from Federal income tax, Social Security taxes (FICA) and, in most cases, state income tax, you can save 20% - 40% on health services and products you have to purchase every day. While your actual savings is based on your individual tax rate, let's look at some potential yearly savings for a family of four at a 30% tax rate:

<table>
<thead>
<tr>
<th></th>
<th>Your Out-of-Pocket Cost</th>
<th>Net Cost to You</th>
<th>Tax Savings with the FSA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deductibles (2 adults, 2 children)</td>
<td>$2,000</td>
<td>$1,400</td>
<td>$600</td>
</tr>
<tr>
<td>Prescription Co-payments</td>
<td>$360</td>
<td>$252</td>
<td>$108</td>
</tr>
<tr>
<td>Doctor's Co-payments</td>
<td>$480</td>
<td>$336</td>
<td>$144</td>
</tr>
<tr>
<td>Orthodontia</td>
<td>$5,000</td>
<td>$3,500</td>
<td>$1,500</td>
</tr>
<tr>
<td>Eligible over-the-counter items</td>
<td>$750</td>
<td>$525</td>
<td>$225</td>
</tr>
<tr>
<td><strong>Total Savings:</strong></td>
<td></td>
<td><strong>$2,577</strong></td>
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For an average family of four, and just on these few expenses, that’s an annual savings of over $2,500 per year! With the cost of living rising every day, think about the impact that kind of savings can have on your household budget.

- Save 20% - 40% on expenses not covered by insurance
- Receive reimbursement on an extensive list of eligible expenses
- Fund your account with simple paycheck deductions
- Reduce your income taxes
Plan Your Contributions

The key to getting the most from your FSA is to maximize your contributions based on the expenses you expect to incur during the benefit year. To plan your contributions, just follow these simple steps:

- Review the list of eligible expenses on the FSA website
- Review your healthcare expenditures from last year
- Write down any new eligible expenses you anticipate during the benefit year (new medications, scheduled surgery, changes in insurance coverage, orthodontia, etc.)
- Be sure to include insurance plan deductibles
- If desired, set aside a little extra “padding” for those unexpected expenses. If you don’t incur any unexpected expenses, you can use those funds to purchase contact lenses, prescription sunglasses, an extra pair of eyeglasses or any eligible over-the-counter items you may need.
- Then estimate your cost for each of these expenses. The total of your individual estimates is what you should contribute to your FSA.

You may be surprised by how much of your healthcare costs are actually paid out of your pocket.

It is also important to remember that an FSA is not a savings account. You must use all of your contributions each year or risk losing any unused balance at the end of the benefit year. So, base your contributions on what you expect to be able to spend on eligible expenses during the benefit plan year. If needed, contribution planning assistance can be located on the FSA website.

Note: Your employer determines the minimum and maximum amount you may contribute to the Health Care FSA. Be sure to verify your employer’s plan limits before enrolling in the plan.

Coverage Eligibility

You may enroll in your employer’s FSA plan even if you receive insurance coverage through your spouse’s employer. And your FSA funds can be used to cover eligible expenses for all your qualified dependents.

Eligible Expenses

Because your Health Care FSA is funded before any taxes are taken from your salary, the Internal Revenue Service determines which expenses are eligible for reimbursement. The list of eligible expenses is extensive and is updated often. If you are uncertain about whether or not an expense qualifies for reimbursement, you should verify its eligibility before incurring the expense. A current list of IRS-approved expenses can be located on the FSA website.

It’s All Yours

Your employer provides the Flexible Spending Account at no cost to you … no setup fees, no premiums or membership fees, no hidden fees. And, as a special advantage with the Health Care FSA, you have immediate access to your entire election amount from the first day of the benefit year … before all your contributions have been made.

Opening Your Account

It’s as simple as 1-2-3 to begin contributing to your new Health Care FSA

1. Plan your contributions. Use the Spending Accounts Learn More link on the FSA website for contribution planning assistance.
2. Enroll in the Health Care FSA during your annual enrollment or new hire election period.
3. Review your account through the FSA website soon after the plan year begins and at least monthly thereafter.

Your payroll contributions to your new FSA account will begin with the new benefit year or according to your employer’s plan documentation.

Visit the FSA website at www.flexdirect.adp.com to learn more about Flexible Spending Accounts.
Debit Cards

Fast
Convenient
Avoid out-of-pocket expense

The Health Care Account Debit Card is an additional convenience offered by your employer for use with your ADP Health Care Flexible Spending Account (FSA). The Card is a convenient and easy-to-use tool that allows you immediate access to your FSA funds ... simply swipe your card at the provider’s payment terminal. Just like your bank account debit card, the Health Care Account Debit Card will automatically debit your FSA account for eligible expenses. By using the Card to purchase your eligible healthcare items and services, you avoid paying for an expense with money out of your pocket. And, you can virtually eliminate the need to file paper claims for your eligible healthcare expenses just by using the Card.

Save Your Receipts

Because no taxes are taken on the funds in your Health Care FSA, the Internal Revenue Service requires that you retain all of your itemized receipts for purchases made with the Card. It may be necessary for you to submit a receipt to prove the eligibility of a purchase you have already made. ADP will notify you if a receipt is needed for a particular purchase. So, please make a habit of saving all of your itemized purchase receipts.

Using The FSA Card

The Health Care Account Debit Card may be used to purchase the same eligible items and services for which you can submit paper-based claims for reimbursement. The Card is accepted at medical and dental offices, hospitals, healthcare clinics, pharmacies and online pharmacies. In addition, many large retailers who sell eligible healthcare items have received IRS approval to accept the card. An extensive list of retail merchants who accept the Card, as well as a list of eligible expenses, is available on the FSA website.

You Will Receive a Card Automatically

If your employer offers the Card as part of your Health Care FSA plan, you will automatically receive a Card in the mail shortly after your enrollment in the plan. However, you always have the choice of using the Card or filing paper-based claims ... whichever you prefer. Likewise, if a provider or merchant selling eligible items or services does not accept the Card, you can still pay for the eligible expense out-of-pocket and submit a paper claim for reimbursement.

Visit the FSA website at www.flexdirect.adp.com to learn more about the Health Care FSA.
Sample Eligible Expenses for Health Care Flexible Spending Accounts

The following list represents expenses that are frequently submitted for reimbursement under Health Care Flexible Spending Accounts (FSA) and are generally eligible under an FSA. This list is not intended to be exhaustive and is intended only to be used as a general guide. The list is organized by categories (see boldface type). In some instances, examples of specific items have been provided by brand name. Please note that the examples are not intended to be an exhaustive list with items in that category, but are only to help with understanding.

**Abortion** (Medical)
For operations that are legal.

**Acne prevention and treatment medication** (Over the Counter: Meds & Drugs)
Examples: Benzoyl Peroxide; Clearasil
Must be prescribed.

**Acupuncture** (Medical)
For treatment of medical condition.

**Adoption Expenses** (Medical)
Medical expenses incurred prior to adoption finalized if child is tax dependent.

**Air conditioner** (Medical)
May be eligible if used to treat a specific medical condition.

**Air purifier** (Medical)
May be eligible if used to treat a specific medical condition.

**Alcoholism treatment** (Medical)
Inpatient, outpatient and transport to AA meetings.

**Allergy and sinus medications** (Over the Counter: Meds & Drugs)
Examples: Afrin; Benadryl; Cetirizine; Claritin; Loratadine; Nasal Spray/rinse/Netipot kit; Sudafed; Zicam; Zyrtec
Must be prescribed.

**Allergy Topical Medications** (Over the Counter: Meds & Drugs)
Examples: Benadryl - Must be prescribed.

**Alternative healers** (Medical)
For treatment by professionals for specific medical condition.

**Ambulance** (Medical)

**Analgesics** (Over the Counter: Meds & Drugs)
Examples: Boroleum; Cepacol; Soltice - Must be prescribed.

**Anesthesia** (Medical)
UNLESS for cosmetic procedures.

**Antacids** (Over the Counter: Meds & Drugs)
Examples: Tums; Zantac
Must be prescribed.

**Anti-itch creams** (Over the Counter: Meds & Drugs)
Examples: Cortaid; Cortisone; Itch-X; Lanacane; Quinsana; Sarna - Must be prescribed.

**Antibiotic ointments and creams** (Over the Counter: Meds & Drugs)
Must be prescribed.
Examples: Bactitraycin; Polysporin; Hibiclens; Neosporin - Must be prescribed.

**Antihistamine** (Over the Counter: Meds & Drugs)
Examples: Benadryl; Cetirizine; Loratadine; Zyrtec - Must be prescribed.

**Arch Supports** (Over the Counter: Med Supplies)

**Arthritis treatments** (Over the Counter: Meds & Drugs)
Examples: Capzasin; Puralin; Tiger Balm - Must be prescribed.

**Aspirin** (Over the Counter: Meds & Drugs)
Examples: Bufferin; Ecotrin; Excedrin
Must be prescribed.

**Automobile modifications** (Medical)
For physically handicapped individuals.

**Bacterial Infection treatments** (Over the Counter: Meds & Drugs)
Examples: Metronidazole. Must be prescribed.

**Bandages** (Over the Counter: Med Supplies)
Examples: Ace; Band-aid
To cover injury or torn skin.

**Birth Control Pills** (Prescription Drug)

**Blood pressure monitoring devices** (Medical)
Examples: Omron
Blood sugar test items (Medical)
For diagnostic purposes.

Body scan (Medical)

Braille books/magazines (Medical) For visually impaired individuals but only to extent of the costs above regular printed materials.

Breast pumps and lactation assistance supplies (Medical)

Breast Reconstruction Surgery (Medical) Following mastectomy for treatment of cancer.

C-Pap, Nebulizer, any other durable medical equipment and related accessories and supplies (Medical) May be eligible if used to treat a specific medical condition. Proof of Medical care or EOB required.

Calcium (Over the Counter: Meds & Drugs) Examples: Calcium citrate; Citracal Must be prescribed.

Capital expenses (Medical) May be eligible if for improvements to home to accommodate physical disability.

Carpal tunnel wrist supports (Over the Counter: Med Supplies)

Cayenne pepper (Over the Counter: Med Supplies)
May be eligible if used to treat a specific medical condition.

Chelation therapy (Medical)
For treatment of medical condition (lead poisoning)

Chest rubs (Over the Counter: Meds & Drugs) Examples: Vicks - Must be prescribed.

Chiropractic care (Medical)

Cholesterol tests (Medical)

Christian Science practitioners (Medical)

Circumcision (Medical)

Co-pays (Medical)

Cold and flu medications (Over the Counter: Meds & Drugs) Examples: Cepacol; Cold-Eze; Coricidin; Emetrol; Mentholatum; Mucinex; Nyquil; Triaminic; Vicks - Must be prescribed.

Cold packs/hot packs (Over the Counter: Med Supplies) Examples: Icy Hot; Thermacare; Thermipaq

Cold sore treatments (Over the Counter: Meds & Drugs) Examples: Anbesol; Abreva; Blistex; Campho-Phenique; Carmex; Releev; ViruLite Must be prescribed.

Colorectal cancer screening tests (Medical)

Compression Hose (Over the Counter: Med Supplies) May be eligible if used to treat a specific medical condition.

Constipation treatment (Over the Counter: Meds & Drugs) Examples: Dulcolax; Glycerin Suppositories; MiraLAX; Phillips, Konsyl Must be prescribed.

Contact lens cleaning solution (Over the Counter: Med Supplies)

Contact lenses/Contact Supplies (Over the Counter: Med Supplies) Examples: Bausch & Lomb; Complete; Refresh; Renu; Saline Solution; ClearCare; Optifree; Replens

Contraceptive products and devices such as condoms and spermicidals (Over the Counter: Med Supplies) Examples: Trojan; Lifestyle; Durex

Cord blood storage (Medical) May be eligible if for use to treat a specific and imminent medical condition. Just-in-case storage NOT eligible.

Cosmetic procedures (Medical) May be eligible if surgery is necessary to correct a deformity arising from, or directly related to, a congenital abnormality, a personal injury resulting from an accident or trauma, or disfiguring disease.

Cough medicines (Over the Counter: Meds & Drugs)
Examples: Delsym; Halls; Luden; Ricola; Tussin Must be prescribed.
Counseling, other than Marriage (Medical)
For treatment by professionals for specific medical condition.

Crutches (Medical)

Deductibles (Medical)

Dehydration treatment (Over the Counter: Med Supplies)
Examples: Pedialyte

Dental treatment (Dental) UNLESS for cosmetic purposes.

Denture supplies (Over the Counter: Med Supplies)

Dentures (Dental)

Diabetes monitors/Glucose monitoring systems (Medical)
Examples: AccuChek; OneTouch; PrecisionXtra

Diabetic supplies (Over the Counter: Med Supplies)

Diagnostic items/services (Medical) Tests to detect heart attack, stroke, diabetes, osteoporosis, cancer, thyroid conditions, glaucoma, etc.

Diaper rash treatments (Over the Counter: Meds & Drugs)
Examples: Boudreaux's Butt Paste; Balmex; Desitin; Petroleum Jelly; Lubiderm Must be prescribed.

Diarrhea medicine (Over the Counter: Meds & Drugs)
Examples: Imodium Must be prescribed.

Dietary supplement (Over the Counter: Meds & Drugs)
May be eligible if used to treat a specific medical condition and must be prescribed. Use to benefit general health NOT eligible.

Diuretics (Over the Counter: Meds & Drugs) Must be prescribed.

DNA collection and storage (Medical) Temporary storage may qualify if collected as part of diagnosis, treatment or prevention of an existing or imminent medical condition.

Drug addiction treatment (Medical) Inpatient, outpatient and transport to meetings.

Ear drops (Over the Counter: Med Supplies)

Ear plugs (Over the Counter: Med Supplies) May be eligible if used to treat a specific medical condition.

Ear Wax Kit (Over the Counter: Med Supplies) Examples: Murine

Egg Donor Fees (Medical)

Eggs and Embryo (Medical) Eligible only if the expenses are incurred for temporary storage and only to the extent necessary for immediate conception. Must be stored and used within the same plan year. Storage fees for undefined future conception are ineligible.

Exercise equipment (Medical) May be eligible only if prescribed by physician to treat medical condition (obesity) and only while condition exists.

Eye examinations (Vision Care)

Feminine Anti-itch (Over the Counter: Meds & Drugs) Examples: Vagisil ointment. Must be prescribed.

Fiber supplements (Over the Counter: Meds & Drugs) Examples: Benefiber; Fiber Choice; Metamucil Must be prescribed.

First Aid Kit (Over the Counter: Med Supplies)

Flu-shots (Over the Counter: Med Supplies)

Gas Relievers (Over the Counter: Meds & Drugs) Examples: Beano; Gas-X; Phazyme. Must be prescribed.

Glasses- Reading glasses, Prescription eyeglasses or Prescription “sunglasses". (Medical)

Glucosamine/Chondroithin (arthritis) (Over the Counter: Meds & Drugs) Must be prescribed.

Glucose (Over the Counter: Meds & Drugs) Must be prescribed.

Headache relief (Over the Counter: Meds & Drugs) Examples: Acetaminophen; Advil; Aleve; Aspirin; Excedrin; Ibuprofen; Motrin; Tylenol Must be prescribed.
Health club memberships/Exercise programs (Medical)
May be eligible only if prescribed by physician to treat medical condition (obesity) and only while condition exists.

Hearing aids/batteries (Over the Counter: Med Supplies)

Heartburn Relief (Over the Counter: Meds & Drugs)
Examples: Alka Seltzer; Tums; Prilosec. Must be prescribed.

Hemorrhoidal treatments (Over the Counter: Meds & Drugs) Examples: CryoStat; PreparationH; Tucks Must be prescribed.

Herbal Medicine (Over the Counter: Meds & Drugs)
Examples: Airborne; Sambucol. May be eligible if used to treat a specific medical condition. Must be prescribed.

Home health care (Medical)
For nursing services.

Homeopathic Medicine (Over the Counter: Med Supplies)
Examples: Boiron products, Hyland products. May be eligible if used to treat a specific medical condition.

Hormone replacement therapy (Medical)
For treatment of medical condition (menopause).

Hot tub (Medical)
May be eligible only if prescribed by physician to treat medical condition and only while condition exists.

Humidifier (Medical)
May be eligible if used to treat a specific medical condition.

Hypnosis (Medical)
For treatment of medical condition and smoking cessation.

Immunizations (Medical)

In vitro fertilization (Medical)

Incontinence supplies (Over the Counter: Med Supplies)

Indigestion Treatment (Over the Counter: Meds & Drugs)
Examples: Omeprazole; Pepcid; Pepto Bismol. Must be prescribed.

Infertility treatments (Medical)

Inpatient hospitalization services (Medical)
UNLESS for cosmetic purposes or procedures.

Insoles (Over the Counter: Med Supplies) May be eligible if used to treat a specific medical condition.

Insulin, including OTC insulin (Over the Counter: Med Supplies)

Jacuzzi (Medical)
May be eligible only if prescribed by physician to treat medical condition and only while condition exists

Joint pain relievers (Over the Counter: Meds & Drugs)
Examples: Aleve; Capsaicin; Celadrin; Joint Flex; I-Flex. Must be prescribed.

Laboratory fees (Medical)

Lactation treatment (Medical)
For breast feeding difficulties - but not for general instruction.

Lactose intolerance products/dairy relief (Over the Counter: Meds & Drugs) Examples: Digestive Advantage; Lactaid Must be prescribed.

Lamaze classes (Medical)
For instruction relating to childbirth - but not for expenses related to childrearing instruction and guidance.

Laser eye surgery (Vision Care)

Lasik (Vision Care)

Lead-based paint removal (Medical) For expense related to removing lead-based paint to prevent a child who has (or has had) a medical condition or illness from eating the lead-based paint.

Legal fees (Medical)
May be eligible if eligible medical care could not have been provided without legal assistance.

Lice treatments (Over the Counter: Meds & Drugs)
Examples: Lice B Gone; Nix; RID. Must be prescribed.

Lodging at a hospital (Medical) Lodging (including meals) at a licensed hospital or a medical care facility related to (or equivalent to) a licensed hospital and where care is provided by a physician.
Lodging not at a hospital where primarily for and essential to medical care and whose necessity is supported by appropriate documentation (Medical)
Cost of lodging (e.g. hotel) where lodging is not provided at hospital or facility where the medical care is taking place. Limitations: Maximum amount per night of lodging not to exceed $50.00 per individual. If a parent is traveling with a sick child, up to $100.00 may qualify ($50.00 each).

Massage therapy (Medical)
For treatment of medical condition - use for general well-being, relaxation, etc. NOT eligible.

Mastectomy bra (Over the Counter: Med Supplies)

Mattresses (Medical)
In rare cases the expense in excess of the cost of a regular mattress may be eligible for reimbursement if prescribed by physician to treat specific medical condition.

Medic alert devices (Medical)
Bracelet or necklace.

Medical Concierge Fees (Medical) Fees paid to physicians/providers practicing concierge medicine are not eligible for reimbursement. Under IRS regulations, only expenses related to the diagnosis, treatment, mitigation, alleviation or cure of a specific medical condition are eligible for reimbursement under the FSA plan.

Medical conference expenses (Medical)
For expenses for conference and transportation IF conference related to a chronic disease suffered by an individual, spouse or other dependent. Expenses for lodging and meals are NOT eligible.

Medical monitoring and testing devices (Medical)
Examples: blood pressure monitors; syringes; glucose kit

Medical prepayments (Medical) Prepayments for any medical services cannot be considered for reimbursement until the date the service has been provided

Medicated hand creams (Over the Counter: Meds & Drugs)
May be eligible if used to treat a specific medical condition. Must be prescribed. Only costs in excess of normal day to day general hygiene usage.

Medicated shampoos (Over the Counter: Meds & Drugs)
May be eligible if used to treat a specific medical condition. Must be prescribed. Only costs in excess of normal day to day general hygiene usage.

Motion sickness supplies (Over the Counter: Med Supplies)
Examples: Sea-Band

Menopause treatments (Over the Counter: Meds & Drugs)
Examples: Amberen
Must be prescribed.

Menstrual pain relievers (Over the Counter: Meds & Drugs) Examples: Midol; Pamprin. Must be prescribed.

Mileage reimbursement (Travel) For travel to and from medical care. Must be submitted on the same Healthcare claim form with the related medical expenses:
At the rate of: 23.0 cents per mile: 1/1/2012 thru 12/31/2012 (2013 rate is pending)

Minerals (Over the Counter: Meds & Drugs)
May be eligible if used to treat a specific medical condition. Must be prescribed.

Motion sickness treatment and prevention medication (Over the Counter: Meds & Drugs) Examples: Dramamine; MotionEaze. Must be prescribed.

Muscle pain relievers (Over the Counter: Meds & Drugs) Examples: DeWitt's; Muscle Care; Sponix. Must be prescribed.

Nasa strips (Over the Counter: Med Supplies). Examples: Breathe Right. May be eligible if used to treat a specific medical condition.

Nasal Wash (Over the Counter: Med Supplies). May be eligible if used to treat a specific medical condition.

Natural Medicine (Over the Counter: Med Supplies)
May be eligible if used to treat a specific medical condition.
Nicotine gum (Over the Counter: Meds & Drugs)
Examples: Nicorette
Must be prescribed.

Norplant insertion or removal (Medical)

Nursing services (Medical)
Nutritionist's expenses (Medical) For treatment by professional for specific medical condition.

Obstetrical expenses (Medical)
Two ways of submitting/paying claims: 1) by reimbursing the full amount of the treatment, minus any previous reimbursements, up to the participant's annual election; 2) after treatment begins, (when applicable) reimbursing as individual expenses are incurred.

Occlusal night guard (Dental) For prevention of teeth grinding.

Operations (Medical)
If legal and NOT cosmetic in nature - inpatient and outpatient.

Optometrist services (Vision Care)

Oral remedies or treatments (Over the Counter: Med Supplies). Examples: Orajel

Organ donors (Medical)

Orthodontia services (Dental) Two ways of submitting/paying claims: 1) by reimbursing the full amount of the treatment, minus any previous reimbursements, up to the participant's annual election, or 2) after treatment begins, reimbursing periodic payments (e.g. monthly) over the entire orthodontia treatment period.

Orthopedic shoes/inserts (Over the Counter: Med Supplies) For treatment of medical condition - but only to the extent of the cost in excess of normal shoes

Osteopath services (Medical)

OTC Med or Drug Dispensing Fee (Over the Counter: Meds & Drugs)

Ovulation monitor (Medical)

Oxygen (Medical)
Oxygen and equipment for medical condition.

Patented Medicine (Over the Counter: Med Supplies)
May be eligible if used to treat a specific medical condition.

Patterning exercises (Medical)

Personal trainer fees (Medical) May be eligible only if incurred for limited duration and a medical practitioner has recommended a supervised exercise regimen to treat a specific disease or injury (i.e. obesity or knee injury).

Physical examinations (Medical)

Physical therapy (Medical)

Pregnancy test kits (Over the Counter: Med Supplies)
Examples: Clearblue

Premenstrual syndrome treatment (Over the Counter: Meds & Drugs)
Examples: See menstrual pain relievers. Must be prescribed.

Prenatal vitamins (Over the Counter: Meds & Drugs)
Must be prescribed.

Prescription drugs (Prescription Drug)
For treatment of medical condition.

Preventive care / screenings (Medical)

Prosthesis (Medical)

Psychiatric care (Medical)

Psychoanalysis (Medical)

Psychotherapy (Medical)

Radial keratotomy (Medical)

Retin-A (Prescription Drug)
IF prescribed for medical condition (i.e. acne) but NOT for cosmetic purposes such as reducing wrinkles.

Rogaine (Over the Counter: Meds & Drugs) May be eligible if for diagnosis of high blood pressure. Must be prescribed.

Rubbing alcohol (Over the Counter: Med Supplies)
May be eligible if used to treat a specific medical condition.

Scar Treatment (Over the Counter: Med Supplies)
Screening tests (Medical)
Examples: hearing; vision; cholesterol tests; Vagisil screen kit

Service Animal (Medical)
Guide dog, seeing eye dog or other animal for medical condition. Includes expenses related to animal food, collar, etc.

Shipping (mailing) and handling charges (Medical)
For reimbursable products.

Shortness of breath treatment (Over the Counter: Meds & Drugs) Examples: Bronkaid
Must be prescribed.

Sleep aid (Over the Counter: Meds & Drugs) Examples: Advil PM; Melatonin; Tylenol PM; Unisom. Must be prescribed.

Smoking Deterrents (Over the Counter: Med Supplies)
Examples: Nicoderm; Nicotine Pads; Nicotine Gum
Must be prescribed.

Special foods (such as Gluten-free, not Diet foods) (Over the Counter: Med Supplies)
May be eligible if recommended by a medical practitioner to treat a specific medical condition AND if the foods do not substitute for normal nutritional requirements.

Special schools, educational (Medical) Expenses for mentally impaired or physically disabled individual qualify IF purpose of using the is to relieve disability.

Special schools, residential (Medical) May be eligible if for treatment of behavioral, emotional and addictive conditions IF primary purpose of the program is medical care.

Speech Therapy (Medical)

Sperm, storage fees (Medical) May be eligible only if for temporary storage and use for immediate conception.

St. John's wort (Over the Counter: Med Supplies)

Stem cell, harvesting and/or storage (Medical) May be eligible if for use to treat a specific and imminent medical condition. Just-in-case storage NOT eligible.

Sterilization procedures (Medical) Examples: Hysterectomy; vasectomy

Sun screen with SPF 30 or greater (Over the Counter: Med Supplies) May be eligible with the SPF details clearly stated on the receipt by a third party (e.g. pharmacy).

Sunburn cream and ointments (Over the Counter: Meds & Drugs)
Examples: Aloe; Solarcaine; Dermoplast. For treatment of sunburn. Must contain an antiseptic or pain reliever; 100% aloe is not covered. Must be prescribed.

Supply - Vision Eye drops (Over the Counter: Med Supplies) Examples: Thera Tears; Visine; Genteal; Naphcon

Taxes on service - medical and products (Medical)
For reimbursable services and products.

Telephone consultations (Medical)

Telephone for hearing impaired (Medical)

Tens Unit (Medical)
For treatment of medical condition.

Thermometers (Over the Counter: Med Supplies)

Transportation for persons other than patient where recommended as part of treatment (Travel)
Expenses of an individual who travels to visit a mentally ill dependent, if such visits are recommended as a part of treatment.

Transportation for persons other than the patient whose primary purpose is essential to medical care and whose necessity is supported by appropriate documentation. (Travel)
Expenses of parent accompanying a child who needs medical care.; Expenses of a nurse or other who gives injections, medications, or other treatment needed by a patient who is traveling to get medical care and cannot travel alone.
Transportation where primarily for and essential to medical care and whose necessity is supported by appropriate documentation (Travel) Fare for bus, taxi, train, or plane; Reimbursement of car expenses at a set mileage rate Parking fees and tolls.

Tuition for special needs programs (Medical) Examples: Dyslexia

Ultrasound (Medical)

Upset Stomach Relief (Over the Counter: Meds & Drugs) Examples: Mylanta; Gaviscon; Pepto-Bismol Must be prescribed.

Varicose vein treatment (Medical) UNLESS for cosmetic purposes.

Veneers (Dental) May be eligible if provider provides a letter demonstrating use is for medical condition rather for cosmetic purposes

Vitamins (Over the Counter: Med Supplies) May be eligible if used to treat a specific medical condition and must be prescribed. Use to benefit general health NOT eligible.

Walkers (Over the Counter: Med Supplies)

Wart removal treatments (Over the Counter: Meds & Drugs) Must be prescribed.

Weight-loss programs and/or drugs prescribed to induce weight loss (Medical) If weight loss program is recommended by a physician to treat an existing condition (obesity, diabetes, heart disease) and not just to improve general health.

Wheelchair (Medical)

Wigs (Medical) If hair lost due to medical condition or medical treatment.

X-ray expenses (Medical)

Yeast infection treatments (Over the Counter: Meds & Drugs) Examples: Clotrimazole; Lotrimin; Miconazole; Monistat; Femstat3 Must be prescribed.

Determination of whether a medical expense or OTC medicine/drug is eligible, ineligible, or requires a prescription will depend on the category. Consequently, expenses contained in this generally eligible list may be denied if the supporting claims documentation is insufficient or shows that the expense was incurred for services not considered medical care, such as cosmetic procedures. Payment of claims will be based on the rules set out in the applicable regulations, your employer’s plan design and on the information in the required substantiation documentation.

For an updated list of eligible expenses, please visit the ADP website below:

www.adpcobrafsa.com/wcms15/697-healthcare-eligible-expenses
Flexible Spending Account

Contribution Planning Worksheet

Decide How Much to Contribute

The key to getting the most from your Flexible Spending Account (FSA) is to maximize your contributions based on your anticipated eligible expenses. Follow the simple steps below to estimate your out-of-pocket expenses for the coming benefit plan year.

The more you contribute, the more you can save!

However, keep in mind that a Flexible Spending Account is not a savings account. You must use all of your contributions each year or risk losing any unused balance at the end of the benefit plan year.

1 Choose your tax rate
   Represents the total of all Federal and state payroll and income taxes. The example below uses 34 percent.

2 Plan your expenses
   Refer to the eligible expense list on the ADP FSA website when building your own personal expense list.

3 List your expenses
   List your anticipated expenses below and enter the expected total annual Cost for each expense. You may view a list of eligible expenses on our website at www.flexdirect.adp.com.

4 Do the math
   Then do the simple calculations shown in the example below for each expense and total your projected savings and reduced cost when using an FSA.

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<thead>
<tr>
<th>Example: Annual Deductibles</th>
<th>Cost</th>
<th>Your Tax Rate</th>
<th>Savings (Cost * Tax Rate)</th>
<th>Cost using FSA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1000.00</td>
<td>0.34</td>
<td>$340.00</td>
<td>$660.00</td>
</tr>
</tbody>
</table>

1 The tax-exempt status for FSA contributions is the mechanism that allows you to save money on your essential health care purchases.

©2007 Automatic Data Processing, Inc.
Your ADP Health Care Account Visa® Debit Card is a valuable tool for directly accessing the contributions in your Health Care Flexible Spending Account (FSA) without the need to pay out of pocket and wait for reimbursement.

This document provides you with the information you will need to use your Card. By carefully following these guidelines, you will gain the maximum benefit when using your Card.

Using your Health Care Account Card is as simple as following these five steps:

1. **Activate your new Card**
   When you receive your new Health Care Account Card in the mail, you must call an activation phone number and follow the simple, automated Card activation procedure. Refer to the sticker on the face your Card for the phone number to call.

2. **Contribute to your account**
   Using the Card begins with contributing to your Health Care FSA through simple payroll deductions. The Card provides you with a convenient way to access funds from your account at the time of purchase rather than pay for an eligible expense out of your pocket and file a paper claim later to receive reimbursement. Remember, your entire annual election amount is available to you from the first day of your plan year.

3. **Swipe your Card at the point of purchase**
   While your Health Care Account Card is a debit card, be sure to select “Credit” when swiping your Card at the merchant payment terminal. This step will allow your transaction to move through the authorization process without error.

4. **Save receipts for later proof of purchase eligibility**
   You should save your itemized purchase receipts for at least 6 months past the end of the plan year. This will enable you to immediately find receipts if they should be needed to substantiate a purchase, or for use in estimating your next year’s account contributions. Note that credit card receipts often do not list the individual items purchased or a description of the item. For this reason, you must save your itemized purchase receipts and provide a description and amount for each eligible expense.

5. **Substantiate your Card purchase if asked to do so**
   Substantiation, simply put, means to present the receipt for a Health Care Account Card purchase to prove the eligibility of the items or services purchased. Like standard credit card receipts, Health Care Account Card swipe transactions do not provide the details of the items or services purchased. The Internal Revenue Service requires submission of receipts when the eligibility of a purchase cannot be otherwise proven. The process is very simple. It involves faxing your itemized purchase receipt along with a completed short form. You can visit the ADP website to download a copy of the Substantiation Form and instructions. You do not need to substantiate a purchase unless you receive a request to do so from ADP.

Note that some merchants use an inventory management system to determine the eligibility of items purchased using the Card. Substantiation is not required for eligible purchases made from these merchants. A list of these merchants is available on the Card FAQ page on the ADP website. The web address is located on the back of your Card. You must log in to view the Card FAQ.

Log onto the ADP website for ...
- Your current account balance
- Additional Health Care Card information
- More Health Care FSA information
- The web address is conveniently located on the back of your card
Follow these helpful hints to get the maximum value from your new Health Care Account Card

**Lost or Stolen Card**
If your Card is lost or stolen, please call the Participant Solution Center immediately. You may obtain your Participant Solution Center phone number from your HR administrator or from the Help facility within the ADP website.

**Select “Credit” when swiping your Card at the payment terminal.**
Even though your Card functions as a debit card, selecting “credit” generates the correct type of electronic transaction.

**Purchase only eligible items with your Card.**
You can find a comprehensive list of eligible FSA expenses on the ADP website. The website address is conveniently located on the back of your Card. You must login to view the eligible expenses.

If you accidentally use the Card for an expense that is ineligible, or if ADP determines that an expense paid for using the Card was ineligible, ADP will request that you offset this ineligible expense with a new, eligible paper claim of the same or greater amount. You will not receive a reimbursement for this new claim. It will be used to offset the payment of the ineligible Card transaction. This process will avoid the need for you to reimburse your account for those funds.

**Save your purchase receipts.**
Be sure to retain your itemized purchase receipts. You may need to substantiate your purchase after the fact.

**Use your Card only for current benefit plan year expenses.**
The Card always debits your current benefit plan year account. Please do not try to use the Card to pay for expenses incurred during the previous benefit plan year.

**Provide your home ZIP Code to the merchant, if asked.**
Using your home ZIP Code helps prevent unauthorized use of your Card.

**The Card cannot be used to pay in advance.**
You cannot use the Card to pay for services in advance. This means you cannot provide the Card to a vendor who intends to charge you up-front for services to be rendered over the course of, for example, the subsequent month. You can, however, use the Card to pay for services you received in full.

**Have an alternative form of expense payment ready.**
Be prepared with an alternative form of payment, such as cash, personal check or credit card, when attempting to make a purchase with your Card. Some merchants that sell eligible items and services are not “recognized” as qualified merchants, per IRS regulation, by the card transaction authorization process. In these cases, you can simply pay for the eligible item or service using another payment method and submit a paper-based claim for reimbursement.

You should expect the ADP Health Care Account Card to be accepted at an increasing number of locations as the industry continues to evolve and implement new technologies.

**Keep track of your Health Care FSA Account balance via the ADP website.**
Be sure to use all of your contributions before the end of your employer’s benefit plan year to avoid forfeiture. Also, if you do not have sufficient funds in your account, your Card purchase transaction will be denied at the payment terminal.

**Provide your e-mail address.**
Login to the ADP website and provide your e-mail address to make communicating with you about your account much faster. The website address is located on the back of your Card.
Online Forms Completion & Submission is the fastest, easiest and most secure way to complete and submit all of your plan-related forms. The Online Forms Completion & Submission tool:

- Eliminates the need to complete forms by hand
- Automatically enters all your personal data (name, address, employer and FlexID)
- Provides unlimited data entry
- Reduces the risk of claims denials by providing eligibility warnings during data entry
- Allows you to submit your completed claim package (forms and receipts) with a single click

Where are the Online Forms?

To use the Online Forms, login to your account on the Spending Account website and select the Forms or File A Claim quick link.

How do I enter Online Forms data?

Each form type has a simple fill-in format with step-by-step instructions. You just:
1. Fill in the required information fields.
2. Click Save.

How do I attach receipts to Claims?

Once you have entered all the data for your form:
1. Select “Attach” under the receipt section
2. Select the image file you want to attach and choose “Open”

How do I submit my Online Forms?

Now that you have completed your form:
1. Verify the data you entered for accuracy.
2. Verify receipt upload (if applicable)
3. Select “Download” to save your copy
4. Select “Submit” to submit your form to ADP

What types of forms are available for Online Forms Completion & Submission?

Online forms are available for all of the forms related to the Spending Account plans in which you are enrolled. If you currently have access to a paper-based form, you can find this same form, ready for online completion and submission, through the Forms page on the ADP Spending Account website.
Health Care Flexible Spending Account Claim Reimbursement Form

How To Prepare Your Claim Form

Step 1 Complete all employee information. This form will be processed electronically. Print clearly and only in the spaces provided.

Step 2 Complete expense information. If the expense was incurred for an eligible dependent, indicate type of relationship in the box on the dependent name line. Use "C" for child, "S" for spouse or "O" for other.

Step 3 Sign and date the claim form and attach proof of expense. Bills, statements, or “Explanation of Benefits” (EOBS) from medical plan(s) are required proof of expense(s). Canceled checks are not sufficient evidence as proof of expense.

IMPORTANT! DO NOT combine multiple expenses on a single line. List each expense separately. Whether submitting single or multiple claims via fax, always send the claim form followed by its supporting documentation or receipts. Retain a copy for your records. DO NOT in-4055

Employee Information

(PLEASE PRINT)

<table>
<thead>
<tr>
<th>Name</th>
<th>Employer Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>Email Address</td>
</tr>
<tr>
<td>City</td>
<td>State Zip</td>
</tr>
<tr>
<td>Social Security Number</td>
<td>Daytime Phone #</td>
</tr>
</tbody>
</table>

Instructions: Please use blue or black ink and print like this

Employee Information

Total Expenses

To Submit Your Claim:
Fax to: (678) 762-5900 or (866) 392-4090 (Do Not Attach Fax Cover Sheet)
Or Mail to: ADP Claims Processing, P.O. Box 1853, Alpharetta, GA 30023-1853
Questions and Information: Visit www.flexdirect.adp.com

Certification
I certify that the expenses listed above qualify for reimbursement and have been incurred by me or by eligible members of my family. These expenses have not been reimbursed by my health care plan or any other health care plan, such as my spouse's. Additionally, these expenses are not being claimed as tax deductions under Section 213 of the IRS code. Bills, statements, or other proof of the expenses are attached.

SIGNATURE ___________________________ DATE ___________________________
FlexDirect Expense Substantiation Form

How To Prepare Your Substantiation Form

USE THIS FORM ONLY IF YOUR FLEXDIRECT DEBIT CARD WAS USED TO PAY FOR THIS EXPENSE AND YOU RECEIVED A REQUEST FOR SUBSTANTIATION

Step 1 Complete all employee information. This form will be processed electronically. Print clearly and only in the spaces provided.

Step 2 Complete transaction information. Indicate type of FSA or Commuter Benefit plan on the Plan Type line. Use "HC" for Health Care, "DC" for Dependent Care, "T" for Transit or "P" for Parking.

Step 3 Sign and date the substantiation form and attach proof of expense. Bills, statements, or detailed receipts are required proof of expense(s). Canceled checks are not sufficient evidence as proof of expense.

"Explanation of Benefits" (EOBs) from medical plan(s) may be required as documentation for health care expenses.

IMPORTANT! Always send the substantiation form followed by its supporting documentation or receipts. Retain a copy for your records.

Social Security Number

Instructions: Please use blue or black ink and print like this 0 1 2 3 4 5 6 7 8 9

Employee Information

(Please Print)

Name

Employer Name

Address

Email Address

(By providing your email address, you will receive electronic notifications)

City

State

Zip

Daytime Phone #

Transaction Information

Transaction Number

Transaction Date

Merchant Name

Amount

Plan Type

Certification

I certify that the expenses listed above qualify for reimbursement and have been incurred by me or by eligible members of my family. These expenses have not been reimbursed by any other plan(s). I further certify that if the above expenses are not eligible I will remit payment in the amount of the ineligible expense to the plan. Additionally, these expenses are not being claimed as tax deductions under IRS code. Bills, statements or other proof of the expenses are attached.

Signature ___________________________ Date ____________

To Submit Your Receipts Fax To: (678) 762-5900 or (866) 392-4090, Or Mail To: ADP Claims Processing, P.O. Box 1853, Alpharetta, GA 30023-1853.

Questions and Information: Call (800) 654-6695 or Visit www.flexdirect.adp.com