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FLEXIBLE SPENDING ACCOUNTS

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We are pleased to offer you a significant money-saving benefit plan known as a Flexible Spending Account or FSA.

This information describes what an FSA is, how it works and how it can save you money. Enrollment is easy and you can save significant dollars by participating.

GET AN INSTANT INCREASE IN PAY! ENROLL IN THE FSA PLAN TODAY.

WHAT IS AN FSA?

A Flexible Spending Account, or FSA, is an important part of your employer's overall benefit package. Through the plan, you can set aside a portion of your earnings, tax-free, for everyday expenses you may have with:

- Dependent day care expenses
- Out-of-pocket medical expenses including medical, dental, vision, over-the counter medications, and prescription drug expenses

When you choose to participate in this benefit program, it does not change your insurance benefits, it merely affects the way you pay your dependent day care and out-of-pocket medical expenses. You work hard for your money! Take advantage of the powerful benefits this plan has to offer. By participating in this plan you can increase your spendable income!

HOW DOES IT WORK?

When you enroll in the FSA plan, the amounts you elect are automatically deducted from your paycheck on a pre-tax basis. The money is held until you have a qualified expense. As you incur qualifying expenses during the year, you simply file a claim with ProcessWorks. There are many options available for submitting claims and all are quick and easy and provide fast turnaround. The claim is reviewed and tax-free reimbursements are made to you by check or direct deposit to a bank account of your choice. You can even view the status of your account online at anytime by visiting www.myprocessworks.com.

IS IT A GOOD DEAL?

Yes! The money you set aside is never counted as income. That means it is not subject to federal income tax, Social Security, Medicare, and in most cases, state and local taxes. This lowers your taxable income and increases your spendable income. Depending on your tax situation, you could save 27-43% on expenses you would be paying anyway.

WHAT ABOUT MY INSURANCE PREMIUMS?

Premiums as part of your employer's qualifying group insurance plans will automatically be deducted on a pre-tax basis thereby easily saving you money.

MONEY-SAVING BENEFITS

INCREASE YOUR TAKE-HOME PAY

SAVE 27-43% ON YOUR EXPENSES -
SEE THE FOLLOWING PAGE FOR
SAVINGS EXAMPLE

USE TAX-FREE DOLLARS TO PAY FOR
EXPENSES YOU WOULD PAY ANYWAY

WHAT EXPENSES QUALIFY?

The IRS allows two separate categories for expenses to be included in the plan. Your employer will determine which categories are eligible in your plan.

DEPENDENT DAY CARE EXPENSES

By enrolling in this category, you save money on dependent day care expenses incurred so that you and your spouse, if married, can work, look for work, or attend school on a full-time basis. You may set aside \$5,000 per year for work-related day care expenses for one or more dependents, or \$2,500 if you are married and file separate income tax returns.

Under certain circumstances, it may be beneficial for you to claim dependent day care expenses on your personal income tax return rather than the FSA Plan. The best way to determine which is best for you is to compare the tax credit you would receive on your personal income tax return with the tax savings from this benefit plan. Individuals should consult a qualified tax advisor for additional assistance.

For a list of qualifying dependent day care expenses, please refer to the next page.

OUT-OF-POCKET MEDICAL EXPENSES

This category covers eligible medical, dental, vision, over-the-counter medications, and prescription drug expenses. It is the most popular FSA category as most every household has these types of expenses. See the sample list of qualifying expenses located on the next page for what types of expenses qualify.

Make sure to only include expenses that you expect to incur and can reasonably predict when you make your election. You can use the worksheet on page 4 to help determine the amount.

Visit www.myprocessworks.com for a complete description of each account. While online, you can also view your account balances, claims, and reimbursement information.

JUST HOW MUCH CAN I SAVE?

You can save 27 - 43% on your qualifying expenses. The chart below shows an example in which the employee has both out-of-pocket medical and dependent day care expenses. The employee saves \$1,493 annually with the FSA Plan.

SAVINGS EXAMPLE

	With FSA Plan	Without FSA Plan
Annual Pay	\$30,000	\$30,000
Pre-tax contribution to FSA Plan		
Health care expenses	\$600	\$0
Dependent day care expenses	\$4,800	\$0
Federal, State, and Social Security taxes*	\$6,802	\$8,295
After-tax dollars spent on eligible expenses		
Health care expenses	\$0	\$600
Dependent day care expenses	\$0	\$4,800
Net spendable income	\$17,798	\$16,305
Tax savings with the FSA Plan	\$1,493	

* Assumes 15% federal tax, 5% state tax, and 7.65% Social Security tax.

QUALIFYING DEPENDENT DAY CARE EXPENSES

- Child care for dependents under the age of 13 that is necessary for you and your spouse to work or attend school full-time
- Before and after school care
- Day camp if it is in lieu of day care
- Au Pair/nanny dependent care
- Custodial care for qualified tax dependents
- Elder care including adult day care
- In divorce situations, only the custodial parent can claim child care expenses. For a complete list of qualified dependent care expenses, please go to www.myprocessworks.com.

QUALIFYING OUT-OF-POCKET MEDICAL EXPENSES

- Medical expenses:
 - Deductibles
 - Co-pays
 - Office visits
 - Routine exams or physicals
 - Chiropractor
- Over-the-counter drugs used to alleviate or treat personal injuries or sicknesses:
 - Pain relievers
 - Allergy medications
 - Antacids
 - Cold, cough and flu remedies
 - Anti-itch drugs, creams and powders
- Vision expenses:
 - Eyeglasses
 - Contact lenses and cleaning supplies
 - Eye exams
 - Corrective vision surgery
- Medical supplies:
 - Hearing aids and batteries
 - Diabetic supplies
- Dental expenses:
 - Exams
 - Fillings
 - Bridges
 - Crowns
 - Dentures
 - Orthodontia

For a list of qualified expenses, please go to www.myprocessworks.com.

NOTE: The Internal Revenue Service (IRS) can make changes at any time and without notice. IRS changes have typically involved the eligibility of certain expenses and circumstances that could allow you to make plan changes after the year begins. Visit www.myprocessworks.com for the most current information.

WHAT ELSE SHOULD I KNOW BEFORE I DECIDE IF THIS PLAN IS RIGHT FOR ME?

There are some important factors to consider before making your decision.

- The Summary Plan Description (SPD) details the amount of medical expenses that can be deducted during your plan year. Please refer to the SPD or contact your Human Resources Department for this important information.
- You may participate in the plan even if you are not enrolled in your employer’s medical or dental insurance plans.
- You may set aside pre-tax dollars to pay for your own qualifying expenses, as well as for your spouse and eligible dependents.
- You may enroll in the plan only during the open enrollment period or when you first become eligible.
- Qualified expenses must be incurred during your period of coverage. Expenses are considered incurred on the date the service is provided, regardless of when it is billed, charged or paid for.
- If by chance you do not use up all of your funds by the end of the plan year, you may have additional time in the following year to incur qualifying expenses. Check with your Human Resource Department or your SPD to see if this option is available to you.
- Your election amount will remain in effect for the plan year. Changes in elections may only be made if you experience a qualified change in status. The IRS defines a qualified change in status to include:
 - Change in your legal marital status
 - Change in the number of your tax dependents
 - Your dependent satisfies (or ceases to satisfy) eligibility requirements such as reaching the age limit or getting married
 - Change in residence for you or your spouse or dependent that affects eligibility of your benefits
 - Change in employment for you or your spouse or dependent that affects eligibility of your benefits

Contact your Human Resource Department for the necessary forms in order to apply for a change in status.

For employees who participate in both the out-of-pocket expense category of the FSA and a Health Savings Account (HSA), medical expenses for the FSA are limited to out-of-pocket preventative care not covered by your high deductible health insurance plan, dental, vision, and expenses incurred after your deductible is met under the high deductible health insurance plan.

HOW DO I SIGN UP?

Enrolling in the plan is easy and can be done in 2 steps! Just estimate your qualifying expenses and complete the enrollment process.

ESTIMATE EXPENSES FOR YOURSELF AND YOUR DEPENDENT FAMILY MEMBERS

GROUP INSURANCE PREMIUMS

Automatically deducted pre-tax from your paycheck

DEPENDENT DAY CARE EXPENSES

January _____

February _____

March _____

April _____

May _____

June _____

July _____

August _____

September _____

October _____

November _____

December _____

TOTAL DEPENDENT DAY CARE* _____

** Remember to account for holidays and vacation days when dependent day care will not be used.*

OUT-OF-POCKET MEDICAL EXPENSES

MEDICAL EXPENSES

Deductibles _____

Co-payments _____

Prescription drugs _____

Office visits _____

Routine exams _____

Chiropractor _____

Surgery _____

X-ray/lab fees _____

Hearing aids _____

Psychiatrist/psychological visits _____

Over-the-counter drugs _____

Other qualified medical expenses _____

SUBTOTAL _____

VISION EXPENSES

Eye exams _____

Prescription glasses _____

Prescription contact lenses _____

Contact lens supplies _____

Laser eye surgery _____

Other qualified vision expenses _____

SUBTOTAL _____

DENTAL EXPENSES

Deductibles _____

Co-payments _____

Routine exams _____

Fillings _____

Orthodontia _____

Dentures _____

Crowns, caps, bridges _____

Root canals _____

Other qualified dental expenses _____

SUBTOTAL _____

TOTAL MEDICAL _____

Add up the subtotals you've calculated above, then divide by the number of paychecks you will receive during the plan year.

TOTAL ALL EXPENSES _____

NUMBER OF PAYCHECKS ÷ _____

AMOUNT PER PAYCHECK* _____

**In most cases, each category will appear on your paycheck as separate deductions.*

STEP 2

COMPLETE THE ENROLLMENT PROCESS

You will receive enrollment materials from your employer each year or when you first become eligible. Simply follow the instructions provided in the enrollment materials. It is important to pay close attention to the enrollment deadlines. If you do not enroll by the deadline, you will need to wait until the next year to enroll.

HOW WILL I BE REIMBURSED FOR QUALIFYING EXPENSES?

After incurring qualifying expenses, simply submit the expenses to ProcessWorks (see How Do I File A Claim below). You may be reimbursed by direct deposit to your bank account or by having a check mailed to you. The frequency of reimbursement is based on a schedule determined by your employer. This information can be found in your Summary Plan Description (SPD).

HOW DO I OBTAIN CLAIM FORMS?

You may obtain claim forms at www.myprocessworks.com. You may also call a Customer Care Representative at 888-868-2492 or 262-827-7030 to have a form e-mailed, mailed or faxed to you.

HOW DO I FILE A CLAIM?

You may file claims online or by faxing or mailing. The choice is yours!

eCLAIM—ONLINE CLAIM FILING

Go to www.myprocessworks.com to file your claim online. This is the easiest method and offers same day processing. Documentation can then be faxed or mailed to ProcessWorks. The reimbursement will then be made according to the schedule set forth in your employer's plan.

TRADITIONAL CLAIM FILING

Send or fax completed claim form, along with documentation, to ProcessWorks. Claims are processed within two business days. The reimbursement will then be made according to a schedule determined by your employer.

WHAT ABOUT THE PRIVACY OF MY INFORMATION?

ProcessWorks places a high priority on privacy and confidentiality. All processes and procedures are performed in strict compliance with HIPAA privacy rules and regulations. You may obtain a copy of our Privacy Statement at www.myprocessworks.com.

WHAT IF I HAVE ADDITIONAL QUESTIONS ABOUT MY CLAIMS OR ACCOUNT?

You may obtain information in a number of ways:

ONLINE

You may obtain claim forms, information on eligible expenses and detailed account, claims and payment information online at www.myprocessworks.com.

TOUCH-TONE PHONE

Call 888-868-2492 or 262-827-7030 24 hours a day, 7 days a week. Follow the automated instructions to your access account information.

CUSTOMER CARE CENTER

Call 888-868-2492 or 262-827-7030 and press "0" to speak with a Customer Care representative. English and Spanish speaking representatives are available during normal business hours - 7:00a.m. to 5:00p.m. Central Time Monday through Friday.

This brochure provides a general overview of the FSA Plan. Please see your Summary Plan Description or your employer's Plan Document for specific information regarding the Plan. If any conflict arises between this brochure and the plan documents, the terms of the plan documents will prevail. This information is subject to change at any time and without notice.

