

HEALTH AND DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

The Health and Dependent Care Flexible Spending Accounts allows eligible employees to be reimbursed for certain qualified medical, dental, vision and dependent day care services on a pre-tax basis.

The result, through proper use of the plan, can be more money in your pocket. The following information should answer your questions about benefits; however, if you have additional questions please contact your Human Resources Department or Stirling Benefits at 800-447-6689.

This summary is intended to provide an overview of the benefit offered by your Employer and should be used for information purposes only.

The exact provisions of the Plan are in the Plan Document maintained by the Plan Sponsor. *We urge you to consider the accounts and the tax alternatives, and to consult a tax advisor to determine what alternative is best for your particular situation.*

For those who choose to participate in the Health and Dependent Care Flexible Spending Accounts, please remember that once you have enrolled in the account, your election cannot increase, decrease or stop unless you have a change in family status.

Additionally, IRS regulations require that any monies left in the account at the end of the Plan Year must be forfeited.

PIN is coming to your Benefits Debit Cards!

Cardholders have always signed for their Flexible Spending or HRA debit card purchases. **Effective April 1, 2013, cardholders may be prompted to enter a PIN when making purchases.**

Participants should log into their account after March 15 and prior to April 1, 2013 to view their existing benefits cards (only the last 4 digits of the card will display). Next to each entry they will see a View PIN link; the link will open a pop up J-Peg image containing the PIN. **The Primary account holder should log in to retrieve the PINs for their spouse and dependent cards as well.**

Go to www.StirlingBenefits.com and click on the blue radio button View WealthCare Portal / Debit Card System. – See Instructions on the back page of this packet

Provide us with your email address and we will send you a monthly Account Balance Statement and other Plan information via email

Over-the-Counter (OTC) medicines and drugs are no longer reimbursable through Flexible Spending Accounts ***without a prescription.***

You may use your Benefits Debit card to purchase OTC medicines and drugs if specific criteria have been met.

Health FSA benefits debit cards may be used to purchase OTC drugs at drug stores and pharmacies, non-health care merchants that have pharmacies, and mail-order or web-based vendors that sell prescription drugs if the following requirements are met:

- (1) Prior to purchase, a prescription (as defined in IRS Notice 2010-59) for over-the-counter medicine or drug is presented to the pharmacist, the OTC drug is dispensed by the pharmacist in accordance with applicable legal requirements, and an Rx number is assigned;
- (2) The pharmacy or other vendor retains a record of the Rx number, the name of the purchaser or patient, and the date and amount of the purchase in a manner that meets IRS recordkeeping requirements for card programs;
- (3) The records are available to the employer or its agent upon request;
- (4) The card system will not accept a charge for an OTC drug unless an Rx number has been assigned; and

If these requirements are met, the debit card transaction will be considered fully substantiated at the time and point-of-sale.

Who is Eligible to Participate?

All benefit eligible employees are eligible to participate in the Medical and Dependent Care Flexible Spending Accounts.

If you or your employer contribute to an HSA account on your behalf, or your spouse contributes to an HSA account, you may not participate in the Health Care FSA program.

How Does the Health and Dependent Care Flexible Spending Account Work?

Each annual enrollment period you indicate the amount you want to contribute to the account for the following year.

Your contributions will be deducted from each paycheck before taxes are deducted in equal installments throughout the year.

When you have an eligible dependent care or health care expenses, you have two choices:

1. You pay the bill yourself and then you submit a claim for reimbursement from the account
2. If your provider accepts MasterCard, simply use your FSA Debit card to pay for the service. Stirling Benefits, Inc. may request receipts to verify the expense as the IRS requires substantiation of all expenses

You will receive reimbursement for the claim submitted up to your election amount for qualified medical expenses and up to your current account balance for qualified dependent care expenses.

The total amount of your annual election for the health care account will be available at the beginning of your coverage under this plan. Your dependent care deferrals will be available the business day after the payroll date.

What is the Benefits Debit Card?

The Metavante® Benefits Card allows you to directly pay for your eligible FSA expenses at the point of service. This allows you to avoid the traditional hassles of paying cash for services (in addition to your payroll deduction), filling out and submitting a claim form, and waiting for a reimbursement check.

The advantages of the debit card:

- Deducts the payment directly from your FSA account - eliminates paying cash for services in addition to your payroll deduction
- Eliminates filling out claim forms and waiting for reimbursement checks
- Online access to real-time account information - allows you to check your balance at any time
- Offsets rising health care costs AND increases your take home pay

What Is The Advantage Of Using Pre-Tax Dollars?

When you use the Health and/or Dependent Care Flexible Spending Account(s) and follow the contribution guidelines provided below, your contributions are not taxed when they go into the account and they are not taxed when they are paid to you as a reimbursement for a qualified expense.

Let's look at an example comparison of two employees – Employee #1 pays for medical or day care expenses on an after-tax basis and Employee #2 uses the Health and Dependent Care Flexible Spending Accounts. Assume that both employees make \$25,000, file joint federal income tax returns and spend \$3,500 a year on qualified expenses.

	Employee #1 Pays for Expenses on an After-Tax Basis	Employee #2 Uses Dependent Care Reimbursement Account
Annual Income	\$25,000	\$25,000
Pre-Tax Contributions to the Account	- 0	- 3,500
Taxable Income	\$25,000	\$21,500
Federal Income Tax	- 1,766	- 1,234
FICA Tax	- 1,912	- 1,644
Spendable Income	\$21,322	\$18,532
After-Tax Child Care Expenses	- 3,500	- 0
Take-Home Pay	\$17,822	\$18,532

Difference in Take-Home Pay: \$710

This example reflects Federal Income Tax and FICA Tax only. You will also save on State taxes; however, State taxes will vary. You should consult a tax advisor to determine your particular tax situation.

As you can see, Employee #2 ends up with more take-home pay by using the Flexible Spending Account and paying for qualified expenses on a pre-tax basis. The bottom line is you pay less tax because your gross pay is reduced by the amount of your contributions as long as you follow the contribution guidelines and plan limitations described below.

How Much Can I Contribute To The Account?

The Plan has established a minimum and maximum amount you can contribute to the account for the plan year. The maximum amount you can contribute to the account annually depends on a number of factors such as which Flexible Spending Account, your marital status, tax status, and whether or not your spouse works as described below:

Health Care Flexible Spending

The **minimum you can contribute** to the account on an annual basis is **\$100**

The **maximum you can contribute** to the account annually is **\$2,500**

Plan offers 2.5 month Grace Period to incur expenses.

Expenses incurred September 1, 2013 – November 15, 2014 must be submitted to the Stirling Benefits office no later than November 30, 2014.

If you, or your employer on your behalf, contribute to an HSA account, or your spouse contributes to an HSA account, you may not participate in the Health Care FSA program.

Dependent Care Flexible Spending

If you are single, you may contribute **an amount equal to your earned income** up to \$5,000 per year.

If you are married, **you and your spouse may contribute** up to the lesser of you or your spouse's earned income but **no more than \$5,000 per year** (\$2,500 if married filing separately) to the dependent care flexible spending account. *Please note: the IRS will not allow more than \$5,000 from a family filing a joint annual tax return under these employer sponsored programs.*

The Internal Revenue Service provided Form 1040 enhancements beginning in 2003 to the dependent care tax credit that may allow you to save more in taxes under the new credit than what is available under this Flexible Benefit Program offered by your employer. Expenses up to \$3,000 a year for one dependent and \$6,000 a year for two or more dependents will qualify, if your spouse is employed, a full-time student or disabled. *You should consult with your tax advisor to determine what program will provide you with the best benefit.*

It is very important to carefully plan your contributions to the account since the IRS requires that any money left unused in the account at the end of the Plan Year must be forfeited.

To determine how much to contribute to an account, it's helpful to look back over your past expenses and project those you're likely to have next year. You might want to check with your medical or day care provider to see if any increases are expected.

What Expenses Qualify For Reimbursement?

Medical Expenses:

The Patient Protection and Affordable Care Act (PPACA), signed into law in March 2010, states that **beginning January 1, 2011, over-the-counter (OTC) drugs or medicines not prescribed by a doctor will no longer be reimbursable under a Flexible Spending Account.**

Generally, any health or medical expenses considered to be tax deductible by the IRS under IRC 213(d) can be reimbursed through the Health Care Flexible Spending Account. However, you **cannot take a tax deduction** on your tax return and use the Health Care Account **for the same expense.**

You can be reimbursed for eligible out-of-pocket medical expense incurred by you and your eligible dependents. The Patient Protection and Affordable Care Act (PPACA) (Public Law 111-148) expanded the definition of "dependent" in the IRC Code Section 105 for purposes of tax free health coverage to include a "child" who will not attain age 26 during the year. Effective with FSA Plan years that renew on or after 9/23/10, eligible dependents are your spouse and children. A group health plan may not define dependent for purposes of eligibility for dependent coverage of children other than in terms of a relationship between a child and the participant.

IRC Section 213(d) defines reimbursable health and medical expenses as expenses incurred primarily for the prevention or alleviation of a physical or mental defect or illness, such as hospital, nursing, laboratory, surgical, or dental services. Expenses that are merely beneficial to the general health of an individual, such as a health club membership, or that is unrelated to some particular disease or defect, are not expenses for medical care and therefore are not allowable.

Following are **partial lists of some eligible and ineligible expenses** under current IRS regulations. (Many items traditionally covered under health insurance plans have not been listed). Please call 800-447-6689 to reach the Flex Spending Account Unit at Stirling Benefits, Inc. if you need to check a particular expense not listed below.

Health Care FSA Qualifying Expenses

- Acupuncture
- Ambulance
- Artificial limbs
- Artificial teeth
- Asthma treatments
- Back Supports
- Bandages, elastic
- Bandages, for torn or injured skin
- Birth Control
- Blood-pressure monitoring devices
- Body Scans
- Breast pumps *(modified 2/11)*
- Chiropractors
- Co-insurance amounts
- Cold packs sold as medical supply
- Condoms
- Contact lenses/contact lens solutions
- Contraceptives
- Co-payments
- Crowns, dental
- Crutches
- Deductibles
- Dental Sealants
- Dental treatment
- Dentures and denture adhesives
- Diabetic supplies
- Diagnostic items/services
- Eye examinations
- Eye glasses
- Flu shots
- Fluoridation services
- Gauze pads
- Hearing aids
- Heating pads or hot packs
- Hospital services
- Immunizations
- Incontinence supplies
- Insulin
- Laboratory fees
- Laser eye surgery; Lasik
- Mastectomy-related special bras
- Medical records charges
- Obstetrical expenses
- Occlusal guards to prevent teeth grinding
- Occupational therapy
- Optometrist
- Orthodontia
- Osteopath fees
- Over-the counter medicines and drugs ***only if prescribed by a physician***
- Oxygen and oxygen equipment
- Physical exams
- Physical therapy
- Pregnancy test kits
- Prescription drugs
- Preventive care screenings
- Prosthesis
- Psychiatric care
- Reading glasses
- Screening tests
- “Seeing-eye” dog and it’s maintenance
- Speech therapy
- Smoking cessation programs
- Sunglasses, prescription
- Support braces
- Surgery
- Syringes
- Telephone for hearing impaired persons
- Therapy
- Thermometers
- Transplants
- Vaccines
- Vasectomy
- Vasectomy reversal
- Walkers
- Wheelchair
- X-ray fees

Potentially Qualifying Expenses

Will require a letter of medical necessity from a physician or other documentation indicating expense incurred to treat a diagnosed medical condition

- Adaptive equipment
- Automobile modifications
- Classes, health-related
- Counseling
- Diabetic socks
- Dietary supplements
- Doula
- Ear plugs
- Fertility treatments
- Genetic testing
- Health club fees
- Herbs
- Humidifier
- Learning disability, instructional fees
- Massage therapy
- Naturopathic healers
- Nutritionist's professional expenses
- Occupational therapy
- Supplements
- Ultrasound, prenatal
- Umbilical cord blood storage
- Varicose veins, treatment of
- Vitamins
- Wigs

Categories of Product that now require a Doctor's Prescription for FSA Reimbursement after 12/31/10

The new rule takes effect January 1, 2011 and applies to purchases on or after January 1, 2011, regardless of plan year. If a plan year started on September 1, 2010, participants can be reimbursed for an OTC drug without a prescription if it was purchased before January 1, 2011. On or after that date, participants will be required to have a prescription for reimbursement of these items.

The only acceptable form of documentation for reimbursement for OTC drugs and medicines is a doctor's prescription, as regulated by state law. A letter of medical necessity will not be acceptable.

- Acid Controllers
- Allergy medicine
- Antibiotics
- Anti-Diarrheals
- Anti-Gas Products
- Anti-Itch & Insect Bite
- Anti-Parasitic Treatments
- Baby Rash Ointments/Creams
- Cold Sore Remedies
- Cough, Cold & Flu
- Digestive Aids
- Feminine Anti-Fungal/Anti-Itch
- Hemorrhoidal Preps
- Laxatives
- Motion Sickness
- Pain Relievers
- Respiratory Treatments
- Rubbing alcohol
- Sinus medicine
- Sleep Aids & Sedatives
- Smoking cessation medications
- Stomach Remedies

Partial list of expenses not eligible for reimbursement through the Health Care Account

- Antiseptic diaper service
- Athletic club expenses to keep physically fit
- Babysitting fees to enable you to make doctor's visit
- Bottled water bought to avoid drinking fluoridated city water
- Concierge Fees – Annual fees paid to providers, sometimes called a retainer fee, considered like an insurance premium
- Cosmetic Supplies
- Cosmetic Surgery
- Cost of divorce recommended by psychiatrist
- Dance lessons advised by doctors as physical and mental therapy or for the alleviation of varicose veins or arthritis
- Domestic help
- Funeral, cremation or burial, cemetery plot, monument, mausoleum
- Health programs offered by resort hotels, health clubs and gyms (unless physician certified as medically necessary for a specific illness or condition)
- Illegal operations and drugs
- Maternity clothes
- Over-the-counter medicines and drugs **without a prescription from a physician**
- Premiums for life insurance or disability
- Premiums for other health care plans except as defined under IRC Section 213(d)
- Scientology fees
- Special food or beverage substitutes—but excess cost for chemically uncontaminated food over what ordinarily would have been spent on normal food is an eligible expenses for allergy patients is allowable
- Telephone and television charges for inpatient hospital stays
- Toothpaste
- Transportation costs of a disabled person to and from work
- Traveling costs to look for a new place to live on doctor's advice
- Tuition and travel expenses to send a child to a particular school for a beneficial change of environment
- Veterinary fees for pet
- Vitamins taken to preserve/promote general good health
- Weight reduction programs undertaken for general health, not for specific ailments
- Your divorced spouse's medical bills

Dependent Care (Day Care) Expenses

Dependent care services will qualify for reimbursement if they meet these requirements:

- If the care is for a child, the dependent must be under 13 years of age or physically or mentally incapable of caring for themselves and must qualify as your dependent under federal income tax rules. **If your child turns 13 during the calendar year, you should contribute less to the Dependent Care Reimbursement Account since the law does not permit you to stop your contribution midyear.**
- If the care is for your spouse or another adult dependent, the adult must be incapable of self-care (for example, an invalid parent) he/she must reside in your household and qualify as your dependent under federal income tax rules.
- The services may be provided inside or outside your home, but not by any person you are already claiming as a dependent for income tax purposes (such as an oldest child or parent).
- If the services are provided by a dependent care facility (e.g., child or adult day care) which cares for six or more children or adults at the same time, the facility must comply with all applicable state and local laws and regulations and receive a fee, payment or grant for its services.
- Employees are required by IRS regulations to provide the name, address and social security number or Federal Tax ID # of the day care provider on their income tax forms.
- Dependent Care receipts must be from the day care provider (*self-substantiation is not allowed*) and must include the child(ren)s name, age, dates of service, the charge for the dates of service, provider's name, address and social security number or Federal Tax ID#.
- In order for dependent care assistance to be excluded from an employee's wages for purposes of FICA and federal income tax withholding, it must be reasonable to believe that the employee will be able to exclude the payment or benefit from income under the Code's DCAP provisions. Under these provisions, dependent care assistance generally cannot be excluded from income unless the care provider's name, address and TIN are included on the employee's tax return – that is, on IRS Form 2441 ("Child and Dependent Care Expenses"), which is filed with the employee's return. However, there is an exception "if it is shown that the taxpayer exercised due diligence in attempting to provide the information so required." The Instructions to Form 2441 define "due diligence" as "a serious and earnest effort" to get the information from the provider. Please note: A TIN is not required if the provider is a tax-exempt organization. If A TIN is not provided, Stirling Benefits will require a "due diligence" statement from the employee prior to reimbursing any expense.
- The services must enable you (if you are a single parent) or you and your spouse to be employed.

The Dependent Care Reimbursement Account **may be used for the following** expenses:

- Day care or nursery school if the primary purpose is for childcare
- Before and after school care for school age children
- Summer day camp
- Adult day care to care for your IRS determined dependent so that you can work

The Dependent Care Reimbursement **may not be used for the following** expenses:

- Tuition expenses for children in kindergarten or above
- Child support payments
- Adult care provided outside your household on a full-time (24 hour) basis (such as a convalescent nursing home)
- Personal expenses for dependents, such as education, meals or clothing
- Expenses for an overnight camp facility, *even if the receipt provides a break down of expenses day vs. overnight charges*
- **School teachers** not working during the summer months or school vacations - day care expenses incurred while you are not working are not eligible for reimbursement

How Do I Open An Account?

Each year during the annual enrollment period, you carefully determine your health and dependent day care expenses for the upcoming Plan Year. Then, you complete an enrollment form, designating the amount to be put into your health or dependent care flexible spending account and authorizing payroll deductions. **Remember – you must plan your expenses carefully since you will forfeit any money left in the account at the end of the Plan Year submission period.** New employees are eligible to participate when they are eligible to join the Medical Plan. If an enrollment form is not completed and received by the Human Resources department within 31 days of the eligibility date, enrollment will be postponed until the next annual enrollment period.

How Do I Get Reimbursed For Eligible Expenses?

You will have two methods to be reimbursed for qualified expenses:

Using the Debit Card

If you elect to participate in either the Health or Dependent Care FSA you will receive an FSA Debit Card. When you incur an expense, such as a co-payment; co-insurance or other eligible expense simply pay using the FSA Debit Card at the time the expense is incurred. In some situations, the IRS rules governing these plans will require you to submit a receipt to Stirling Benefits to substantiate that the expense is eligible under the plan. Stirling Benefits will send you an e-mail or letter if a receipt is needed.

If you do not return the health care paid receipts when requested, your debit card will become inactive. You have 15 days to return paid receipts to Stirling Benefits for substantiation of qualified health care expenses.

Using Paper Submission

If your provider does not accept MasterCard payments, or you do not wish to utilize the FSA Debit Card you must pay the bill yourself. You can submit a ***Request for Reimbursement*** form with the proper documentation to Stirling Benefits, Inc., in Milford, Connecticut for processing. Documentation must clearly indicate the amount of expense not paid by any insurance coverage for which you or an eligible dependent are entitled. ***Request for Reimbursement*** forms are available from your HR Department or at the Stirling Benefits, Inc., website at www.stirlingbenefits.com.

You can submit a ***Request for Reimbursement*** at any time. It will take about one week to process your request. You will receive a check, mailed to your home, reimbursing you for your eligible expenses up to the annual election for medical expense or your current account balance for dependent care expenses. If you submit a claim for more than the available amounts under the dependent care plan, you'll receive partial payment. The remainder of the qualified dependent care expenses will be in a later processing when your account balance increases through additional payroll deposits.

The following guidelines apply to submitting claims:

- You must use a ***Request for Reimbursement*** claim form to obtain reimbursement.
- The total contribution amount for your Health Care Account is available for qualified expenses as of the first day of the year. For the Dependent Care Flexible Spending Account only the amount that has been contributed is available for reimbursement. Claims for more than the amount currently available will be paid up to the account balance. The remainder will be paid in a later processing when your account balance increases through additional deposits.
- In the event of your death, your dependents may submit claims on your behalf, or for themselves, for expenses incurred during the Plan Year. Payments will be made to the estate of the deceased. Your dependents may submit claims for the Plan Year through the grace period.

Grace Period (2.5 months) to Incur Expenses

If there are any unused amounts (called “temporary carry-over amounts”) in your account at the end of the Plan Year, you will have a grace period in which to incur expenses and receive reimbursement from the temporary carry-over amounts. The grace period will not exceed the 15th day of the third month after the end of the Plan Year (i.e., two-and-a-half months).

Qualifying expenses that are incurred during the grace period will first be paid from the temporary carry-over amounts before being paid with new Plan Year contributions. If you have transactions that you want to manually submit towards the carry-over amount, do not use your debit card until you have requested and received reimbursement for the carry-over amount.

Can I Make Changes To My Contributions During The Year?

You are not allowed to increase, decrease or stop your Health Care and Dependent Care Flexible Spending Account contribution unless you have a change in family status. Status changes include:

- Marriage or divorce
- Addition of an eligible dependent (through birth or adoption)
- Loss of an eligible dependent
- Spouse's gain or loss of employment
- Death of a spouse
- Dependent Care amounts can be changed if your day care provider changes

Any change(s) you make in your election(s) must be consistent with the family status change. You have 31 days after the event to send a change in writing (Status Election Form) to the Human Resources Department with your new health or dependent care election(s). Your new election will become effective after receipt of the Health or Dependent Care Flexible Spending Account Enrollment Form and in accordance with your employers payroll procedure.

Are There Any Dependent Care Restrictions Or Limitations?

Yes. IRS regulations require that any money left in your account at the end of the year be forfeited. The IRS will allow no exceptions.

If you choose to be reimbursed for dependent day care expenses from the flexible spending account, you cannot take advantage of your personal Form 1040 federal (and state, if applicable) dependent day care income tax credits for the same expenses. Dependent day care expenses that qualify for federal tax credits are directly reduced by the amount reimbursed through your Dependent Care Flexible Spending Account that is excludable from your earned income.

For example, an employee with \$3,600 in child care expenses, who qualifies for the personal (Form 1040) \$3,000 federal tax credit, chooses to contribute \$600 for the year to his/her Dependent Care Flexible Spending Account. The employee receives \$600 in reimbursement from the Flexible Spending Account for the year and the entire \$600 is excludable from earned income. In this case he/she can apply only \$2,400 of expenses toward his/her federal tax credit (\$3,000 tax credit minus \$600 reimbursement account contribution = \$2,400). *You should consult a tax advisor to determine whether the Dependent Care Flexible Spending Account or federal tax credit gives you the greater tax advantage.*

There may be restrictions that apply to certain employees, dependent upon salary, which may limit the amount these employees can be reimbursed tax-free from the account if you are affected by this restriction, you will be notified by Human Resources and adjustments to your contributions will be made.

You should also keep in mind that if you contribute an amount to the account that is more than either your earned income or your spouse's earned income, the excess amount will be taxable. For example, if your spouse makes \$3,000 a year and you contribute \$5,000 to the Dependent Care Flexible Spending Account; only \$3,000 will be treated as pre-tax dollars. The remaining \$2,000 will be fully taxable.

How Does The Federal Income Tax Credit Work for Dependent Care Expenses?

The federal income tax credit equals a percentage of your eligible dependent care costs up to a specified limit. This percentage is 35% if you and your spouse have combined adjusted gross income is \$15,000 or less. The percentage decreases, as your income rises. There is a limit on the amount of eligible dependent care expenses for which the tax credit applies. The limit is \$3,000 for one child and \$6,000 for more than one child, regardless of your actual child care costs.

Again, you may want to have your tax advisor assist you in analyzing the best alternative- the federal income tax credit or the Dependent Care Flexible Spending account – for your needs.

If I Use The Account To Lower My Taxes, How Will My Other Pay-Related Benefits Be Affected?

Your pay-related benefits—for example life insurance, disability and retirement--are not affected by your participation in the account. These benefits are calculated on your regular base pay, before any money is put into the Health Care Account. However, your Social Security Benefits may be slightly reduced, as well as benefits from other government-sponsored plans.

What Happens If I Leave The Company?

Medical Flexible Spending

Your participation in the Health Care Account will end when the company no longer employs you or when you no longer meet the eligibility requirements. However, there are some provisions for continuation in the account.

- When your participation terminates, you have three months from your termination date to submit requests for reimbursement for expenses incurred through to your date of termination. Any balance remaining in your account after all eligible expenses have been reimbursed will be forfeited.
- You may have the opportunity to continue participation in the account through **COBRA** (Consolidated Omnibus Budget Reconciliation Act) if your FSA account is under spent – meaning you've contributed more than what you've received in reimbursement. This would allow you to continue making contributions to the account, even though it will be on an after-tax basis, and continue submitting

requests for reimbursement for expenses incurred after your termination or retirement date.

- If you go on an approved unpaid leave of absence, you will have the option to pre-pay or pay-as-you-go to continue to incur expenses during the period of your unpaid leave. You will also have the option to catch-up contributions upon your return from the unpaid leave of absence.
- If you choose not to continue participation in the account while you are on leave, your participation will end for the remainder of the plan year.

Dependent Care Flexible Spending

- No Future contributions can be made to the account.
- Any balance remaining in the account at the time you leave can only be reimbursed by submitting eligible claims incurred during the Plan Year and while you were employed by the Plan Sponsor. When your participation terminates, you have three months from your termination date to submit requests for reimbursement for expenses incurred through to your date of termination. Any balance remaining in your account after all eligible expenses have been reimbursed will be forfeited.

This summary is intended to provide an overview of the benefit offered by your Employer and should be used for information purposes only.

The exact provisions of the Plan are in the Plan Document maintained by the Plan Sponsor. *We urge you to consider the accounts and the tax alternatives, and to consult a tax advisor to determine what alternative is best for your particular situation.*

For those who choose to participate in the Health and Dependent Care Flexible Spending Accounts, please remember that once you have enrolled in the account, your election cannot increase, decrease or stop unless you have a change in family status.

Additionally, IRS regulations require that any monies left in the account at the end of the Plan Year must be forfeited.

Claims Administrator:

Stirling Benefits, Inc.
20 Armory Lane
Milford, CT 06460-3361

Phone: (800) 447-6689

Fax: (203) 877-9558

E-mail: flex@stirlingbenefits.com

Website: www.stirlingbenefits.com

Accessing Your Account Online

The following information can be viewed online:

- Account balance information for debit card, direct deposit and manual claims
- Transaction History
- Status of your claims - approved, pending, denied etc.
- Report a card lost/stolen and re-issue a new card
- Provide us with your email address and we can send you account information to help you monitor your benefit status
- Frequently Asked Questions
- Customized forms and Summary Plan Description
- Resources, videos and FSA/HSA calculators

Instructions to Create an Account Online

Log onto www.stirlingbenefits.com. Once you arrive at the Stirling Benefits website select the

VIEW WEALTHCARE PORTAL/DEBIT CARD SYSTEM >

button at the bottom of the home page. This will bring you to the WealthCare Portal at www.mywealthcareonline.com/stirlingbenefits (save to your 'Favorites' for future visits)

1. Enter User Name, then click "continue." Enter Password and click "Sign In."
OR
2. If this is the first time accessing this information, select "click here" under New User.

To Create an Account you will need to enter the following information:

- User Name
- First Name
- Last Name
- Email address
- Password (to be chosen by you – 8-16 characters) **See Below for complexity rules
- Participant ID – SSN without spaces or dashes
- Registration ID – Click on Debit Card Number and enter employee's debit card number without spaces or dashes
- Accept Terms of Service ✓
- Select Picture and Passphrase
- Select Security Questions and Answers
- Register Computer
- Confirm information
- Sign Off

Password Complexity rules:

- Your password cannot contain your username, a space, or repeating character i.e., aaa 111
- Your password **MUST** contain at least **three (3)** of the following:
 - An upper case character (**A**)
 - A lower case character (**a**)
 - A special character (**!, @, %, *, !, +, =, #**)
 - A number (**9**)
 - No spaces are allowed
 - Examples:
 - GoodExample1 (upper, lower and number)
 - Good*xample2 (upper, lower, special, number)
 - BadExample (only upper and lower)
 - *adexample (only special and lower)

If you have any questions or need assistance, please contact Stirling Benefits, Inc. at 800-447-6689 and ask to speak with the Flexible Spending Accounts Unit.

FLEXIBLE SPENDING ACCOUNT ENROLLMENT FORM

Town of Madison		To be completed by Employer	
Employer		<input checked="" type="checkbox"/> 12 Month Plan Year <input type="checkbox"/> Short Plan Year Employee Effective Date for Plan: _____ Date of first Payroll Deduction: _____ For 25% Concentration Test - Is this employee considered a: Key Employee <input type="checkbox"/> Yes <input type="checkbox"/> No Highly Compensated <input type="checkbox"/> Yes <input type="checkbox"/> No	
Employee's First Name _____ Last Name _____		Social Security Number _____	
Employee's Address _____ Street _____ City _____ State _____ Zip _____	Home Phone _____	Cell Phone _____	
<input type="checkbox"/> Male <input type="checkbox"/> Female Birth Date Month Day Year _____ Gender _____		<input type="checkbox"/> Single <input type="checkbox"/> Married Marital Status _____	
Complete for additional debit card		(Required)	
Spouse/Dependent Name _____ Date of Birth _____ Social Security Number _____		Employee E-mail Address for Plan notices and communications _____	
Spouse and dependent debit cards will automatically have access to FSA Funds		You may access your FSA Account online at: www.benefitspaymentsystem.com	

No, I do not want to enroll in the reimbursement sections. If a change of status occurs, I may have the right to sign on the plan at that time if my employer's plan allows.

Signature: x _____ Date: _____

Employer Plan Effective Date: **September 1, 2013**

Eligible Expenses incurred: **September 1, 201 – November 15, 2014** must be submitted to the Stirling Benefits office no later than: **November 30, 2014**

	Annual Election	÷	# of Pays	=	FSA Deduction Per Pay
1. HEALTH CARE ACCOUNT: (Minimum \$100 / Maximum - \$2,500) Effective January 1, 2011, Over-The-Counter drugs or medicines not prescribed by a doctor will no longer be reimbursable under an FSA program If you, or your employer on your behalf, actively contribute to an HSA account, or your spouse contributes to an HSA, you may not participate in the Health Care Account.	_____	÷	26	=	_____
2. DEPENDENT (Day) CARE ACCOUNT: (Minimum \$100 / Maximum - \$5,000)	_____	÷	26	=	_____

YES, I want to enroll. The IRS regulation states these conditions: **1.)** Any expenses you incur must be within the plan year. **2.)** Any expenses you incur must not be covered by any other source such as insurance. **3.)** You must provide proper documentation in order to receive payment. **4.)** You cannot change or revoke your elections during the plan year unless there is a specific change of status and your employer allows such changes. **NOTE:** Enrolling may have a minor effect on your social security benefits. Please seek appropriate advice.

PLEASE NOTE: If you previously requested additional debit cards for your spouse or dependents, their debit card will automatically have access to new Plan Year elected funds. Please call our office to communicate changes.

Signature: x _____ Date: _____

FLEXIBLE SPENDING ACCOUNT REQUEST FOR REIMBURSEMENT FORM

EMPLOYEE INFORMATION (Please Print)

Name: _____ Email Address: _____
Home Address: _____ Home Phone: _____
City, State, Zip: _____ Work Phone: _____

Employer Name: Town of Madison

A. HEALTH CARE EXPENSES - Attach Supporting Documentation
(Cancelled checks and credit card receipts are not acceptable documentation)

Date Expense Incurred	Name of Service Provider	Expense Description	Person for Whom Expense Incurred	Amount of Reimbursement Requested
TOTAL HEALTH CARE EXPENSE				

B. DAY (DEPENDENT) CARE EXPENSES – Attach Supporting Documentation - Dependent Care receipts must be from the day care provider (*self-substantiation is not allowed*) and must include the child(ren)s name, age, dates of service, the charge for the dates of service, provider’s name, address and SSN or Federal Tax ID#.
(Cancelled checks and credit card receipts are not acceptable documentation)

Name of Dependent(s) and Age(s)	Service Date		Name, Address and Social Security Number Or Tax Identification Number of Provider of Service	Amount of Reimbursement Requested
	From	To		
* TOTAL DEPENDENT CARE EXPENSE				

* NOTE: The total amount claimed under the plan for any coverage period must not exceed the lesser of your earned income for the plan year or the earned income of your spouse. Please read your Summary Plan Description carefully for additional information.

EMPLOYEE SIGNATURE REQUIRED – READ CAREFULLY

I certify that the statement and information on this reimbursement form are accurate and true. I also certify that I am claiming reimbursement for only eligible expenses incurred during the plan year and only for eligible plan participants. I certify that these expenses have not been or will not be reimbursed under this or any other benefit plan. I further certify I will not claim these or any other expenses reimbursed through this plan, as an income tax deduction and I assume all liability for taxes and penalties out of any disallowed deduction/credit.

Employee’s Signature _____ Date

Flexible Spending Account Claim Filing Tips

Health Care Accounts – Employee and Dependent Health Care Expenses *Not Covered by Insurance*

1. **ALWAYS** submit a completed “Flexible Spending Account Request for Reimbursement” claim form.
2. **If your claim may be reimbursable through your health care plan (medical, dental, vision, etc.), ALWAYS submit the charges to that Plan first. When you receive your “Explanation of Benefits” (EOB) that indicates the non-reimbursable expenses, attach it to the Flex claim form and mail to Stirling Benefits, Inc.**
3. For all other expenses, attach to the claim form a bill or receipt that provides **ALL** of the following information:
 - a. Date the expense was incurred (**not when payment is made**);
 - b. Name and address of the provider of service or supply;
 - c. Itemized charges; and
 - d. Name of person for whom the expense was incurred.

Note: *“Paid on Account” statements, “Balance Due” bills, canceled checks, and credit card vouchers are NOT acceptable documentation. Acceptable documentation is described in numbers 2 and 3 above.*

Dependent Day Care Accounts – Day Care Expenses for Child/Elder Dependents of Employees

1. **ALWAYS** submit a completed “Flexible Spending Account Request for Reimbursement” claim form.
2. Provide **ALL** of the following information:
 - a. Dependent’s name;
 - b. Receipt showing date of service, (**not when payment is made**);
 - c. Name, address and Tax Identification Number (or Social Security Number) of the provider of the day care service); and
 - d. Amount paid for the day care service.

Note: *Canceled checks and credit card receipts are not acceptable documentation.*

PLEASE KEEP THIS FOR YOUR FILE