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**FLEXIBLE SPENDING ACCOUNT HANDBOOK**

Provided by PIOPAC Fidelity

for your Employer's Plan

## Welcome to PIOPAC Administrative Services

We are dedicated to providing superior service to our customers and are delighted to serve as your cafeteria plan service provider. Our role is to process and administer your claims according to the plan designed by your employer, who is the plan administrator.

- There are 4 types of FSAs:
  - **FSAMED** - Medical Reimbursement such as medical, dental, vision, and drug co-payments.
  - **FSADDC** - Dependent Day Care such as Pre-school tuition, before & after school care, Day Care, Senior/Adult Day Care and more.
  - **FSAPARK** – Expenses for parking on or near the business premises of the employer or near a location from which the participant commutes to work by mass transit (Park and Ride)
  - **FSATRANSIT** - Expenses used in connection with travel between a residence and workplace (The Bus or Skyline).
- FSA funds are deducted from your paycheck in the amount you have elected. These elections are provided to PIOPAC by your employer to fund your FSA accounts.

## Use of Personal Information

Your privacy is important to us. PIOPAC Fidelity will follow applicable laws with regard to the use and disclosure of your personal information. As set forth in your claim form; by enrolling in the FSA, you authorize us to use and disclose your personal information in connection with administering the plan and for other purposes permitted by law.

- \* *Use discretion when faxing your medical information to us. You bear full responsibility for any inappropriate use or disclosure that may arise as a result of your transmission of information to PIOPAC Fidelity*

### For Inquiries

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(808) 792-5226

To submit claims online

<https://piopac.lh1ondemand.com>

To Submit Mobile Claims  
Download our PIOPAC app  
from your mobile device store

To Submit Claims by Fax  
(808) 536-0430

To Submit Claims via a pdf file  
Email to [fsaclams@piopac.com](mailto:fsaclams@piopac.com)

### To File a Claim

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1. Use the PIOPAC Mobile App or file claims securely online through your PIOPAC employee portal.

2. Attach legible receipt(s) from your service provider showing:

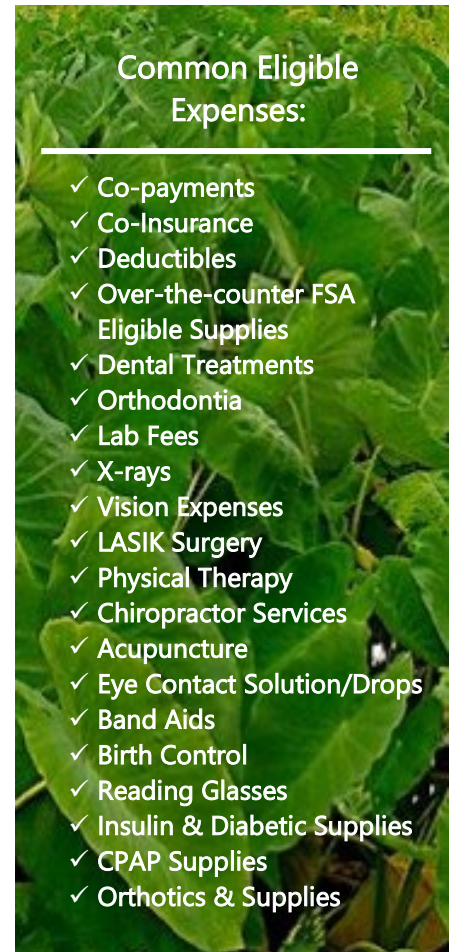
- \* A description of the service or a list of supplies furnished.
- \* The charge(s) for each service.
- \* The date(s) of service.
- \* The name of the person(s) receiving the service.

## Healthcare FSAMED

FSA MED will help you pay for out-of-pocket expenses after insurance benefits are paid. The FSAMED will be funded by your elected payroll deductions and will help you pay for these predictable expenses with your pre-tax dollars.

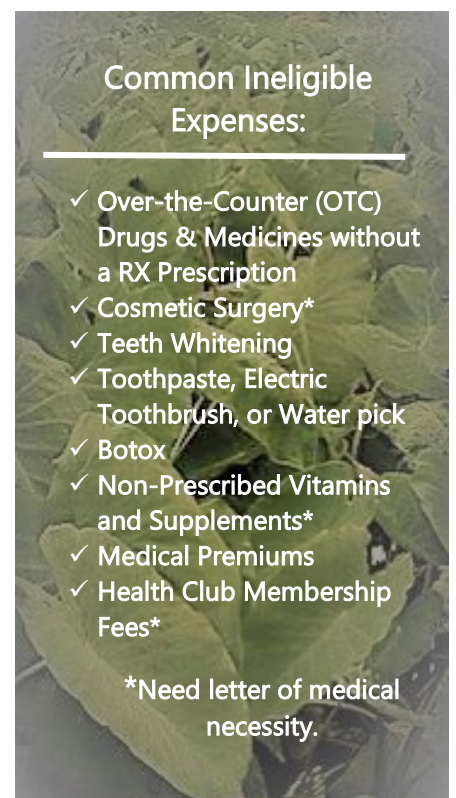
## Eligible Expenses

With the FSAMED you can pay for medical, dental, vision, and RX expenses for yourself, spouse, and your tax dependents. The services must be incurred while you are actively participating in the FSAMED plan. Expenses to promote general health are not eligible.



## Ineligible Expenses

- Future expenses – Incurred expenses that have been paid, but not rendered (i.e. prepayment of services and treatment estimates)
- Premiums for insurance – Premiums and payments for insurance policies are not eligible expenses.
- Expenses paid by another plan or third party – Expenses that have already been paid by an insurance company or other reimbursement plan are not eligible. (i.e. dual medical, dental, vision coverage)
- Expenses incurred after termination/separation from your employer— If you are no longer participating in the FSA plan through your employer due to termination, resignation, etc. any claims incurred after your termination date are not eligible for reimbursement unless you elect COBRA and are underspent.



### Common Eligible Expenses:

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- ✓ Day Camps
- ✓ Before / After School Care
- ✓ Babysitting (Work-related)
- ✓ Day Care Center
- ✓ Au Pair
- ✓ Nanny
- ✓ Nursery
- ✓ Pre-School Tuition
- ✓ Summer Fun
- ✓ Intercession programs during school breaks
- ✓ Elder Care (Work-related)
- ✓ Senior Day Care

## FSADDC

FSADDC will allow you to set aside pretax dollars to pay for dependent care services. The FSADDC balance is available once payroll deductions have been received and posted. This means claim reimbursement will only be processed once services are rendered and receipt is received.

## Eligibility Requirements

Eligible dependents must be claimed as an exemption on your tax return. These dependents can include step-children, grandchildren, adopted children, or foster children. Under IRS regulations, eligible dependents are further defined as: under the age of 13, and/or physically or mentally unable to care for themselves, such as a disabled spouse, disabled child or elderly parents that live with you.

For dependent care expenses to be eligible for reimbursement, you must be working during the time your eligible dependents are receiving care. If you are married, your spouse must be working at the time services are rendered, full-time student for at least 5 months during the year, or mentally or physically disabled and unable to provide care for himself or herself. In the event of a divorce, the non-custodial parent cannot make a claim unless they have custody for 6 or more months during the year.

### Common Ineligible Expenses:

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- ✓ Fees
- ✓ Overnight Camps
- ✓ Care for child while not working
- ✓ Kindergarten
- ✓ Non-Pre-school Tuition
- ✓ Food/Activity expenses if separated from cost of care
- ✓ Care provided by anyone under the age of 19

## Eligible Expenses

Dependent day care expenses must be for the care of dependent so that you and your spouse can work. The care may be provided in your home or at a licensed center outside of your home. If the care is in your home, the service cannot be provided by another child of yours under the age of 19, by your spouse, or by your dependents.

## Ineligible Expenses

Only those dependent care expenses that enable you and your spouse to work are eligible. Some expenses that you incur during your plan year may not be eligible for reimbursement under current IRS regulations.

## PIOPAC Health Card



The PIOPAC Health Card provides easy and instant access to your FSA MED funds, thereby eliminating the need to pay your expenses “out-of-pocket” at the time of service.

- ✓ You will receive two (2) PIOPAC Health Cards in your name when you elect the card as your primary method of payment.
- ✓ Your cards will be mailed to the mailing address we have on file.

## Using your PIOPAC Health Card

The card will only work at qualified merchants who accept VISA®<sup>®</sup>, such as doctor’s offices, hospitals, pharmacies, dental offices, vision providers, and health care related providers. The card will also work at qualified retail merchants that have implemented the IRS mandatory cash register system (IIAS) Inventory Information Automatic System. Simply present the PIOPAC Health Card at the time of payment to make your purchases. The provider will be paid and your account balance will automatically be debited from your funded account.

- ✓ Be sure to get a receipt from the provider which shows the actual date and nature of services rendered.
- ✓ You may receive an email requesting this receipt
- ✓ Upon receiving an email request for receipts/documentation, you have 45 days to submit or your PIOPAC Health Card will be suspended.

## Providing Documentation for PIOPAC Health Card Purchases

The IRS requires that you keep all receipts for your FSA expenses, regardless of the method. Typically, when you pay with your PIOPAC Health Card at a pharmacy or doctor’s office, receipts may not be required for your copayments, but you must still obtain and keep a receipt for the purchase.



# General Rules and Information

## FSAMED

### Limits:

Your employer will determine the maximum annual election for the plan year. Please see your employer for the maximum FSAMED annual election approved under your plan.

### Carry Over Feature:

Employers can add the Carry Over (Rollover) Feature to their plan which allows up to the current plan limit to be carried over into the next plan year.

### Grace Period:

Allows participants to spend down their FSA funds for 2.5 months after the end of the plan year.

### Termination of Employment:

When you terminate employment, your participation in the plan ends and you will no longer be able to incur expenses for reimbursement. Your FSAMED payroll deductions will end; however, you may still file claims for dates of service that were incurred before your termination date as long as they are within your eligible plan year.

### COBRA:

COBRA may apply to you FSAMED account if it's underspent at the time of termination (positive cash balance). This will allow you to file claim reimbursements for dates of services after your termination date if COBRA is elected and premium payment is received. Under COBRA you must elect coverage within 60 days and submit payment within 45 days of election to PIOPAC in order to continue your FSAMED account for the plan.

## FSADDC

### Limits:

You may not exceed \$5,000, or \$2,500 if married and filing separate tax returns per calendar year.

### Carry Over Feature:

Does not apply to the FSADDC account.

### Grace Period:

Allows participants to spend down their FSA funds for 2.5 months after the end of the plan year

### Termination of Employment:

If you have not received reimbursement for all contributions made to your FSADDC account upon termination, you may continue to file claims reimbursements for 90 days after your termination date.

### COBRA:

Does not apply to the FSADDC account.

### Election Change:

In addition to the basic election change rules below, your FSADDC account election can be changed due to change in status/change in cost of the benefit.

## The following rules apply to both FSA MED and DDC

### Election changes:

You may not make any changes once the plan year begins unless there is a qualifying change in status. The election change must be consistent with the qualifying change in status permitted by the plan.

### Qualifying Changes in Status:

- ✓ Marriage
- ✓ Divorce
- ✓ Childbirth
- ✓ Dependent age out of eligibility

### Use-it-or-lose-it Rule: (when carry over feature is not implemented)

Money remaining in your FSA MED/DDC account(s) will not be returned to you at the end of the plan year. Any amount remaining after the end of the runoff or grace period will be forfeited to your employer. Because of the use-it-or-lose-it rule, it is important for you to carefully estimate your out-of-pocket expenses for the upcoming plan year.

# The Reimbursement Process

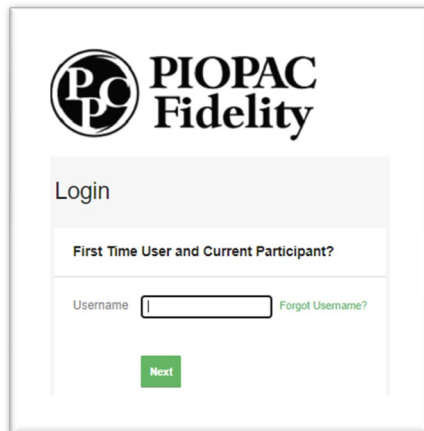
- ✓ For **FSAMED** your annual election is available at the beginning of the plan year.
- ✓ For **FSADDC** your account balance is available once payroll deductions have been received and posted. This means claim reimbursements will only be processed once services are rendered and receipt of payment is received, and funds are received/posted to your FSADDC account.

## Payment Method Choice

- ✓ You may pay with your PIOPAC Health Card at the time you incur the expense
- ✓ or pay the provider out-of-pocket and file a claim for reimbursement.

## Claim Filing

- ✓ To obtain reimbursement from your FSAMED or FSADDC account you must file a claim for reimbursement and attach all itemized receipts from the service provider. Cancelled checks, bankcard/credit card receipts and credit card statements are NOT acceptable forms of documentation. The receipt must come from the service provider or the Explanation of Benefits from your medical health carrier and MUST include the following information:
  - For whom the services were incurred – Patient Name
  - Date of service incurred
  - Name of service provider
  - Amount of charge incurred – after insurance adjustment
  - Type of service incurred
- ✓ Consumer Portal – You can file a reimbursement claim and upload receipts and documents.



- ✓ Mobile App – Download from your smart phone app store (Apple or Android) you can file a reimbursement claim and upload receipts and documents.

## Claims Processing Payments:

All claim reimbursements are handled with strict adherence to IRS adjudications and reporting regulations. Claims are processed daily and our turnaround time upon receipt is 2-3 business days for direct deposit and 7-10 business days for check reimbursements and during peak periods. Reimbursement checks will be sent to your mailing address on file.

There is a \$5.00 fee for check reimbursements. To avoid this fee, you can enroll in direct deposit through the consumer portal or by contacting our office.

## Minimum Check Amount

The minimum reimbursement amount is \$25.00. This is excluding end-of-the-year claims which are processed after the close of the plan year and balance is under \$25.00.

