

Reference Guide

Your Flexible Spending Accounts

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Register for an online account now!

If you haven't registered online yet, please do so today – simply visit www.wageworks.com and click "Register with WageWorks now!" You'll need to verify your employee status, confirm your contact information and create a user name and password.

Questions? Ask us.

If you have any questions or concerns, you can talk to a trained expert to learn more about the program. Just call 1-855-428-0446 Monday through Friday, from 8 a.m. to 8 p.m. ET.

Download the EZ Receipts® mobile application.

Use your smartphone to file claims and take care of your account paperwork from anywhere. Go to www.wageworks.com/aboutmobile to learn more.

www.wageworks.com

Start Saving. Here's How.

A Flexible Spending Account (FSA) is an account you set up to pre-fund your anticipated, eligible medical services, medical supplies and dependent care expenses that are normally not covered by your insurance. You can choose either, or both, a health care FSA and a dependent care FSA.

Your health care FSA funds are available to you in one lump sum at the beginning of your plan year, AND your FSA funds are deducted before federal and state taxes are calculated on your paycheck!

With either FSA, you benefit from having less **taxable** income in each of your paychecks, which means more **spendable** income to use toward your eligible medical and dependent care expenses.

Once you decide how much to contribute to your health care and/or dependent care FSA, the funds are deducted in small, equal amounts from your paychecks during the plan year.

Important Dates to Remember

Your Open Enrollment dates are: **October 15, 2013, through November 15, 2013.**

Your Period of Coverage dates are: **January 1, 2014, through December 31, 2014.**

Working with WageWorks

The Research Foundation for the State University of New York is pleased to continue working with the WageWorks and to bring enhanced capabilities to our employees.

The Benefits of the WageWorks Platform

Using your FSA will continue to be quick and convenient while offering key enhancements with WageWorks.

- ▶ **Website** – The WageWorks website is a world class site with many leading-edge features. Once enrolled in the FSA plan you will be encouraged to set up direct deposit reimbursements and provide an email to receive up-to-date account and claims status information and access on-demand account activity statements. The site has the ability to upload claims, and you can use the mobile application to file a claim from your Smartphone.
- ▶ **Customer Service** – The WageWorks customer service team is available from 8 a.m. to 8 p.m. ET to answer your questions. Just call the toll-free at 1-855-428-0446. Helpful tips, guides, video tutorials and FAQs are available online at www.wageworks.com.



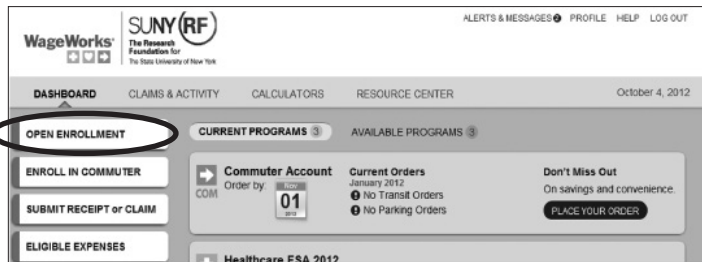
Enrollment at a Glance

Below are some quick, easy steps to get you started.

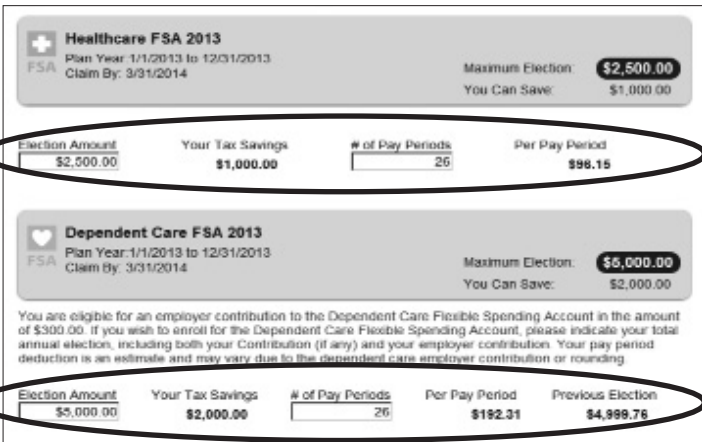
To use the savings calculator designed to help you decide how much to contribute, visit FSAWorks4Me.com. Be sure to estimate your expenses as accurately as possible because funds remaining in your account at your plan's deadline are forfeited per IRS regulations.

After you have signed up, be sure to create an online account. It's easy and lets you manage your account any time it is convenient for you!

1. After you have logged into the WageWorks site, select "Open Enrollment" at the left.



2. Type the election amount in the Election Amount box. Enter the number of pay periods and you will see an estimate of your per pay deductions and tax savings. If you wish to enroll for the Dependent Care FSA, please indicate your total annual election, including both your Contribution (if any) and your employer contribution. Please see Page 5 for more details.



3. You will see your enrollment(s) on the dashboard page for 2014.



How the Plan Works

The Research Foundation for the State University of New York offers Flexible Spending Accounts (FSAs) to help you reduce your taxes and increase your spendable income. Taking advantage of the plan is simple; just select the FSA(s) you need – health care Flexible Spending Account (HCFSA), dependent care Flexible Spending Account (DCFSA) or both.

You authorize per-pay-period deposits to your FSA from your before-tax salary. When you incur eligible health care or dependent care expenses, you request tax-free withdrawals from your account to reimburse yourself. You never have to pay federal and state income, or Social Security taxes on the money you contribute to your FSA. Since you pay less in taxes, you have more spendable income.

Important Enrollment Information

- ▶ Open Enrollment is October 15, 2013, through November 15, 2013.
- ▶ Your 2014 Plan Year is January 1, 2014, through December 31, 2014.
- ▶ Enroll online.
- ▶ To join at another time of year, you must fill out an Enrollment Form when you first become eligible.
- ▶ For more information, contact WageWorks Customer Service by calling 1-855-428-0446, Monday - Friday, 8 a.m. - 8 p.m. ET.

Making Your Benefits Work for You — It's Easy.

Once you review the FSA guidelines and become familiar with how the program works, you'll determine how the program can save you and your family a significant amount of tax money — if you're clear on the governing IRS rules. See Page 9 for FSA guidelines.

Submit your supporting documentation and completed reimbursement request form (for paper claims) for reimbursement processing. Once the plan year ends, you have until March 31, 2014, to submit your supporting documentation.

You may visit our website at www.wageworks.com or call Customer Service at 1-855-428-0446.

Flexible Spending Accounts

What is a Flexible Spending Account?

WageWorks provides you with IRS tax-favored Flexible Spending Accounts (FSAs) to stretch your medical expense and dependent care dollars.

FSAs feature:

- ▶ IRS-approved reimbursement of eligible expenses tax-free
- ▶ per-pay-period deposits from your pre-tax salary
- ▶ savings on income and Social Security taxes and
- ▶ security of paying anticipated expenses with your FSA.

Is an FSA Right for Me?

If you spend \$130 or more on recurring eligible expenses during your plan year, you may save money by paying for them with an FSA. A portion of your salary is deposited into your FSA each pay period.

- ▶ You decide the amount you want deposited.
- ▶ You are reimbursed for eligible expenses before income and Social Security taxes are deducted.
- ▶ You save income and Social Security taxes each time you receive wages.

To use the savings calculator designed to help you decide how much to contribute, visit: FSAWorks4Me.com.

What Types of FSAs are Available?

Your employer offers you a health care FSA as well as a dependent care FSA. If you incur both types of expenses during a plan year, you can establish both types of FSAs.

Health Care FSAs

Medical expenses not covered by your insurance plan may be eligible for reimbursement using your health care FSA, including:

- ▶ prescription and health care co-pays
- ▶ eyeglasses beyond Vision Plan limits
- ▶ orthodontia and dental care beyond Dental Plan limits
- ▶ Over-the-Counter items (require a prescription).

Dependent Care FSAs

Dependent care expenses, whether for a child or an elder, include any expense that allows you to work, such as:

- ▶ day care services
- ▶ eldercare services
- ▶ in-home care
- ▶ nursery and preschool and
- ▶ summer day camps.

Refer to the *Health Care FSA* and *Dependent Care FSA* sections of this Reference Guide for specifics on each type of FSA.

FSA Grace Period

An IRS Revenue Notice permits a “**grace period**” of two months and 15 days following the end of your 2014 Plan Year (December 31, 2014) for a health care FSA. This grace period ends on March 15, 2015.

During the grace period, you may incur expenses and submit claims for these expenses. Funds will be automatically deducted from any remaining dollars in your 2014 health care FSA.

You should not confuse the grace period with the plan’s “**run-out period**.” The run-out period extends until March 31, 2015. This is a period for filing claims incurred anytime during the 2014 Plan Year, as well as claims incurred during the grace period mentioned above.

Your dependent care FSA also has a “run-out period” that extends until March 31, 2015. However, the “grace period” mentioned above does not apply to this account. You may not submit reimbursement requests for expenses that occur after December 31, 2014, against the 2014 Plan Year.

Claims will be processed in the order in which they are received, and your accounts will be debited accordingly. If you have funds remaining in an account for the prior plan year, these funds will be used first until exhausted. Then, subsequent claims will be debited from your new plan year account balance.

Flexible Spending Accounts

Who is Eligible?

Health Care Flexible Spending Account (HCFSA)

Research Foundation employees are eligible if they:

- ▶ are employed on a salaried basis
- ▶ receive regular, biweekly paychecks
- ▶ are scheduled to work at least 50 percent of the time on a regular appointment (.50 FTE)
- ▶ have completed six months of service from date of hire and
- ▶ are expected to be employed for at least one year following the date of enrollment or re-enrollment.

Ineligible employees include:

- ▶ summer-only appointments
- ▶ hourly employees
- ▶ full-time employees of the State University of New York (SUNY)
- ▶ full-time students of SUNY who are employed by the Research Foundation in an RF Student title, whose work coordinates with education and training leading to the fulfillment of academic requirements
- ▶ an individual engaged by the Research Foundation as an independent contractor, regardless of any retroactive reclassification of such individual as a common-law Research Foundation employee for any purpose.

Newly eligible employees must enroll within 60 days of the date they meet all eligibility requirements; otherwise they must wait until the next Open Enrollment period (unless there is a qualifying event). Enrollment during a subsequent Open Enrollment period may not take place unless all eligibility requirements are still being met at the time of enrollment. Upon certain qualifying events, a covered employee, their spouse and dependents may be eligible for coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA). For additional information, refer to the *COBRA Q&A* section beginning on Page 17.

Employees on Leave

If you are on paid leave of absence, your pre-tax contributions will continue. If your approved leave falls under the Family and Medical Leave Act (FMLA), talk to your Campus Benefits Office about your rights and obligations. Refer to the *Changing Your Coverage* section beginning on Page 15 for more information.

If your leave does not fall under FMLA and is not paid leave, you must have a COBRA-qualifying event in order to continue participating in the HCFSA. See *COBRA Q&A* on Page 17 for further instructions.

DCFSA Note: Amounts that you pay for dependent care services while you are not working because of illness, are not eligible for reimbursement. This rule applies even if you receive sick pay and continue to be considered as an employee.

HCFSA Note: Any HCFSA services incurred after your period of coverage terminates may not be eligible for reimbursement unless you apply for continuation under COBRA through WageWorks. Monthly after-tax COBRA premiums will include your contribution, plus a 2 percent add-on administrative fee.

Dependent Care Spending Account (DCFSA)

Research Foundation employees are eligible if they:

- ▶ are employed on a salaried basis
- ▶ receive regular, biweekly paychecks
- ▶ are scheduled to work at least 50 percent of the time on a regular appointment (.50 FTE)
- ▶ have completed six months of service from date of hire and
- ▶ are expected to be employed for at least one year following the date of enrollment or re-enrollment.

Ineligible employees include:

- ▶ summer-only appointments
- ▶ hourly employees
- ▶ full-time employees of the State University of New York
- ▶ full-time students of SUNY who are employed by the Research Foundation in an RF Student title, whose work coordinates with education and training leading to the fulfillment of academic requirements
- ▶ an individual engaged by the Research Foundation as an independent contractor, regardless of any retroactive reclassification of such individual as a common-law Research Foundation employee for any purpose.

Newly eligible employees must enroll within 60 days of the date they meet all eligibility requirements; otherwise they must wait until the next Open Enrollment period (unless there is a qualifying event).

Enrollment during a subsequent Open Enrollment period may not take place unless all eligibility requirements are still being met at the time of enrollment.

Flexible Spending Accounts

RF SUNY Contribution for DCFSA

The Research Foundation for SUNY will continue an employer contribution to the DCFSA for the 2014 plan year (January 1 through December 31) based on the participant's annual salary as follows:

EMPLOYEE SALARY	RFSUNY CONTRIBUTION
Over \$70,000	\$300
\$60,001 - \$ 70,000	\$400
\$50,001 - \$60,000	\$500
\$40,001 - \$50,000	\$600
\$30,001 - \$40,000	\$700
Up to \$30,000	\$800

If the employee works part time, the contribution will be based on the employee's full-time equivalent, annualized salary. For example, an employee earning \$20,000 on a half-time schedule would earn \$40,000 on a full-time equivalent basis. The employee may enroll in the DCFSA for the full cost of care up to the maximum allowed by law, or for just the amount of the employer contribution. See Page 12 for more information on DCFSA's.

Terminating Employees

Dependent Care Flexible Spending Account – A DCFSA is not continuable upon termination of employment; however, you can continue to request reimbursement for eligible expenses incurred until you exhaust your account balance or the plan year ends.

Note: IRS requirements for an eligible expense under this benefit is that your spouse must be working, and you must be actively at work at the Research Foundation at the time the expense is incurred.

Health Care Flexible Spending Account – Except as provided by COBRA (see Page 17), reimbursement for health care expenses is only allowed after termination of employment if the expenses were incurred prior to your termination at the Research Foundation.

Termination and Re-hire During Same Plan Year – Unless otherwise provided by law or your employer's HCFSAs Plan, if you terminate your employment and are re-hired during the same plan year:

- ▶ within 30 days or less from the date of your termination, you will automatically be reinstated into the FSA annual elections you had prior to termination (with access to your HCFSAs balance up to the full annual limit, reduced by prior submitted and approved reimbursements, for eligible health care expenses incurred after your return to work). Missed deductions will be made up.
- ▶ after 30 days or more from the date of your termination, you will automatically be reinstated into the FSA salary reduction levels you had prior to termination, and the annual benefit maximum will be pro-rated based on the remaining number of payroll periods in the year. Missed deductions will not be made up.

Flexible Spending Accounts

Health Care FSA

An HCFSAs is an IRS tax-favored account used to pay for eligible medical expenses which aren't covered by your insurance or other plan. These expenses can be incurred by yourself, your spouse, a qualifying child or relative. Your full annual contribution amount is available at the beginning of the plan year, so you don't have to wait for the money to accumulate.

Dependent Care FSA

The DCFSAs is a great way to pay for eligible dependent care expenses such as after school care, baby-sitting fees, day care services, nursery and preschool. Eligible dependents include your qualifying child, spouse and/or relative.

Typical FSA-Eligible Expenses

Use your FSA to save on hundreds of products and services for you and your family. Eligible expenses are defined by the IRS and your employer.

Eligible medical expenses

Typically, your HCFSAs covers:

Acupuncture
Ambulance service
Birth control pills and devices
Breast pumps
Chiropractic care
Contact lenses (corrective)
Dental fees
Diagnostic tests/health screening
Doctor fees
Drug addiction/alcoholism treatment
Drugs
Experimental medical treatment
Eyeglasses

Guide dogs
Hearing aids and exams
In vitro fertilization
Injections and vaccinations
Nursing services
Optometrist fees
Orthodontic treatment
Over-the-counter items (some require prescription)
Prescription drugs to alleviate nicotine withdrawal symptoms
Smoking cessation programs/treatments
Surgery
Transportation for medical care

Weight-loss programs/meetings
Wheelchairs
X-rays

Eligible dependent care expenses

Your DCFSAs typically covers expenses that allow you to work such as:

After-school care
Baby-sitting fees
Day-care services
In-home care/au pair services
Nursery and preschool
Summer day camps

FSA Savings Example*

	<i>(With FSA)</i>	<i>(Without FSA)</i>
Annual Gross Income	\$31,000.00	\$31,000.00
FSA Deposit for Eligible Expenses	<u>- 2,500.00</u>	<u>- 0.00</u>
Taxable Gross Income	\$28,500.00	\$31,000.00
Federal, Social Security Taxes	<u>- 5,885.25</u>	<u>- 6,401.50</u>
Annual Net Income	\$22,614.75	\$24,598.50
Cost of Eligible Expenses	<u>- 0.00</u>	<u>- 2,500.00</u>
Spendable Income	\$22,614.75	\$22,098.50

By using an FSA to pay for anticipated recurring expenses, you convert the money you save in taxes to additional spendable income. That's a potential annual savings of **\$516.25!**

Typical FSA-Ineligible Expenses

For HCFSAs:

- ▶ insurance premiums
- ▶ vision warranties and service contracts and
- ▶ cosmetic surgery not deemed medically necessary to alleviate, mitigate or prevent a medical condition.

For DCFSAs:

- ▶ books and supplies
- ▶ child support payments or child care if you are a non-custodial parent
- ▶ health care or educational tuition costs and
- ▶ services provided by your dependent, your spouse's dependent or your child who is under age 19.

Notes:

Budget conservatively. No reimbursement or refund of HCFSAs funds is available for services that do not occur within your plan year and grace period.

* Based upon a 20.65% tax rate (15% federal and 5.65% Social Security) calculated on a calendar year.

Flexible Spending Accounts

FSA Eligibility

Your HCFSAs may be used to reimburse eligible expenses incurred by yourself, your spouse,* your qualifying child or your qualifying relative. You may use your DCFSAs to receive reimbursement for eligible dependent care expenses for qualifying individuals.

For more information please go to www.wageworks.com.

Note: There is no age requirement for a qualifying child if they are physically and/or mentally incapable of self-care. An eligible child of divorced parents is treated as a dependent of both, so either or both parents can establish an HCFSAs. Only the custodial parent of divorced or legally-separated parents can be reimbursed using the DCFSAs.

FSA Fund Availability

For Health Care Spending Account:

Once you sign up for an HCFSAs and decide how much to contribute, the maximum annual amount of reimbursement for eligible health care expenses will be available throughout your period of coverage.

Since you don't have to wait for the cash to accumulate in your account, you can use it to pay for your eligible health care expenses at the start of your deductions.

For Dependent Care Spending Account:

Once you sign up for a DCFSAs and decide how much to contribute, the funds available to you depend on the actual funds in your account. Unlike an HCFSAs, the entire maximum annual amount is not available during the plan year, but rather after your payroll deductions are received.

Examples of how to use your FSA:

Example 1: Paying a co-payment and doctor/dental fees

After paying your co-payment and doctor/dental fees at a service provider's office, obtain an Explanation of Benefits (EOB) or detailed receipt of the completed services. Submit these documents, along with a claim form. Within five business days, we will process your request and mail your reimbursement check to you or direct deposit your funds into the account of your choice, or use the EZ Receipts app for your smartphone for even faster reimbursement.

Example 2: Paying for day care services

Once you have paid for your child's daycare service, send a completed claim form, along with documentation showing the following:

- ▶ Name, age and grade of the dependent receiving the service
- ▶ Cost of the service
- ▶ Name and address of the service provider
- ▶ Beginning and ending dates of the service.

Your request will be processed within five business days and either mailed to you or deposited into the account you have chosen.

*Due to recent Supreme Court ruling and IRS regulations regarding same-sex spouses, employees can get reimbursed for expenses of their same-sex spouse, as long as the marriage was legal in the jurisdiction or country where the ceremony took place, regardless of where they currently live.

Annual Contribution Limits

For Health Care Spending Account:

Minimum Annual Deposit: None

Maximum Annual Deposit: \$2,500

For Dependent Care Spending Account:

Minimum Annual Deposit: None

The maximum contribution depends on your tax filing status.

- ▶ If you are married and filing separately, your maximum annual deposit is \$2,500.
- ▶ If you are single and head of household, your maximum annual deposit is \$5,000.
- ▶ If you are married and filing jointly, your maximum annual deposit is \$5,000.
- ▶ If either you or your spouse earn less than \$5,000 a year, your maximum annual deposit is equal to the lower of the two incomes.
- ▶ If your spouse is a full-time student or incapable of self-care, your maximum annual deposit is \$3,000 a year for one dependent and \$5,000 a year for two or more dependents.

Visit www.wageworks.com for a list of frequently asked questions.

You must keep your documentation for a minimum of one year to submit upon request.

Flexible Spending Accounts

Managing Your Account

You can manage and check up on your account through WageWorks online or over the phone. The "Statement of Activity" page online details all your account activity.

For the latest information, visit www.wageworks.com and log into your account 24/7. In addition to reviewing your most recent FSA activity, you can:

- ▶ Update your account preferences and personal information.
- ▶ View your transaction and account history for current and past plan years.
- ▶ Schedule payments to health care and dependent care providers.
- ▶ Check the complete list of eligible expenses for your FSA program.
- ▶ Manage your account while on the go via the WageWorks mobile website.
- ▶ Download the EZ Receipts® app so that you are able to file claims from your smartphone.

FSA Guidelines:

1. The IRS does not allow you to pay your medical or other insurance premiums through either type of FSA. Refer to the "Written Certification" portion of *The Fine Print* section of this Reference Guide for more specifics.
2. You cannot transfer money between FSAs or pay a dependent care expense from your HCFSA or vice versa.
3. The IRS permits a "grace period" of two months and 15 days following the end of your 2014 Plan Year (December 31, 2014) for an HCFSA. This grace period ends on March 15, 2015. **During this grace period, you may incur eligible medical expenses and submit claims for these expenses.** Funds will be automatically deducted from any remaining dollars in your 2014 HCFSA.
4. **The grace period mentioned above does NOT apply to DCFSA's.**
5. You have a run-out period (until March 31, 2015) at the end of the plan year for reimbursement of eligible FSA expenses incurred during your period of coverage within the 2014 Plan Year. For HCFSA's only there is a "grace period," which extends until March 15, 2015. Please see the FSA Grace Period information box on page 4 for details.
6. You may not receive insurance benefits or any other compensation for expenses that are reimbursed through your FSAs.
7. You cannot deduct reimbursed expenses for income tax purposes.
8. You may not be reimbursed for a service that you have not yet received.
9. Be conservative when estimating your medical and/or dependent care expenses for the 2014 Plan Year. IRS regulations state that any unused funds which remain in your FSA after a plan year ends and all reimbursable requests have been submitted and processed cannot be returned to you nor carried forward to the next plan year.
10. When enrolling in either or both FSAs, written notice of agreement with the following will be required:
 - ▶ I will only use my FSA to pay for IRS-qualified expenses eligible under my employer's plan, and only for me and my IRS-eligible dependents
 - ▶ I will exhaust all other sources of reimbursement, including those provided under my employer's plan(s) before seeking reimbursement from my FSA
 - ▶ I will not seek reimbursement through any additional source and
 - ▶ I will collect and maintain sufficient documentation to validate the foregoing.

What documentation of expenses do I need to keep?

The IRS requires FSA customers to maintain complete documentation, including keeping copies of statements, invoices or bills for reimbursed expenses, for a minimum of one year.

How do I get the forms I need?

To obtain forms you will need after enrolling in either a health care or dependent care FSA, you can visit the "Help" section of our website, www.wageworks.com, or call Customer Service at 1-855-428-0446.

Will contributions affect my income taxes?

Salary reductions made under a cafeteria plan, including contributions to one or both FSAs, will lower your taxable income and taxes. These reductions are one of the money-saving aspects of starting an FSA. Depending on the state, additional state income tax savings or credits may also be available. Your salary reductions will reduce earned income for purposes of the federal Earned Income Tax Credit (EITC).

To help you choose between the available taxable and tax-free benefits, or a combination of both, consult your tax adviser and/or the IRS for additional information.

Using Your FSA Dollars

When you pay for an eligible health care or dependent care expense, you want to put your FSA account to work right away. WageWorks gives you several options to use your money the way you choose.

Making the most of your FSA account

It's important to remember that, according to IRS regulations, if you spend less than your total account balance by the end of your FSA program's plan year (or grace period, if your employer allows one), you will forfeit any money that's left over. In other words, **if you don't use it, you lose it.**

So, if you have money left in your health care or dependent care accounts near the end of the year, make sure to spend it all and to submit any necessary claims and receipts for your expenses. You can also:

- ▶ Check for any receipts you may not have sent in.
- ▶ Schedule additional eligible services or purchase additional eligible medications.
- ▶ Use your health care account to pay expenses for your spouse and eligible dependents, even if they're not covered by your employer's health plan.

On the other hand, if you spend all the money in your FSA account well before the end of the year and still have expenses that could have been eligible, consider setting aside more money next year. If you can predict your future expenses fairly accurately, a higher contribution can save you even more in taxes.

Using your Smartphone

With the EZ Receipts mobile app from WageWorks, you can file and manage your reimbursement claims paperwork on the spot, with a click of your smartphone camera, from anywhere.

To use EZ Receipts:

- ▶ Download the app from www.wageworks.com.
- ▶ Log into your account.
- ▶ Choose the type of receipt from the simple menu.
- ▶ Enter some basic information about the claim.
- ▶ Use your smartphone camera or device to capture the documentation.
- ▶ Submit the image and details to WageWorks.

Most claims are processed within one to two business days after they are received, and payments are sent shortly thereafter. For assistance, visit www.wageworks.com/techtips.

If you prefer to submit a paper claim by fax or mail, log into your account at www.wageworks.com to download a Pay Me Back claim form and follow the instructions for submission.

Paying online

You can pay many of your eligible health care and dependent care expenses directly from your FSA account with no need to fill out paper forms*. It's quick, easy, secure and available online at any time.

To pay a provider:

- ▶ Log into your FSA account at www.wageworks.com.
- ▶ Click either the Health Care or Dependent Care tab.
- ▶ Request "Pay My Provider" from the menu and follow the instructions.
- ▶ Make sure to provide an invoice or appropriate documentation. When you're done, WageWorks will schedule the checks to be sent in accordance with the payment guidelines. If you pay for eligible recurring expenses, follow the online instructions to set up automatic payments.

* You must, however, provide documentation. For more information about the documentation requirements and payment guidelines, see the FAQ posted at www.wageworks.com/pmpfaq.

Filing a claim

You also can file a claim online to request reimbursement for your eligible expenses.

- ▶ Go to www.wageworks.com, log into your account and select the Dashboard tab at the top.
- ▶ Click the "Submit Receipt or Claim" button
- ▶ Select the "Pay Me Back" button.
- ▶ Fill in all the information requested on the form and submit.
- ▶ Scan or take a photo of your receipts, EOBs and other supporting documentation.
- ▶ Attach supporting documentation to your claim by using the upload utility.
- ▶ Make sure your documentation includes the five following pieces of information required by the IRS:
 - ✓ Date of service or purchase
 - ✓ Detailed description
 - ✓ Provider or merchant name
 - ✓ Patient name
 - ✓ Patient portion or amount owed

Health Care FSA Q&A

Whose Expenses are Eligible?

Your HCFSA may be used to reimburse eligible expenses incurred by:

- ▶ yourself
- ▶ your spouse
- ▶ your qualifying child or
- ▶ your qualifying relative
- ▶ your domestic partner who meets the IRS qualifications of a tax dependent.

An individual is a **qualifying child** if he or she:

- ▶ does not attain age 27 during your taxable year and they have the following relationship to you: son/daughter or stepson/daughter, eligible foster child, legally adopted child or legally placed with taxpayer for adoption
- ▶ is a U.S. citizen, national or a resident of the U.S., Mexico or Canada
- ▶ has a specified family-type relationship to you
- ▶ lives in your household for more than half of the taxable year
- ▶ has not provided more than one-half of his or her own support during the taxable year (nor received more than one-half of their support from you during the taxable year if a full-time student age 19 through 24 at the end of the taxable year).

An individual is a **qualifying relative** if he or she is a U.S. citizen, national or a resident of the U.S., Mexico or Canada and:

- ▶ has a specified family-type relationship to you, is not someone else's qualifying child and receives more than one-half of their support from you during the taxable year or
- ▶ if no specified family-type relationship to you exists, is a member of and lives in your household (without violating local law) for the entire taxable year and receives more than one-half of their support from you during the taxable year.

Note: There is no age requirement for a qualifying child if he or she is physically and/or mentally incapable of self-care. An eligible child of divorced parents is treated as a dependent of both, so either or both parents can establish an HCFSA.

When are My Funds Available?

Once you sign up for an HCFSA and decide how much to contribute, the maximum annual amount of reimbursement for eligible health care expenses will be available throughout your period of coverage.

Since you don't have to wait for the cash to accumulate in your account, you can use it to pay for your eligible health care expenses at the start of your deductions.

Are Prescriptions Eligible for Reimbursement?

Yes, most filled prescriptions are eligible for HCFSA reimbursement, as long as you properly substantiate the expense. Proper submission of the reimbursement request is needed to ensure that the drug is eligible for reimbursement. The IRS requires the complete name of all medicines and drugs be obtained and documented on pharmacy invoices (including prescription number, date(s) of service and total dollar amount).

This information must be included when submitting your request for reimbursement.

How Does the New Health Care Legislation Affect Over-the-Counter (OTC) Items?

Certain OTC drugs and medicines are no longer be eligible for reimbursement without a prescription. It's important to remember that you can still use your FSA funds for other eligible medical expenses and prescription purchases at pharmacies. Unaffected OTC items will still be reimbursable, as well as affected OTC items with a prescription.

Can Medical Care Travel Expenses Be Reimbursed?

Travel expenses primarily for, and essential to, receiving medical care, including health care provider and pharmacy visits, may be reimbursable through your HCFSA. With proper substantiation, eligible expenses can include:

- ▶ actual round-trip mileage
- ▶ parking fees
- ▶ tolls and
- ▶ transportation to another city.

Is Orthodontic Treatment Reimbursable?

Orthodontic treatment designed to treat a specific medical condition is reimbursable through your HCFSA if the proper documentation is provided:

- ▶ a written statement, bill or invoice from the treating dentist/orthodontist showing the type and date the service incurred, the name of the eligible individual receiving the service and the cost for the service and
- ▶ a copy of the patient's contract with the dentist/orthodontist for the orthodontia treatment (only required if a participant requests reimbursement for the total program cost spread over a period of time).

Reimbursement of the full or initial payment amount may only occur during the plan year in which the braces are first installed. For reimbursement options available under your employer's plan, including care that extends beyond one or more plan years, refer to the information provided following your enrollment, or call Customer Service at 1-855-428-0446.

Should I Claim My Expenses on IRS Form 1040?

With an HCFSA, the money you set aside for health care expenses is deducted from your salary before taxes. It is always tax-free, regardless of the amount. By enrolling in an HCFSA, you guarantee your savings.

Itemizing your health care expenses on your IRS Form 1040 may give you a different tax advantage, depending on their percentage of your adjusted gross income. You should consult a tax professional to determine which avenue is right for you.

When Do I Request Reimbursement?

You may use your HCFSA to reimburse eligible expenses after you have sought (and exhausted) all means of reimbursement provided by your employer and any other appropriate resource. Also keep in mind that some eligible expenses are reimbursable on the date available, not the date ordered.

Dependent Care FSA Q&A

Whose Expenses are Eligible?

You may use your DCFSA to receive reimbursement for eligible dependent care expenses for **qualifying individuals**.

A qualifying individual includes a **qualifying child**, if he or she:

- ▶ is a U.S. citizen, national or a resident of the U.S., Mexico or Canada
- ▶ has a specified family-type relationship to you
- ▶ lives in your household for more than half of the taxable year
- ▶ is 13 years old or younger and
- ▶ has not provided more than one-half of his or her own support during the taxable year.

A qualifying individual includes your **spouse**, if he or she:

- ▶ is physically and/or mentally incapable of self-care
- ▶ lives in your household for more than half of the taxable year and
- ▶ spends at least eight hours per day in your home.

A qualifying individual includes your **qualifying relative**, if he or she:

- ▶ is a U.S. citizen, national or a resident of the U.S., Mexico or Canada
- ▶ is physically and/or mentally incapable of self-care
- ▶ is not someone else's qualifying child
- ▶ lives in your household for more than half of the taxable year and
- ▶ spends at least eight hours per day in your home and
- ▶ receives more than one-half of their support from you during the taxable year.

Note: If you are the tax dependent of another person, you cannot claim qualifying individuals for yourself. You cannot claim a qualifying individual if he or she files a joint tax return with their spouse. Only the custodial parent of divorced or legally-separated parents can be reimbursed using the DCFSA.

When are My Funds Available?

Once you sign up for a DCFSA and decide how much to contribute, the funds available to you depend on the actual funds in your account. Unlike an HCFSA, the entire maximum annual amount is not available during the plan year, but rather after your payroll deductions are received.

Should I Claim Tax Credits or Exclusions?

Since money set aside in your DCFSA is always tax-free, you guarantee savings by paying for your eligible expenses through your IRS tax-favored account. Depending on the amount of income taxes you are required to pay, participation in a DCFSA may produce a greater tax benefit than claiming tax credits or exclusions alone.

Remember, you cannot use the dependent care tax credit if you are married and filing separately. Further, any dependent care expenses reimbursed through your DCFSA cannot be filed for the dependent care tax credit, and vice versa.

To help you choose between the available taxable and tax-free benefits, or a combination of both, consult your tax adviser and/or the IRS for additional information. You may also visit FSAWorks4Me.com to help you decide how much to contribute.

Will I Need to Keep Any Additional Documentation?

To claim the income exclusion and employer subsidy after exclusion for dependent care expenses on IRS Form 2441 (Child and Dependent Care Expenses), you must be able to identify your dependent care provider. If your dependent care is provided by an individual, you will need their Social Security number for identification, unless he or she is a resident or non-resident alien who does not have a Social Security number. If your dependent care is provided by an establishment, you will need its Taxpayer Identification number.

If you are unable to obtain a dependent care provider's information, you must compose a written statement that explains the circumstances and states that you made a serious and earnest effort to get the information. This statement must accompany your IRS Form 2441.

When Do I Request Reimbursement?

You can request reimbursement from your DCFSA as often as you like. However, your approved expense will not be reimbursed until the last date of service for which you are requesting reimbursement has passed. Also, remember that for timely processing of your reimbursement, your payroll contributions must be current.

Be certain you obtain and submit all needed information when requesting reimbursement from your DCFSA. This information is required with each request for reimbursement.

A properly completed request will help speed along the process of your reimbursement, allowing you to receive your check or Direct Deposit promptly.

FSA Worksheets

Use the worksheets below to determine how much to deposit in your FSA. Calculate the amount you expect to pay during the plan year for eligible, uninsured out-of-pocket medical and/or dependent care expenses. This calculated amount cannot exceed established IRS and plan limits. (Refer to the individual FSA descriptions in this Reference Guide for limits.)

Be conservative in your estimates, since any money remaining in your accounts cannot be returned to you or carried forward to the next plan year.

Health Care FSA Worksheet

Estimate your eligible, uninsured out-of-pocket medical expenses for the plan year. The maximum contribution is \$2,500.

UNINSURED MEDICAL EXPENSES

Health insurance deductibles	\$ _____
Coinsurance or co-payments	\$ _____
Vision care	\$ _____
Dental care	\$ _____
Prescription drugs	\$ _____
Travel costs for medical care	\$ _____
Other eligible expenses	\$ _____
TOTAL	\$ _____

DIVIDE by the number of paychecks you will receive during the plan year (26).*

This is your pay period contribution. \$ _____

* If you are a new employee enrolling after the plan year begins, divide by the number of pay periods remaining in the plan year.

Dependent Care FSA Worksheet

Estimate your eligible dependent care expenses for the plan year. Remember that your calculated amount cannot exceed the calendar year limits established by the IRS.

CHILD CARE EXPENSES

Day care services	\$ _____
In-home care/au pair services	\$ _____
Nursery and preschool	\$ _____
After school care	\$ _____
Summer day camps	\$ _____

ELDER CARE SERVICES

Day care center	\$ _____
In-home care	\$ _____

TOTAL Remember, your total contribution cannot exceed IRS limits for the plan year and calendar year. \$ _____

DIVIDE by the number of paychecks you will receive during the plan year (26).*

This is your pay period contribution. \$ _____

* If you are a new employee enrolling after the plan year begins, divide by the number of pay periods remaining in the plan year.

SIGN UP FOR DIRECT DEPOSIT - No one likes waiting for their money, why are you? With Direct Deposit there are no fees for the service and your FSA reimbursement checks are deposited into the checking or savings account of your choice within 48 hours of claim approval. Visit www.wageworks.com or call Customer Service to enroll.

Changing Your Coverage

Am I Permitted to Make Mid-Plan Year Election Changes?

Under some circumstances, your employer's plan(s) and the IRS may permit you to make a mid-plan year election change to your FSA election, or vary a salary reduction amount, depending on the qualifying event and requested change.

How Do I Make a Change?

You can change your Flexible Spending Account (FSA) election(s), or vary the salary reduction amounts you have selected during the plan year, only under limited circumstances as provided by your employer's plan(s) and established IRS guidelines. Partial lists of permitted and not permitted qualifying events under your employer's plan(s) appear on the following page. Election changes must be consistent with the event. WageWorks will in its sole discretion, review on a uniform and consistent basis, the facts and circumstances of each properly completed and timely submitted mid-plan year election change form.

To Make a Change: Within **60 days** of an event that is consistent with one of the events on the following page, you must complete and submit a Change in Status/Election Form. Contact Customer Service at 1-855-428-0446 to obtain this form. Documentation supporting your election change request is required. Upon the approval and completion of processing your election change request, your existing FSA(s) elections will be stopped or modified (as appropriate). Generally, mid-plan year, pre-tax election changes can only be made prospectively, no earlier than the first payroll after your election change request has been received by WageWorks, unless otherwise provided by law. If your FSA election change request is denied, you will have **60 days**, from the date you receive the denial, to file an appeal.

What is My Period of Coverage?

Your period of coverage for incurring expenses is your full plan year, unless you make a permitted mid-plan year election change. A mid-plan year election change will result in split periods of coverage, creating more than one period of coverage within a plan year with expenses reimbursed from the appropriate period of coverage. Money from a previous period of coverage can be combined with amounts after a permitted mid-plan year election change. However, expenses incurred before the permitted election change can only be reimbursed from the amount of the balance present in the FSA prior to the change. Mid-plan year election changes are approved only if the extenuating circumstances and supporting documentation are within your employer's, insurance provider's and IRS regulations governing the plan.

What are the IRS Special Consistency Rules Governing Changes in Status?

1. **Loss of Dependent Eligibility** – If a change in your marital or employment status involves a decrease or cessation of your spouse's or dependent's eligibility requirements for coverage due to: your divorce, or annulment from your spouse, your spouse's or dependent's death or a dependent ceasing to satisfy eligibility requirements, you may decrease or cancel coverage only for the individual involved. You cannot decrease or cancel any other individual's coverage under these circumstances.
2. **Gain of Coverage Eligibility Under Another Employer's Plan** – If you, your spouse or your dependent gains eligibility for coverage under another employer's plan as a result of a change in marital or employment status, you may cease or decrease that individual's coverage if that individual gains coverage, or has coverage increased under the other employer's plan.
3. **Dependent Care Expenses** – You may change or terminate your DCFSA election when a Change in Status (CIS) event affects (i) eligibility for coverage under an employer's plan, or (ii) eligibility of dependent care expenses for the tax exclusion available under IRC § 129.

Appeals

To Appeal a Denied Health Care FSA Claim

If you feel your claim was denied in error, you have the right to file an appeal by writing a letter that explains why you believe the claim should be approved.

Your appeal may be submitted in writing and mailed to:

WageWorks Claims Appeal Board
P.O. Box 991
Mequon, WI 53092-0991

Otherwise, your appeal may be submitted in writing and faxed to:

Fax Number: 1-877-220-3248

- ▶ Your appeal must be received within 180 days of the date you receive notice that your claim was denied.
- ▶ You are welcome to submit additional information related to your claim along with your appeal, such as: written comments, documents, records, a letter from your health practitioner indicating medical necessity of the denied product or service, and any other information you feel will support your claim.

Changing Your Coverage

To Appeal a Denied Dependent Care FSA Claim

If you feel your claim was denied in error, you have the right to file an appeal by writing a letter that explains why you believe the claim should be approved.

Your appeal may be submitted in writing and mailed to:

WageWorks Claims Appeal Board
P.O. Box 991
Mequon, WI 53092-0991

Otherwise, your appeal may be submitted in writing and faxed to:

Fax Number: 1-877-220-3248

- ▶ Your appeal must be received within 180 days of the date you receive notice that your claim was denied.
- ▶ You will be notified of the decision regarding your appeal in writing by WageWorks within 30 days of receipt of your written appeal.

The appeal decision on review is the Third Party Administrator's (WageWorks) final decision. If you choose to appeal this claim again, your employer has the final coverage decision.

- ▶ You can request copies of all documents and information related to your denied claim. These will be provided at no charge.

Appeal Review Process for FSA Claims

- ▶ Your appeal will be reviewed by a person who was not involved with the initial claim denial and who is not a subordinate of any person who was.
- ▶ The review will be a fresh look at your claim and appeal without deference to the initial denial and will take into account all information submitted with your claim and/or appeal.
- ▶ You will be notified of the decision regarding your appeal in writing by WageWorks within 30 days of receipt of your written appeal.

The appeal decision on review is the Third Party Administrator's (WageWorks) final decision. After the WageWorks appeal procedures have been exhausted, you may request an appeal with the Department of Human Resource Management.

Changing Your Coverage

Changes in Status:

Marital Status	A change in marital status includes marriage, death of a spouse, divorce or annulment (legal separation is not recognized in all states).
Change in Number of Tax Dependents	A change in number of dependents includes the following: birth, death, adoption and placement for adoption. You can add existing dependents not previously enrolled whenever a dependent gains eligibility as a result of a valid CIS event.
Change in Status of Employment Affecting Coverage Eligibility	Change in employment status of the employee, or a spouse or dependent of the employee, that affects the individual's eligibility under an employer's plan, including commencement or termination of employment.
Gain or Loss of Dependents' Eligibility Status	An event that causes an employee's dependent to satisfy or cease to satisfy coverage requirements under an employer's plan. May include change in age, student, marital, employment or tax dependent status.
Change in Residence¹	A change in the place of residence of the employee, spouse or dependent that affects eligibility to be covered under an employer's plan, including moving out of an HMO service area.

Some Other Permitted Changes:

Coverage and Cost Changes¹	Your employer's plans may permit election changes due to cost or coverage changes. You may make a corresponding election change to your Dependent Care Spending Account benefit whenever you actually switch dependent care providers. However, if a relative (who is related by blood or marriage) provides custodial care for your eligible dependent, you cannot change your salary reduction amount solely on a desire to increase or decrease the amount being paid to that relative.
Open Enrollment Under Other Employer's Plan¹	You may make an election change when your spouse or dependent makes an Open Enrollment Change in coverage under their employer's plan if they participate in their employer's plan and: <ul style="list-style-type: none">▶ the other employer's plan has a different period of coverage (usually a plan year) or▶ the other employer's plan permits mid-plan year election changes under this event.
Judgment/Decree/Order²	If a judgment, decree or order from a divorce, legal separation (if recognized by state law), annulment or change in legal custody requires that you provide accident or health coverage for your dependent child (including a foster child who is your dependent), you may change your election to provide coverage for the dependent child. If the order requires that another individual (including your spouse and former spouse) covers the dependent child and provides coverage under that individual's plan, you may change your election to revoke coverage only for that dependent child and only if the other individual actually provides the coverage.
Medicare/Medicaid²	Gain or loss of Medicare/Medicaid coverage may trigger a permitted election change.
Health Insurance Portability and Accountability Act of 1996 (HIPAA)	If your employer's group health plan(s) are subject to HIPAA's special enrollment provision, the IRS regulations regarding HIPAA's special enrollment rights provide that an IRC § 125 cafeteria plan may permit you to change a salary reduction election to pay for the extra cost for group health coverage, on a pre-tax basis, effective retroactive to the date of the CIS event, if you enroll your new dependent within 30 days of one of the following CIS events: birth, adoption or placement for adoption. Note that a Health Care Spending Account is not subject to HIPAA's special enrollment provisions if it is funded solely by employee contributions.
Family and Medical Leave Act (FMLA) Leave of Absence	Election changes may be made under the special rules relating to changes in elections by employees taking FMLA leave. Contact your agency's payroll/personnel office for additional information.

Notes:

1 Does not apply to a health care Spending Account plan.

2 Does not apply to a dependent care Spending Account plan.

COBRA Q&A

Important Continuation Coverage Information

What is continuation coverage?

Federal law requires that most group health plans, including Health Care Flexible Spending Accounts (health care FSAs), give employees and their families the opportunity to continue their health care coverage when there is a “qualifying event” that would result in a loss of coverage under an employer’s plan. “Qualified beneficiaries” can include the employee covered under the group health plan, a covered employee’s spouse and dependent children of the covered employee.

Each qualified beneficiary who elects continuation coverage will have the same rights under the plan as other participants or beneficiaries covered under the plan, including special enrollment rights. Specific information describing continuation coverage can be found in the summary plan description (SPD), which can be obtained from your employer.

How long will continuation coverage last?

For Group Health Plans (Except health care FSAs):

In the case of a loss of coverage due to end of employment or reduction in hours of employment, coverage may be continued for up to 18 months. In the case of losses of coverage due to an employee’s death, divorce or legal separation, the employee’s enrollment in Medicare or a dependent child ceasing to be a dependent under the terms of the plan, coverage may be continued for up to 36 months.

Continuation coverage will be terminated before the end of the maximum period if any required premium is not paid on time, if a qualified beneficiary becomes covered under another group health plan that does not impose any pre-existing condition exclusion for the qualified beneficiary, if a covered employee enrolls in Medicare, or if the employer ceases to provide any group health plan for its employees. Continuation coverage may also be terminated for any reason the Plan would terminate coverage of a participant or beneficiary not receiving continuation coverage (such as fraud).

For Health Care FSAs:

If you fund your health care FSA entirely, you may continue your health care FSA (on a post-tax basis) only for the remainder of the plan year in which your qualifying event occurs, if you have not already received, as reimbursement, the maximum benefit available under the health care FSA for the year. For example, if you elected a health care FSA benefit of \$1,000 for the plan year and have received only \$200 in reimbursement, you may continue your health care FSA for the remainder of the plan year or until such time that you receive the maximum health care FSA benefit of \$1,000.

If your employer funds all or any portion of your health care FSA, you may be eligible to continue your health care FSA beyond the plan year in which your qualifying event occurs and you may have open enrollment rights at the next open enrollment period. There are special continuation rules for employer-funded health care FSAs. If you have questions about your employer-funded health care FSA, you should call WageWorks at 1-855-428-0446.

How can you extend the length of continuation coverage?

Disability

An 11-month extension of coverage may be available if any of the qualified beneficiaries are disabled. The Social Security Administration (SSA) must determine that the qualified beneficiary was disabled at some time during the first 60 days of continuation coverage, and you must notify WageWorks of that fact within 60 days of the SSA’s determination and before the end of the first 18 months of continuation coverage. All qualified beneficiaries who have elected continuation coverage and qualify will be entitled to the 11-month disability extension. If the qualified beneficiary is determined by SSA to no longer be disabled, you must notify WageWorks of that fact within 30 days of SSA’s determination.

Second Qualifying Event

An 18-month extension of coverage will be available to spouses and dependent children who elect continuation coverage if a second qualifying event occurs during the first 18 months of continuation coverage, resulting in a maximum amount of continuation coverage of 36 months. Such second qualifying events include the death of a covered employee, divorce or separation from the covered employee or a dependent child’s ceasing to be eligible for coverage as a dependent under the Plan. You must notify WageWorks within 60 days after a second qualifying event occurs.

How can you elect continuation coverage?

Each qualified beneficiary has an independent right to elect continuation coverage. For example, both the employee and the employee’s spouse, or only one of them, may elect continuation coverage. Parents may elect to continue coverage on behalf of their dependent children only. A qualified beneficiary must elect coverage by the date specified on the COBRA Election Form. Failure to do so will result in loss of the right to elect continuation coverage under the Plan. A qualified beneficiary may change a prior rejection of continuation coverage any time until that date.

You should take into account that a failure to continue your group health coverage will affect your future rights under federal law. First, you can lose the right to avoid having pre-existing condition exclusions applied to you by other group health plans if you have more than a 63-day gap in health coverage, and election of continuation coverage may help you not have such a gap. Second, you will lose the guaranteed right to purchase individual health insurance policies that do not impose such pre-existing condition exclusions if you do not get continuation coverage for the maximum time available to you. Finally, you should take into account that you have special enrollment rights under federal law. You have the right to request special enrollment in another group health plan for which you are otherwise eligible (such as a plan sponsored by your spouse’s employer) within 30 days after your group health coverage ends because of the qualifying event listed above. You will also have the same special enrollment right at the end of continuation coverage if you get continuation coverage for the maximum time available to you.

COBRA Q&A

How much does continuation coverage cost?

Generally, each qualified beneficiary may be required to pay the entire cost of continuation coverage. This amount may not exceed 102 percent of the cost to the group health plan (including both employer and employee contributions) for coverage of a similarly situated plan participant or beneficiary who is not receiving continuation coverage (or, in the case of an extension of continuation coverage due to a disability, 150 percent). For Health Care FSAs, the cost for continuation of coverage is a monthly amount calculated and based on the amount you were paying via pre-tax salary reductions before the qualifying event.

When and how must payments for continuation coverage be made?

First Payment for Continuation Coverage

If you elect continuation coverage, you do not have to send any payment for continuation coverage with the COBRA Election Form. However, you must make your first payment for continuation coverage within 45 days after the date of your election. (This is the date the Election Notice is post-marked, if mailed.) If you do not make your first payment for continuation coverage within that 45 days, you will lose all continuation coverage rights under the Plan.

Your first payment must cover the cost of continuation coverage from the time your coverage under the Plan would have otherwise terminated up to the time you make the first payment. You are responsible for making sure that the amount of your first payment is enough to cover this entire period. You may contact Customer Service at 1-855-428-0446 to confirm the correct amount of your first payment. Instructions for sending your first payment for continuation coverage will be shown on your COBRA Election Notice/Form.

Periodic Payments for Continuation Coverage

After you make your first payment for continuation coverage, you will be required to pay for continuation coverage for each subsequent month of coverage. Under the Plan, these periodic payments for continuation coverage are due on the first day of each month. Instructions for sending your periodic payments for continuation coverage will be shown on your COBRA Election Notice/Form.

Grace Periods for Periodic Payments

Although periodic payments are due on the dates shown above, you will be given a grace period of 30 days to make each periodic payment. Your continuation coverage will be provided for each coverage period as long as payment for that coverage period is made before the end of the grace period for that payment. If you pay a periodic payment later than its due date but during its grace period, your coverage under the Plan will be suspended as of the due date and then retroactively reinstated (going back to the due date) when the periodic payment is made. This means that any claim you submit for benefits while your coverage is suspended may be denied and may have to be resubmitted once your coverage is reinstated. If you fail to make a periodic payment before the end of the grace period for that payment, you will lose all rights to continuation coverage under the Plan.

Keep Your Address Updated

In order to protect your family's rights, you should inform your employer and us of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to your employer and us.

Can you elect other health coverage besides continuation coverage?

If you are retiring, you may have the right to elect alternative retiree group health coverage instead of the COBRA continuation coverage described in this Notice. If you elect this alternative coverage, you will lose all rights to the COBRA continuation coverage described in the COBRA Notice. You should also note that if you enroll in the alternative group health coverage, you lose your right under federal law to purchase individual health insurance that does not impose any pre-existing condition limitations when your alternative group health coverage ends. You must contact WageWorks if you wish to elect alternative coverage.

If your group health plan offers conversion privileges, you have the right, when your group health coverage ends, to enroll in an individual health insurance policy, without providing proof of insurability. The benefits provided under such an individual conversion policy may not be identical to those provided under the Plan. You may exercise this right in lieu of electing COBRA continuation coverage, or you may exercise this right after you have received the maximum COBRA continuation coverage available to you. You should note that if you enroll in an individual conversion policy, you lose your right under federal law to purchase individual health insurance that does not impose any pre-existing condition limitations when your conversion policy coverage ends.

For More Information

This COBRA Q&A section does not fully describe continuation coverage or other rights under the Plan. More information about continuation coverage and your rights under the Plan is available from your employer. You can get a copy of your summary plan description from The Research Foundation for the State University of New York.

For more information about your COBRA rights, the Health Insurance Portability and Accountability Act (HIPAA) and other laws affecting group health plans, contact the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit the EBSA website at www.dol.gov/ebsa.

The Fine Print

Terms and Conditions

Notice of Administrator's Capacity

This notice advises Flexible Spending Account participants of the identity and relationship between your employer and WageWorks. We are not an insurance company. We have been authorized by your employer to provide administrative services for the Flexible Spending Account plans offered herein. We will process claims for reimbursement promptly. In the event there are delays in claims processing, you will have no greater rights in interest or other remedies against us than would otherwise be afforded to you by law.

Social Security

Social Security consists of two tax components: the FICA or OASDI component (the tax for old-age, survivors' and disability insurance) and the Medicare component. A separate maximum wage to which the tax is assessed applies to both tax components. There is no maximum taxable annual wage for Medicare. The maximum taxable annual wage for FICA is subject to federal regulatory change. If your annual salary after salary reduction is below the maximum wage cap for FICA, you are reducing the amount of taxes you pay and your Social Security benefits may be reduced at retirement time.

However, the tax savings realized through the Flexible Benefits Plan generally outweigh the Social Security reduction. Call Customer Service at 1-855-428-0446 for an approximation.

Additional information that describes how medical information about you may be used and disclosed and how you can get access to this information is provided electronically on our website: www.wageworks.com. You have a right to a paper copy at any time. Contact Customer Service at 1-855-428-0446.

III. We maintain safeguards to ensure information security. We are committed to preventing unauthorized access to personal information. We maintain physical, electronic and procedural safeguards for protecting personal information. We restrict access to personal information to those employees, insurance companies and service providers who need to know that information to provide products or services to you. Any employee who violates our Privacy Policy is subject to disciplinary action.

IV. We limit how, and with whom, we share customer information. We do not sell lists of our customers, and under no circumstances do we share personal health information for marketing purposes. With the following exceptions, we will not disclose your personal information without your written authorization. We may share your personal information with insurance companies with whom you are applying for coverage, or to whom you are submitting a claim. We also may disclose personal information as permitted or required by law or regulation. For example, we may disclose information to comply with an inquiry by a government agency or regulator, in response to a subpoena or to prevent fraud.

We will provide our Privacy Notice to current customers annually and whenever it changes. If you no longer have a customer relationship with us, we will still treat your information under our Privacy Policy, but we will no longer send notices to you. In this notice of our Privacy Policy, the words "you" and "customer" are used to mean any individual who obtains or has obtained an insurance, financial product or service from us that is to be used primarily for personal or family purposes.

Questions?

Helpful tips, guides, video tutorials and FAQs are available online at www.wageworks.com. WageWorks Customer Service professionals also are standing by to help you. Just call 1-855-428-0446, Monday – Friday, 8 a.m. – 8 p.m. ET.

Your Employer and WageWorks

This program is sponsored by your employer and brought to you by WageWorks — the nation's leading provider of consumer-directed savings and spending accounts. WageWorks sets the standard for convenience and flexibility with easy access to your account, no-hassle payment options, comprehensive online tools and expert support. Millions of employees nationwide enjoy the WageWorks advantage to save money and make smart choices about their health care, dependent care and commuter expenses.

WageWorks®
Flexible Spending Account

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