

### Application for HSA/FSA Plans

**Service(s) Requested with FlexAmerica**

Please check one:  HSA (Complete Sections 1,2,3)  POP (Complete page 1 and Section 4 Plan Document Design)  
 FSA (Complete Sections 1, 2, 4-6, 8 and 9)  Section 132 Transportation Benefits (Complete pg 1 and Section 7)

### Section 1 – Contact Information

Please enter applicable contact information.

1. Wholesaler/DBE:	<input type="text" value="Benefit Design Group"/>	Phone:	<input type="text" value="410.494.0010"/>	E-mail:	
Full Address	<input type="text" value="600 Washington Avenue, Suite 104, Towson, MD 21204"/>				
2. Broker:		Phone:		E-mail:	
Full Address					
3. CareFirst Service Rep:	<input type="text" value="Lacey Cohen"/>	Phone:	<input type="text" value="410.998.7005"/>	E-mail:	<input type="text" value="Lacey.Cohen@Carefirst.com"/>
4. CareFirst Sales Rep:	<input type="text" value="Lacey Cohen"/>	Phone:	<input type="text" value="410.998.7005"/>	E-mail:	<input type="text" value="Lacey.Cohen@Carefirst.com"/>

### Section 2 - Employer Information

5. Plan Year Effective Date: (MM/DD/YYYY)	6. Total Number of Eligible Employees:
7. Tax ID # (TIN): -	8. Health Insurance Plan Group#:
9. Employer's FULL legal name:	
10. Corporate Mailing address (no., street, city, state, zip):	11. Preferred Mailing address (no., street, city, state, zip):
12. Employer Main contact:	E-mail:
Phone:	Fax:
13. Corporate structure: <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp** <input type="checkbox"/> LLC** <input type="checkbox"/> Partnership** <input type="checkbox"/> LLP** <input type="checkbox"/> Non-Profit <input type="checkbox"/> Other **Owners are eligible to participate in the health plan but are not eligible to participate in Cafeteria Plans.	
14. Affiliate Name & TIN:	Address:

**We understand and agree to the terms and conditions outlined by this application. We confirm that all information provided on this application is accurate.**

\_\_\_\_\_  
**Authorized Employer Signature**

\_\_\_\_\_  
**Date**

**Please retain a copy of the Terms and Conditions for your records.**

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**Section 3 - HSA – Health Savings Account**

**For Internal Business Use Only: Mellon ID: \_\_\_\_\_ (To be completed by FlexAmerica)**

**15. HSA Plan 1:**

**15a. Total Number of Eligible Employees:** \_\_\_\_\_ **15b. Total Expected Number of HSA accounts:** \_\_\_\_\_

**15c. Health Plan Deductible Single:** \_\_\_\_\_ **Family** \_\_\_\_\_

**15d. Is Health Plan customized:**  Yes Please specify \_\_\_\_\_  No

**16. HSA Plan 2:**

**16a. Total Number of Eligible Employees:** \_\_\_\_\_ **16b. Total Expected Number of HSA accounts:** \_\_\_\_\_

**16c. Health Plan Deductible Single:** \_\_\_\_\_ **Family** \_\_\_\_\_

**16d. Is Health Plan customized:**  Yes Please specify \_\_\_\_\_  No

**17. Will there be an employer contribution to the HSA?**

Yes  No

**\*\* 2% S Corp, LLC, Partners and LLP owners may not contribute pre-tax contributions through the employer account.**

**18. Select how Funding will be sent to bank for HSA accounts?**

ACH  Wire  Check

**19. Is FlexAmerica administering a limited FSA for your HSA participants?**

Yes, (Please complete Application for FSA)  No

**20. Rollover from prior TPA:**

Are funds being rolled over?  No  Yes, please contact FlexAmerica for Rollover forms.

**Important Information: IRS HSA Contribution Guidelines:**

- The maximum Health Savings Account (HSA) contribution for 2007 is \$2,850/single and \$5,650/family and for 2008 is \$2,900/single and \$5,800/family.
- Full year contributions for individuals who enroll in an HDHP mid year are permitted, provided certain conditions are satisfied.
- Employer contributions may not favor key employees but does allow for higher contributions to non-key employees.
- Employer contributions may vary by enrollment. For example \$500 contribution for Single members and \$750 for family members.
- 2% Owners of S Corporations, Partners, LLC and LLP members and other non-statutory employees may not make pre-tax payroll contributions; however, they may direct post tax contributions, which are deductible on their personal taxes.
- Employees over age 55 are permitted to contribute catch up deductions. For 2007 employees contribute an additional \$800 for 2007 and an additional \$900 for 2008, which is subject to prorating as described above. The IRS adjusts the catch up contribution amount yearly.
- IRS allows a one time tax-free rollover of Health FSA and/or HRA amounts (a Qualified HSA Distribution) to an HSA, provided certain conditions apply.
- A Health FSA participant that has a zero balance on the last day of the plan year or who transfers the entire balance by way of a Qualified HSA Distribution on or before the last day of the plan year will be deemed eligible for the HSA on the first day of the plan.

**\*\* 2% S Corp, LLC, Partners and LLP owners may not contribute pre-tax contributions through the employer account.**

### Section 4 - FSA – Flexible Spending Account

**21. Accounts Offered (Check all that apply):**

- |  |                           |                                       |
|--|---------------------------|---------------------------------------|
| <input type="checkbox"/> HealthCare Spending (HCA)   | Minimum required \$ _____ | Maximum allowed \$ _____              |
| <input type="checkbox"/> Limited Purpose HealthCare Spending<br><i>(may process claims for dental, vision)</i> | Minimum required \$ _____ | Maximum allowed \$ _____              |
| <input type="checkbox"/> Dependent Care Spending (DCA)   | Minimum required \$ _____ | Maximum allowed \$5000.00 (IRS Limit) |
| <input type="checkbox"/> Premium Reimbursement (PRA)   | Minimum required \$ _____ | Maximum allowed \$ _____              |
| <input type="checkbox"/> POP Plan  |                           |                                       |
| <input type="checkbox"/> Transportation Benefits (Section 132)   |                           |                                       |

**22. Health Claim Processing with HRA**

- 
- HCA pays first then HRA
- 
- 
- HRA pays first then HCA
- 
- 
- N/A – Not offering HRA

**23. Administration fees paid by:**

- 
- Employer
- 
- 
- Participant (these amounts must be deducted separately from account elections)

**24. Contributions are:**

- 
- Salary redirection only
- 
- 
- Employer funding & salary redirection

If yes how much Employer Funding will be provided to each employee the first plan year? \$ \_\_\_\_\_

**25. Employer Funding applies to accounts:**

- 
- 100% up front
- 
- 
- Pro-rata per-pay
- 
- 
- Other \_\_\_\_\_

**26. Run-out period for filing claims:**

- 
- 90 days
- 
- 
- 120 days
- (recommended if Grace Period is selected)*
- 
- 
- other \_\_\_\_\_ days

**27. Grace period for incurring expenses:**

- 
- None
- 
- 
- 75 days

### Enrollment Process

**28. Enrollment for your staff can be completed online, please assign the following data:**

Site Open Date:     /     /     Site Close Date:     /     /     *(two week time period recommended)*

**29. Options for Continued Data Transmission to FlexAmerica:**

- 
1. Enrollment & Deposit data provided via ASCII file sent each payroll.
- 
- 
2. Enrollment data provided via FlexAmerica's web site. Deposits provided via ASCII file sent each payroll.
- 
- 
3. Enrollment data provided via FlexAmerica's web site. Deposits assumed based on elections & payroll dates.

**30. Select all payroll schedule that apply:**

- 
- Weekly (52)
- 
- 
- Bi-weekly (26)
- 
- 
- Semi-monthly (24)
- 
- 
- Monthly (12)
- 
- 
- Other Please specify \_\_\_\_\_

Deposits will be posted to your participants' accounts each Thursday for the week in which the deduction actually occurs. The deduction is considered to have occurred on the date the paycheck is provided to the employee. All deductions occur within the plan year.  
**Important - Please provide a calendar that reflects when each deduction will occur for this plan year only.**

### Plan Document Design

**31. This application is:**

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> New Plan                   | <input type="checkbox"/> Takeover of existing POP | <input type="checkbox"/> POP adding FSA |
| <input type="checkbox"/> Takeover of FSA at renewal | <input type="checkbox"/> Mid-year takeover of FSA | <input type="checkbox"/> Other          |

**32. Plan Name:**
**33. Original effective date: (Previous POP or FSA)**

/     /     /

**34. Original ERISA Plan #:**
**35. Is this a wrap document?**

- 
- No
- 
- Yes

**36. This Plan Year begins:**

/     /     Date will vary for short plan years.

**37. Regular Plan Year begins:**

/     /     /

**Regular Plan Year ends:**

/     /     /

**38. Eligibility/entry conditions for Cafe Plan (includes premium expenses):**

- Same as employer's group medical  
 Other: \_\_\_\_\_

**39. Healthcare Spending eligibility/entry:**

- Same as employer's group medical  
 Other: \_\_\_\_\_

Does this apply to Dependent Care also?

**40. Group medical insurance eligibility/entry:**

- Date of hire  
 (#) \_\_\_\_\_ days / months employment  
 1<sup>st</sup> of the month following (#) \_\_\_\_\_ of days / months employment

**41. Will premium deductions automatically be pre-tax deductions, or does the employee have to positively elect the pre-tax option?**

- Automatic       Positive election

**42. Premiums pre-tax under this Section 125:**

- Health       Dental       Vision       Life  
 AD&D       LTD       STD       Cancer  
 Rx Drug

**43. For employees who fail to re-elect (at renewal), the pre-tax deduction for insured premium is:**

- Continued       Discontinued

### Section 5 - Reimbursement Claim Processing (FSA)

**44. FlexAmerica is responsible for claims incurred after what date?**      /      /

**45. Flex Debit Card offered**

- No       Yes

### Plan Compliance

**46. All Cafeteria Plans require non-discrimination testing. FlexAmerica tests plans at the beginning of each Plan Year for all employers who elect this service. If the Plan isn't passing, we will recommend corrections and at no extra charge will re-test the Plan again prior to the start of the 4<sup>th</sup> quarter of the plan year. Will you need FlexAmerica to perform non-discrimination testing for your Plan?**     Yes     No

### Section 6 - Reporting Responsibilities (FSA)

**47. Will you need FlexAmerica to prepare a 5500 for your Plan?**

- Yes       No

**48. If yes, what is Plan Year end date for the first year FlexAmerica will be responsible for this preparation?**      /      /

**Printed name of signer:** \_\_\_\_\_

**Date:**      /      /

**Signature** \_\_\_\_\_

This authority is to remain in full force and effect until FlexAmerica has received written notification of its termination in such time as to afford FlexAmerica a reasonable opportunity to act on it.

### Section 7 – 132 Plan Design

**49. Select Option 1 or 2 below for Transit & Parking – you can use one for each or the same for both Parking & Transit**
 **Option 1 – Purchase Driven**

Passes purchased monthly online through Wired Commute

**Monthly Cutoff Date:**      /      /

**Purchase Month:** \_\_\_\_\_

 **Option 2 – Election Driven**

Elections made in advance – debit card or cash reimbursement

- Transit     Parking     Parking w/ reimbursement option

- Transit     Parking

Purchases that are over IRS pre-tax maximum:

- Payroll deductions for post-tax as well as pre-tax purchases  
 Participant use personal credit cards for post-tax purchases

Election changes are only allowed:

- Monthly     Semi-Annual     Other \_\_\_\_\_

### Section 8 - Banking for Claim Payment (FSA)

**Please select 1 of the 3 options below for your participants reimbursement for claims reimbursement:**

**\*\* Note: FlexAmerica does not hold any funds.**

**Option 1 – Automated Clearing House (ACH):** Reimbursement checks & direct deposit transactions will be processed directly from FlexAmerica’s company account.

We, the undersigned, hereby authorize FlexAmerica, Inc. to initiate ACH (automated clearing house) transfer entries for the depository indicated below for claims reimbursements at the depository named below, hereinafter called Depository. I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of US Law.

FlexAmerica, Inc. will initiate an automated transaction to pull the monies from your designated account to FlexAmerica, Inc.’s account for the exact amount of the reimbursements for the week as posted to the Checks Paid report on [www.flexamerica.com](http://www.flexamerica.com). Reimbursement checks & direct deposits to your participants are mailed/initiated on Thursday & the automated transaction from your account will occur on Friday or Monday following. Bounced automated withdrawals from your account will incur a \$100 charge.

(Check only if the FSA is using the debit card) We, the undersigned, hereby authorize mbi, Inc. to initiate ACH (automated clearing house) transfer entries for the depository indicated below for daily FSA & HSA debit card transactions. Bounced automated withdrawals from your account will incur a \$100 charge and will require immediate action to prevent cards from being turned off.

<b>Bank/depository name, branch &amp; address:</b>	<b>Account #:</b>	<b>Routing #:</b>
<b>Printed name of signer:</b>	<b>Date:</b> /    /	<b>Signature</b> _____

**Option 2 – Client Checking Account (Direct Deposit Optional):** FlexAmerica will write checks from the employer’s account.

**The signer on the account will be:**

- FlexAmerica (please provide a signatory card from your bank)  
 Individual at your office (one-time fee of \$300 for a custom signature)

**Attach a copy of a voided check from the account.**

**If you do not have checks for this account, ask your bank to provide a “MICR spec sheet” so the checks can be set up properly.**

<b>Bank/depository name, branch &amp; address</b>	<b>Account #:</b>	<b>Routing #:</b>
Starting check #	<b>Custom Laser Signature Box - Use black ink to sign in the box below:</b>	
<input type="checkbox"/> Void check attached <input type="checkbox"/> MICR spec sent	<div style="border: 1px solid black; width: 100%; height: 40px;"></div>	
Custom Signer’s Name:		

We, the undersigned, hereby authorize FlexAmerica, Inc. to initiate ACH (automated clearing house) transfer entries for the depository indicated above for claims reimbursements at the depository named above, hereinafter called Depository. I (we) acknowledge that the origination of these transactions to/from my (our) account must comply with the provisions of US Law.

FlexAmerica, Inc. will initiate an automated transaction to pull the monies from our designated account to FlexAmerica, Inc.’s account for the exact amount of the direct deposit reimbursements for the week as posted to the Checks Paid report on FlexAmerica’s website. Direct deposits to our participants are mailed/initiated on Thursday & the automated transaction from your account will occur on Friday or Monday following. Bounced automated withdrawals from your account will incur a \$100 charge.

(Check only if the FSA is using the debit card) We, the undersigned, hereby authorize mbi, Inc. to initiate ACH (automated clearing house) transfer entries for the depository indicated above for daily FSA & HSA debit card transactions. Bounced automated withdrawals from your account will incur a \$100 charge and will require immediate action to prevent cards from being turned off.

<b>Printed name of signer:</b>	<b>Date:</b> /    /	<b>Signature</b> _____
--------------------------------	---------------------	------------------------

**Option 3 – Remittance Advice Only:** FlexAmerica will print remittance statements for all of the processed claims. The payable reimbursement amounts will be posted to our web site. The employer will credit these amounts to the employees via a reimbursement check or a credit to their next paycheck. (The mbi debit card is not available with this bank option.)

### Section 9 – Banking for Fee Payment (FSA)

**Administrative Fees Payment: FlexAmerica will automatically withdraw administrative fees for the program(s) on the 15<sup>th</sup> of the month**

We, the undersigned, hereby authorize FlexAmerica, Inc. to initiate ACH (automated clearing house) transfer entries for the depository indicated below for administrative fees at the depository named below, hereinafter called Depository. I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of US Law.

FlexAmerica, Inc. will initiate an automated transaction to pull the monies from your designated account to FlexAmerica, Inc.’s account for the exact amount of the fees for the month for the billing report available on [www.flexamerica.com](http://www.flexamerica.com). Bounced automated withdrawals from your account will incur a \$100 charge.

<b>Bank/depository name, branch &amp; address:</b>	<b>Account #:</b>	<b>Routing #:</b>
<b>Printed name of signer:</b>	<b>Date:</b> /    /	<b>Signature</b> _____

This authority is to remain in full force and in effect until FlexAmerica has received written notification of its termination in such time as to afford FlexAmerica a reasonable opportunity to act on it.

**INITIAL HSA EMPLOYER CONTRIBUTION FORM (Optional)**

**INSTRUCTIONS**

*Please note this form is not mandatory. You can utilize this form to help expedite the funding of your HSA accounts.*

1. **Review The Maximum Contribution:** Review the Maximum Contribution Guidelines to assist in determining the maximum amount that may be contributed to the HSA for the current calendar year.
2. **Complete The Initial Employer Contribution Form:** IMPORTANT: This form is only for the processing of the **initial** employer deposit during implementation. All future contributions, employer or employee payroll deferrals, must be completed on the FlexAmerica web portal.
3. **Submit contribution form along with the FlexAmerica master application**
4. **Complete Banking Information to Initiate ACH or Mail Deposit to Mellon Bank:** FlexAmerica can initiate an ACH to fund the accounts or mail deposit in to Mellon Bank. FlexAmerica will provide the employer account number with your Employer Handbook, which must be included when the deposit is mailed to Mellon Bank. Make funding selection on contribution form.
5. **Members Activate Their Account:** Debit Cards are mailed to all participants when the enrollment data is loaded to FlexAmerica. The debit card will be activated and contributions will be posted to members' accounts only after the members' bank account has been activated. All members will receive a Welcome Kit with instruction to activate their account online or by returning the signature card included.

**Maximum Contribution Guidelines**

- The maximum Health Savings Account (HSA) contribution for 2007 is \$2,850/single and \$5,650/family and for 2008 is \$2900/single and \$5800/family.
- Full year contributions for individuals who enroll in an HDHP mid year are permitted, provided certain conditions are satisfied.
- Employer contributions may not favor key employees.
- Employer contributions may vary by enrollment. For example \$500 contribution for Single members and \$750 for family members.
- Employers of S Corporations, partners, LLC members and other non-statutory employees may not make pre-tax payroll contributions; however they may direct post tax contributions, which are deductible on their personal taxes.
- Employees over age 55 are permitted to contribute an additional \$800 per year for 2007 and \$900 for 2008.

**Contact Name:** \_\_\_\_\_ **Phone:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Detach & Mail With Contribution check**

Deposit Form with Check Payable to: **Mellon Trust of New England, N.A.**

**Mail to: Mellon HSA Solution P.O. Box 4038 Woburn, MA 01888-4038**

**Employer Name:** \_\_\_\_\_

Employer Account Number provided by FlexAmerica\*: 9 5 0 0 9 9 8 \_\_\_\_\_  
 (\*Account number is required)

**Initial Contribution Effective Date:** \_\_\_\_\_

**Check Amount:** \$ \_\_\_\_\_

**INITIAL HSA EMPLOYER CONTRIBUTION FORM (Optional)**

**INSTRUCTIONS**

1. **Complete all fields below for all HSA participants.**
2. **Attach completed form with FlexAmerica Master Application:** Contributions will be allocated only after Mellon Bank receives the employer contribution check and FlexAmerica completes the set-up. The debit card will be activated and contributions will be posted to members' accounts only after the members' bank account has been activated. All members will receive a Welcome Kit with instruction to activate their account online or by returning the signature card included in the Welcome Kit.
3. **Funding Method Selection - Please select one:**
  - FlexAmerica to initiate an ACH Routing Number \_\_\_\_\_ Account Number \_\_\_\_\_
  - Mail check to Mellon Bank

**Employer Name:** \_\_\_\_\_

<b>Effective date:</b> _____	<b>Contribution Amount</b>
---------------------------------	----------------------------

EMPLOYEE NAME	SOCIAL SECURITY #	EMPLOYER	EMPLOYEE PRE-TAX	TOTAL
<b>Subtotal</b>				

## New Case Submission Check List

### FSA, POP & Section 132 Services:

Send information during the implementation process to [newbusiness@flexamerica.com](mailto:newbusiness@flexamerica.com).

<b>Task – please check off as completed</b>
Submit application
<input type="checkbox"/> Including signed letter of agreement & setup fee <input type="checkbox"/> All applicable sections of the application <input type="checkbox"/> All payroll schedules for deductions <input type="checkbox"/> Voided check or MICR spec sheet (if using bank option 2) <input type="checkbox"/> FlexConvenience Card forms – if using this option <input type="checkbox"/> Short Plan Year Dates: _____
<input type="checkbox"/> ER Funding Summary. _____
<input type="checkbox"/> Sub-Groups Needed: Details _____
<input type="checkbox"/> Election Format – Please select one: _____ Paper Elections    _____ Web File: Dates _____    _____ EDI File
Mid-Year FSA Takeover Plans Only:
<input type="checkbox"/> Submit Claims report detailing: <ul style="list-style-type: none"> <li>• Each employees' contribution year to date per each account</li> <li>• Claims paid year to date per account</li> </ul>
<input type="checkbox"/> Submit Discrimination Testing Information <ul style="list-style-type: none"> <li>• Employee Name</li> <li>• Ownership &amp; officer designation</li> <li>• Current annual income &amp; prior year gross income</li> <li>• Annual Benefit Costs</li> </ul>
NOTE: our file layouts for discrimination testing can be downloaded with your internet browser from our FTP site. This site is located @ <a href="http://www.flexamerica.com/compdesignco/">http://www.flexamerica.com/compdesignco/</a>
<input type="checkbox"/> Designated ACT fields Completed (For FlexAmerica use only)

**Claim processing will not commence until all required information is submitted to FlexAmerica. The weekly cut-off is Monday 12:00 pm eastern time for the check run for Thursday. Employees who call in to FlexAmerica will be told that we are waiting for information from the employer and any further requests should be directed to the HR department.**

<b>For FlexAmerica use only. Please do not write in this area.</b>
<input type="checkbox"/> Invoice required for set up fee? \$ _____
<input type="checkbox"/> Invoice required for takeover fee? \$ _____/per participant
<input type="checkbox"/> Invoice required for marketing material? _____ # of brochures over contract amount
<input type="checkbox"/> Case quoted with commission? \$ _____ or _____%
Contact for incomplete application information: <input type="checkbox"/> Sales Rep <input type="checkbox"/> Broker <input type="checkbox"/> Client
<input type="checkbox"/> List any non-standard items: _____ _____

## Terms & Conditions

### General

- Employers must notify FlexAmerica of employees who are on leave of absence whether to pay claims, cease claim payment or reduce the election
- Direct deposit to members' bank accounts for reimbursement of claims is included with all FSA and HRA accounts.
- All fees will be paid via ACH

### HSA

- **\*\* 2% S Corp, LLC, Partners and LLP owners may not contribute pre-tax contributions through the employer account.**
- The HSA establishment date is the earlier of the 1<sup>st</sup> payroll deduction or the date the signature card is signed
- Employee and employer contributions must be entered on FlexAmerica employer web portal either manually or via payroll file. Contributions will be pended on FlexAmerica's web portal until the employee has returned a signature card and processed by Mellon.
- The full amount of employee and employer contributions should be sent directly to Mellon Bank via ACH, wire or check.
- Participants in a HSA plan may not participate in a general purpose FSA covering medical expenses.
- Employees' contributions to a HSA require the employer's plan document to reflect the ability to pre-tax HSA contributions.
- Participants are responsible to the IRS for the use of the HSA and should keep documentation on purchases for 6 years
- Once an employee is terminated, their MBI issued debit card will be inactivated and Mellon Bank may reissue a Mellon debit card for \$5 upon request by contacting the Mellon HSA Call Center.
- Since employees may deposit HSA funds in addition, to payroll deducted, contributions, it is the responsibility of the employee to monitor the contribution limits for IRS compliance.
- Monthly bank account statements will be provided to HSA participants.

### Debit Card (only applies to HSA)

- FlexAmerica's standard approved merchants will be authorized for debit card use
- Force Post Transactions (which represent less than 1% of transactions) are transactions that a merchant has forced through for payment without the proper approvals. These transactions may not be stopped due to a MasterCard policy and may result in overpayments or ineligible charges to be processed. FlexAmerica, Inc. has procedures in place with Medi-Bank to identify and recoup any ineligible payments made in this manner.
- Member Social Security numbers are required for all debit card accounts
- Merchants charges may be denied if the merchant is not an approved merchant for use with this plan or if the merchants terminal is not coded properly
- Additional debit cards, or replacement cards, for family members may be issued for \$5 each
- Debit cards are valid for multiple plan years and should not be destroyed. The debit card is a non-pin based card
- Debit cards are mailed within 14 days of approval from FlexAmerica unless the employer is notified of a delay
- Employers or cardholders will not be responsible for fraudulent charges; however, the proper documentation must be filed with FlexAmerica to start the refund process
- Charges in excess of the available balance will result in a denied transaction
- Debit card charges may only be used to pay for expenses incurred in the current plan year for FSA plans or after their HSA eligibility date
- Termination dates communicated to CareFirst or FlexAmerica will immediately inactivate the debit card requiring claims to be submitted via paper (FSA) or withdrawn via check (HSA)

### FSA

- Annual maximum deferrals are: Daycare=\$5,000 per year, Healthcare=set by employer, Parking=\$205 per month, Transit=\$105 per month
- If premium only option is selected, the plan document will allow pre-tax deductions for the following items, medical dental, vision
- Reimbursement requests will not be mailed for less than \$10 until the end of the plan year
- FSA claims grace period is 90 days after the end of the plan year and recommend 120 days if 75 day grace period is selected.
- Import file layout may be obtained at [www.flexamerica.com/pdf/file.pdf](http://www.flexamerica.com/pdf/file.pdf)
- FlexAmerica provides service updates via email and the employer agrees that they will read and act on these updates.
- FlexAmerica performs the following general FSA functions, including: verification of proper documentation of the expense; screening for duplicate payment; calculation of reimbursement due; and payment directly to the participants via FlexAmerica check or direct deposit.
- Plan set-up may be delayed if the set-up timeline is not maintained
- Faxed claims received by Tuesday at 11:59 PM are processed and mailed each Thursday while mailed claims are send offsite for scanning which can take up to 5 additional days.
- Direct deposit payments for claim reimbursement are initiated each Friday morning

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- Employers are responsible for formally notifying FlexAmerica to remove accounts, removing them from the file does not eliminate the account
- FlexAmerica will appoint a dedicated account manager to your plan responsible for general plan guidance including legislative interpretation, renewal coordination and issue resolution.
- Employer funded claim payments are initiated on Friday. The funds are usually withdrawn between Friday afternoon and Monday.
- Emails submitted to customer service are replied to within 24 hours, Monday through Friday, during normal business conditions.
- Healthcare spending accounts and HRA's are subject to COBRA and FlexAmerica does not send COBRA notices unless we are contracted to provide COBRA services.
- FlexAmerica provides one hard copy of a standard plan document, summary plan description and business associate agreements. Custom document work is not recommended by FlexAmerica and the amendment of these plans will incur additional fees.
- FlexAmerica will post the Summary Plan Description (SPD) on the web site accessed by members.
- Legislative amendments or document re-writes will be supplied by FlexAmerica to employers using FlexAmerica's prototype documents.
- Fees are guaranteed for 12 month unless otherwise noted.
- Employers must fund the plans and will be responsible for overdraft charges and all banking fees if the claims are not funded in a timely manner including, but not limited to overdrafts, bounced checks, and stop payments
- It is the responsibility of the employer to track and send timely member data and deposit electronic import files
- Employers who select administration based on "automatic assumed deposits" are responsible for notifying FlexAmerica in a time manner of additions, termination and changes through FlexAmerica's web site
- Employers may send in ongoing eligibility and deposits data through a standard file format.
- The employer is responsible for the accuracy of data files as well as sending files in a timely manner.
- FlexAmerica is not responsible for claims paid after the termination date where the employer notifies FlexAmerica late or provides inaccurate data files.
- Employers who send deposit import files may use exact deductions and annual election amounts; FlexAmerica will round down elections to the nearest penny for employers who use assumed accruals.
- Adds, terms and changes posted online or via electronic files are completed within 5 business days
- All electronic files received before 12:00 PM eastern time on Wednesdays will be processed for the Thursday check run
- FlexAmerica performs data analysis nightly before complete claim and eligibility data is available online
- Employers may provide FlexAmerica with alternate user name and passwords via electronic import files provided they do not conflict with other user names
- FlexAmerica will stop processing claims after the maximum reimbursement has been reached
- Participants may be contacted for the following reasons: the entire claim is denied; the day care claim is not be reimbursed; or the fax record is not complete
- The standard statement policy is to send statements 90 days before the end of the plan year and at the end of the plan year.
- Participants may elect to receive daily e-mail updates for claim and checks
- Check reissues are completed after the check has been non-delivered for 14 days
- Participants are required to itemize claim requests
- Wire may be accepted at the discretion of FlexAmerica and the fee depends on the number and source of the wire.
- Plan year data is maintained online for 9 months after the end of the plan year.
- FlexAmerica relies on outside vendors for some of our services which may, from time to time, impact our services

#### **Debit Card**

- FlexAmerica's standard approved merchants will be authorized for debit card use
- Force Post Transactions (which represent less than 1% of transactions) are transactions that a merchant has forced through for payment without the proper approvals. These transactions may not be stopped due to a MasterCard policy and may result in overpayments or ineligible charges to be processed. FlexAmerica, Inc. has procedures in place with Medi-Bank to identify and recoup any ineligible payments made in this manner.
- Member Social Security numbers are required for all debit card accounts
- The debit card is a non-pin based card
- Merchants charges may be denied if the merchant is not an approved merchant for use with this plan or if the merchants terminal is not coded properly
- Additional debit cards, or replacement cards, for family members may be issued for \$5 each
- Debit cards are valid for multiple plan years and should not be destroyed.
- Debit cards are mailed within 14 days of approval from FlexAmerica unless the employer is notified of a delay

- Employers or cardholders will not be responsible for fraudulent charges; however, the proper documentation must be filed with FlexAmerica to start the refund process
- Charges in excess of the available balance will result in a denied transaction
- Debit card charges may only be used to pay for expenses incurred in the current plan year for FSA plans or after their HSA eligibility date
- Termination dates communicated to CareFirst or FlexAmerica will immediately inactivate the debit card requiring claims to be submitted via paper (FSA) or withdrawn via check (HSA)
- FSA participants using the debit card must document all non-co-pay claims after the charge or the card will be inactivated. FlexAmerica will send reminders via email or mail for claims requiring documentation.
- FlexAmerica's letter process involves sending document requests on the 25th of each month. If proper documentation is not submitted after 45 days, the card is temporarily inactivated.
- FSA purchases for Over the Counter (OTC) items will require debit card substantiation unless they are purchased through *drugstore.com* or *Walgreens* and all items purchased can be substantiated by the merchant as eligible.
- Documentation for debit card claims must be faxed to a dedicated fax number. These should not be submitted with traditional claim requests
- Participants who use the debit card for invalid charges will be instructed to refund the money, via check, to FlexAmerica payable to the employer.
- FlexAmerica will adjust the accounts and forward the refund to the employer.
- Employers are required to adjust employees' W2's for claims that are not documented
- Debit card funding occurs 6 days a week and must be withdrawn from an employer account; optionally, employers may opt to receive a daily funding email for debit card transactions. Wire funding is not acceptable and there is a \$100 charge for NSF.
- Employer will assist FlexAmerica in collecting email addresses
- FlexAmerica is not responsible for incorrect or invalid email addresses when requesting documentation.
- Employers may pay an additional \$.75 per participant per month to have all documentation requests sent out via US mail.
- Employers, at their option, may opt for using the debit card for co-pays only. This helps to reduce the substantiation requests
- Employers are responsible for sending updated co-pay information to FlexAmerica upon changing the health plan co-pays.
- Participants cannot use the current year funds to pay for expenses incurred in prior plan years and claim reimbursements after the end of the plan year must be submitted and will be reimbursed through a check.

## Form Completion Assistance

### Section 2 – Employer Information

#### 5. Plan Year Effective Date

Please enter plan year effective date (MM/DD/YYYY).

#### 6. Total Number of Eligible Employees

This number should be the total number of employees who are eligible to participate not the number of employees who elect the benefit.

#### 9. Employer’s FULL legal name

This is the name that will be used for all legal plan documentation and/or IRS filings. Please make sure to include your entire name exactly how it appears on corporate licensing and tax filings.

#### 12. Main contact

Please provide the name and contact information for the person responsible for day-to-day communications. We will set this person as the main user of our web site, and they will have access to set up as many additional user accounts as desired.

#### 14. Affiliates

Please provide all affiliated companies who are providing benefits under this Plan. Do not list divisions. An Affiliate is a related company with its own TIN and has 70% or more common ownership.

### Section 3 - HSA

#### 15c. Health Plan Deductible

Please enter the health deductible amounts for Single and Family.

#### 15d. Health Plan Customized

Please specify if the health plan has been customized from the standard plan.

#### 16c. Health Plan Deductible

Please enter the health deductible amounts for Single and Family.

#### 16d. Health Plan Customized

Please specify if the health plan has been customized from the standard plan.

#### 17. Employer Contribution

Please specify if the employer will be making contributions to the

participant’s HSA accounts. Please note: *S Corp, LLC, Partners and LLP owners may not contribute pre-tax contributions through the employer account.*

#### 18. Funding

Please specify how the employer will be sending the funds to the bank.

#### 19. Limited Purpose FSA

If the employer would like to offer a Limited Purpose FSA, please download and complete the FSA Application located on the CareFirst web site.

#### 20. HSA rollover

If yes, please contact FlexAmerica for rollover forms.

### Section 4 - FSA

#### 21. Accounts Offered:

Select which types of reimbursement accounts.

**HealthCare Spending Account** – Full use HealthCare Spending Account.

**Limited Purpose HealthCare Spending Account** – This account is used in conjunction with an HSA account to reimburse dental & vision expenses.

**Premium Reimbursement Account** – This account is used to reimburse Tricare, individual health insurance premiums not associated with a group policy.

#### 22. Health Claim Processing

Health related claims can be paid from either the HRA or the HCA first. Paying from The HCA first will reduce your participants’ forfeitures at the end of the year, and will increase plan satisfaction since these funds are subject to “use it or lose it.”

#### 28. Enrollment site for staff

FlexAmerica can provide a company specific open enrollment site. You can choose the site code and the dates the site is available for use.

#### 29. Options for Continued Data Transmission

FlexAmerica will need to collect data for ongoing new enrollments, changes, and terminations through the plan year. You can enter this information on our web site or supply an import file each payroll week. FlexAmerica will also need to virtually track your payroll deductions either by an import file each payroll or by assumed accrual.

#### 30. Select all payroll Schedules

Even if you don’t have any participants currently on that payroll schedule, please indicate what frequencies of schedules you use.

A calendar showing pay dates is required for each payroll schedule noted in #32. The pay dates indicated on the calendar should be just those that will have deductions for this plan year.

**Questions 34, 35, 36, and 37 correspond to one singular plan. For a restatement plan, the answers can be found on a previous 5500 filing or an earlier plan document. Your answers will be in creation of your company’s Cafeteria Plan Document and SPD.**

#### 32. Plan Name

Provide the name that we will use when we write your new plan document and prepare future 5500 filings. If this is a restatement, the plan name already in place should be used.

#### 33. Original effective date

Provide the date the plan started going back to the very first pre-tax deduction (POP or FSA) for the plan that you indicated in #18.

#### 34. Original (current) Plan #

Provide your 3-digit ERISA plan number for your Cafeteria Plan. If this is a new plan for your company, chose a number that starts with 5 and has not yet been assigned to another plan.

#### 35. Is this a wrap document?

Wrap documents are used to communicate multiple benefit offerings “wrapped” into one succinct writing. Since FlexAmerica does not manage health insurance benefits, we will not be able to provide a wrap document. We can write the Cafeteria Plan portion to be coordinated with a wrap provided by another provider.

**36. This Plan Year begins**

Indicate the month, day, and year that your FSA benefits began this year even if that is before the date your account will start with FlexAmerica.

**37. Regular Plan Year begins/ends**

Indicate date your Plan will start each Plan Year and end.

**Section 5 –Reimbursement Claim Processing**

**44. Claims responsibility**

Indicate the earliest claims date that you wish FlexAmerica to honor claims. This date cannot be earlier than the date in #31, but it can be a later date.

**45. Flex MasterCard offered**

Specify whether or not FlexAmerica debit card will be offered for FSA reimbursement?

**46. Non-discrimination Pre-Test**

FlexAmerica will supply employers with an excel file format for testing. The test should be done at the start of each plan year and again before the 4<sup>th</sup> quarter of the plan year if there are concerns about passing.

**Section 6 – Reporting Responsibilities**

**47. Will you need FlexAmerica to prepare a 5500?**

5500 filings are only required for HRA plans with greater than 100 participants and FSA plans with greater than 100 HCA participants. For those plans, FlexAmerica can provide a signature ready form. Please indicate if we will be responsible for providing this service.

**48. If yes, what is the first year**

Provide the Plan Year end date (the last day of the Plan Year) for the first

filing you need FlexAmerica to prepare for you.

**Section 8 –Banking - Claim Payments**

FlexAmerica offers the employer three (3) standard options for the funding of their account(s). All options stipulate that the employer hold the funds until employees present eligible claims for reimbursement to FlexAmerica. The options are described below in order of popularity.

**Option 1 - Automated Clearing House (ACH) debit:** The employer’s account is automatically debited the entire dollar amount needed to fund the week’s claims. Email notification of the total dollar amount being drafted along with instructions to view the web site for details on individual reimbursements prior to the draft is provided to the employer on Thursday with the release of the funds. Reimbursement checks and direct deposit transactions are processed from FlexAmerica's company account.

FSA and HRA participants with the debit card will also use this account for MBI debit transactions. The employer is automatically debited the entire dollar amount needed to fund the previous day's transactions. Email notification of the total dollar amount being drafted is provided to the employer each banking day for transactions that will be debited the next morning.

**Option 2 - Client Checking**

**Account:** FlexAmerica will print reimbursement checks from the client’s designated company account. FlexAmerica will either be a signer on the account or the employer's signature will be laser reproduced on the checks. Email notification of the total dollar amount being processed, along with instructions to view the web site for details on individual reimbursement(s) prior to the release of funds, is provided to the employer on Thursday. Reimbursement checks and direct deposit transactions are processed from the client's account.

FSA and HRA participants with the debit card will also use this account for MBI debit transactions. The employer is automatically debited the entire dollar amount needed to fund the previous day's transactions. Email notification of the total dollar amount being drafted is provided to the employer each banking day for transactions that will be debited the next morning.

**Option 3 - Remittance Advice Only:**

FlexAmerica will print and mail remittance advice statements to participants for all claims processed and post the employee payable amount on our website. The employer will credit these amounts to the employees via a reimbursement check or a credit to their next pay.

**Section 9 –Banking – Fee Payments**

Fee payment can be from the same bank account as designated for claims processing, or an ACH can be set up from a different designated bank account.