



FLEXIBLE SPENDING PROGRAMS

Who doesn't want to save money . . . when it's this easy?



What are Flexible Spending Accounts?

Even with benefit plans and options, there are many medical-related expenses that you must pay for out of your pocket such as deductibles, co-pays and coinsurance. Additionally, many families have dependent day care expenses—costs to care for a child or an elderly parent while you are at work. A Flexible Spending Account (also referred to as an FSA) is a tax shelter that allows you to reduce your taxable income by the amount of money you contribute to the plan. This means that you do not pay federal or state income taxes on the money you put aside for medical related or dependent day care expenses for the plan year. The money you put into a Medical Spending Account is then used to pay medical related expenses with pretax dollars while money you put into a Dependent Spending account is used to pay for day care expenses with pretax dollars.

PARTICIPATION IN A MEDICAL SPENDING ACCOUNT DOES NOT REQUIRE PARTICIPATION IN DEVEREUX'S WELFARE BENEFITS.

How the Accounts Work

There are two spending accounts—one for medical related expenses and one for dependent day care expenses. You can make deposits to one account or both accounts.

If you choose to participate, you will estimate how much your medical related and/or dependent day care expenses will be for the plan year. The election amount will then be deducted evenly from your paychecks throughout the plan year. When you have an eligible expense, you can use your Benefits Card for payment (details on page 9) or pay out of pocket and complete a claim form to receive reimbursement from your spending account. **In the end, you never pay taxes on your deposits—or on your reimbursements.**

IMPORTANT NOTE: IF YOU ARE ELECTING THE HIGH DEDUCTIBLE HEALTH PLAN / HEALTH SAVINGS ACCOUNT (HDHP / HSA) YOU WILL NOT BE ELIGIBLE TO ENROLL IN A MEDICAL SPENDING ACCOUNT. HOWEVER, YOU WILL BE ELIGIBLE TO ELECT A DEPENDENT CARE SPENDING ACCOUNT.

Effect of Change in Status

If you leave your employment during the year, your participation in the Medical Spending Account and/or Dependent Care Account will automatically stop on your date of your termination. However, you can continue your participation in the Medical Spending Account by making a COBRA election. If you terminate participation, only expenses incurred while you were a plan participant (up until the point of termination) are eligible for reimbursement. You do, however, have until the end of the claim run-out period to submit these expenses. By electing to continue your Medical Spending Account under COBRA, expenses incurred after your termination date are potentially eligible for reimbursement. The expense must have been incurred during your COBRA continuation period or up through the end of the current plan year, whichever comes first. You may only continue your Medical Spending Account under COBRA through the remainder of the current plan year. The Medical Spending Account can not be elected under COBRA for subsequent plan years.

According to present IRS codes, you can elect to change benefits during a plan year **ONLY** if the change is necessary and appropriate as a result of one of the following events:

- Marriage
- Birth, adoption, placement for adoption or death of a dependent
- Termination or commencement of employment, strike or lockout, commencement or return from LOA or change in work site affecting you, your spouse, or your dependents
- Reduction or increase in hours that causes the employee to become eligible or cease to be eligible for benefits

In exchange for the tax advantage, the IRS places some restrictions on the spending accounts as follows:

- Participants can submit eligible expenses only for individuals that are considered to be tax dependents of the participant. Domestic partners may be eligible if they are tax dependents.
- The IRS has permits an amount to be carried over each year. This means you can carryover anything up to that amount without losing it!
- The amount you elect to contribute to an FSA can not be changed during the year unless a qualified family status change is experienced.
- Expenses paid through a medical-related account cannot also be deducted on your tax return and expenses paid through a dependent day care account cannot be used as a tax credit.
- Employees who are interested in participating in the spending accounts must enroll each year. **Prior year enrollments cannot be carried over to the next year. If you do not elect a medical FSA in the next year, the money you rollover becomes a Limited Health FSA.**
- The Limited Health FSA can be used to pay for eligible vision and dental expenses. Any funds left in your Health Care FSA will be transferred to a Limited Health FSA, if you do not re-enroll in the Health Care FSA. The Limited Health FSA can be used in conjunction with the HSA since the Limited FSA is for vision and dental expenses only.



Medical Spending Account

A Medical Spending Account (also referred to as a Flexible Spending Account or FSA) is designed to reimburse for out-of-pocket medical care expenses incurred by you or your eligible dependents that are not reimbursable through any other benefit. Some common examples of eligible expenses are deductibles, co-payments, prescription eyeglasses, and vision exams. During the year, you can use the medical-related expense account to reimburse yourself for any medical care expense that would be allowed as a deduction on your federal income tax return.



Visit www.ebcflex.com for a list of eligible expenses and items that are not covered under a FSA plan.

Dependent Care Spending Account

A Dependent Care Flexible Spending Account is designed to reimburse you for expenses incurred to care for your eligible dependents to enable you to be employed. The most common examples of these are daycare and elder care. During the year, you can use the Dependent Care Spending Account to reimburse yourself for work related child care or other dependent care expenses that allow you (and, if your married, your spouse) to work. These expenses can be claimed for children under age 13 who qualify as dependents on your federal income tax return. You may claim expenses for other dependents that are physically or mentally incapable of self-care, such as elderly parents who live in your home at least eight hours each day and who qualify as exemptions on your federal income tax return. Most kinds of day care are covered, including care in your home or at a day care center.



After you have incurred an eligible expense, you may be reimbursed up to the current account balance at the time of the reimbursement request. Claims submitted for expenses that exceed your current account balance will remain pending until additional contributions are applied to your account.

ELIGIBLE DEPENDENT CARE EXPENSES

GENERAL EXPENSES

- ☐ Care at licensed nursery schools* ☐ as the individual is partly responsible for the well being and care of your qualified dependents. Adoption expenses
- ☐ Before and after school care for children under age 13* ☐
- ☐ Day camps*
- ☐ Child care centers that provide day care*
- ☐ Services from individuals who provide care in or outside your home while you work. Dependents of you or your spouse and children under age 19 are not acceptable.
- ☐ Household services (related to the care of the elderly or disabled adults or children who live with you) provided by a housekeeper, maid, cook, etc. as long

*To qualify, the school or center must comply with state and local laws, serve at least seven individuals, and receive a fee for its services.

INELIGIBLE DEPENDENT CARE EXPENSES

GENERAL ITEMS

- Services provided by your spouse ☐ Overnight camp expenses
- Services provided by a child of yours younger than 19 ☐ Babysitting expenses for time when you are not working
- Services provided by a dependent whom you claim as an ☐ Tuition expenses for schooling exemption for federal income tax purposes ☐
- Expenses claimed under the Dependent Care Tax Credit
- Nursing home or custodial care

Why Should I Participate?

Contributions made into a flexible spending account are taken on a pretax basis. This means that every deduction made for a spending account from your paycheck reduces your taxable income. In other words, you pay less federal income tax, Social Security and Medicare taxes, and state and local taxes (in most states) and increase your net take home pay.

Examples of your Savings

Scenario #1 –Medical Spending Account

Ralph earns \$25,000 per year and claims Single and no dependents on his W-2. He estimated his medical related expenses to be \$1,000 per year and chose this amount as his annual contribution amount for a Medical Care Spending Account. This equates to a \$38.46 deduction from his pay check per pay period. The following displays his savings with the spending account contributions:

Per Pay Period	Earnings <i>without</i> a medical spending account	Earnings <i>with</i> a medical spending account
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Gross Earnings	\$961.54	\$961.54
(-) Pre-Tax Medical Spending (FSA) Deductions	\$ 0.00	\$ 38.46
= Taxable Earnings	\$961.54	\$923.08
(-) Tot Federal Taxes (15%)	\$144.23	\$138.46
= Net Pay	\$817.31	\$784.62
(-) Medical & Dependent Costs not paid thru FSA (Post tax expenses)	\$ 38.46	\$ 0.00
= Take-Home Pay	\$778.85	\$784.62

TOTAL SAVINGS = \$5.77 PER PAY OR \$150.02 PER YEAR

Scenario #2 – Dependent Care Spending Account

Karen earns \$50,000 per year and claims Married Filing Separately and 1 dependent on her W-2. Her son is enrolled in daycare with a tuition expense of \$8,000 per year; thus, Susie elects the entire \$5,000 as her contribution amount for a Dependent Care Spending Account. This equates to a \$192.31 deduction from her pay check per pay period. The following displays her savings with the spending account contributions:

Per Pay Period	Earnings <i>without</i> a dependent care spending account	Earnings <i>with</i> a dependent care spending account
Gross Earnings	\$1,538.40	\$1,538.40
(-) Pre-Tax Deduction	\$ 0.00	\$ 192.31
= Taxable Earnings	\$1,538.40	\$1,346.09
(-) Tot Federal Taxes (25%)	\$ 384.60	\$ 336.52
= Net Pay	\$1,153.80	\$1,009.57
(-) Medical & Dependent Costs not paid thru FSA (Post tax expenses)	\$ 192.31	\$ 0.00
= Take-Home Pay	\$ 961.49	\$1,009.57

TOTAL SAVINGS = \$48.08 PER PAY OR \$1,250.08 PER YEAR

Pretax vs. After Tax Payment

Under current law, you can only deduct your medical expenses on your federal income tax return if your annual medical expenses exceed 10% of your adjusted gross income. Since most of us do not reach that level, the medical related expense account is the only way to save taxes on medical expenses.

You may want to consult a tax advisor to help you determine whether the medical related expense account or the tax credit is better for you.

If you have day care expenses, you may be taking a tax credit to reduce your income tax at the end of the year. Through the Dependent Care Spending Account, you reduce your income tax throughout the year—each time you make a deposit.

In both cases you may only take a tax deduction/credit or use the spending account. You may not do both.

For some people, though, the tax savings for day care expenses may be greater using the tax credit than it will be using the dependent day care account. As a general rule, if your adjusted gross family income is greater than \$24,000, the spending account will provide more tax savings. If your income is less than \$24,000, you will need to evaluate your tax savings using both methods. You may want to consult a tax advisor to help you determine whether the Dependent Care Spending Account or the tax credit is better for you.

NOTE: The above is intended to inform you of the differences between pretax and after tax credits and should not replace the advice of a professional tax consultant.

Reimbursements

Employee Benefits Corporation provides participants with two options to receive reimbursement for your eligible medical and dependent care expenses:

- Immediate reimbursement using the Benefits Card (see page 11) at the point of service and/or sale.
- After the service is delivered or product purchased, participants can submit a claim form and reimbursements will be made via a check or direct deposit. Employee Benefits Corporation processes claims on a daily basis.

Employee Benefits Corporation Benefits Card Reimbursements

The preferred method of flexible spending reimbursement is using EBC's Benefits Card. The Benefits Card is used as a credit card on the worldwide Mastercard® network and is used at the point of service and/or sale to make payment. A PIN number is not required; however, funds are limited to your annual election amount and will be funded each year by new elections.



How does it Work?

The Benefits Card works just like a credit card in that it can be used at the point of sale. The Benefits Card may be used at qualified medical care providers who offer eligible services and products or at merchants who offer eligible over-the-counter items and comply with IRS approval system requirements. Whether or not your card can be used at a particular location will depend on one of two factors:

1. **Merchant Category Code (MCC)** – Credit card companies assign a universal code to each merchant category, indicating the type of services or products they offer. The IRS designates certain codes as qualified providers of FSA-eligible items/services. The IRS limits MCC-based approvals to only those categories that are specifically related to healthcare (doctors, hospitals, dentists, etc).
2. **Inventory Information Approval Systems (IIAS)** – Specialized, point-of-sale systems have been approved by the IRS for use at retail stores such as grocery stores, discount stores, pharmacies, and vision centers. By capturing detailed data on products, these systems can determine which items are FSA-eligible as they are scanned at the check-out. The card may only be used at retailers who use these systems.

Medical debit cards may not be used at any provider or merchant who does not meet the IRS-defined criteria as outlined above. If you need to purchase eligible items at a location which does not meet the IRS criteria, you may make your purchase using an alternate form of payment (cash, check, credit card, etc) and then file a paper claim for reimbursement.

Claim Reimbursements

You do have the option to pay for your medical and dependent care expenses out-of-pocket and submit your claims for reimbursement. To receive a reimbursement, you can use the following process:

- Go to the EBC's website (www.ebcflex.com) to submit your claim online. You will need to first login and then click on the File Claims tab or link.
- This will take you to your personalized EBC Claim Reimbursement Form. You must complete the claim reimbursement form (this includes date of service, dollar amount of claims, etc.).

- After you key all of the requested information on the claim reimbursement form, click submit. You will receive a claim confirmation page which verifies all of the information you just entered.
- Print the confirmation page (remember to keep a copy for your records). You must fax the confirmation page along with copies of the receipts to the fax number that will be provided on the form. Originals or copies of the receipts are acceptable, but be sure to keep copies for yourself. Credit card receipts, cancelled checks or balance forward statements are prohibited by the IRS.

Claims are reviewed for the following information:

- Expense eligibility – is it a legitimate expense item
- Properly completed Claim Reimbursement Form
- Supporting Receipts accompanying form
- Date of service (not paid date) is within the plan year or grace period (2 months and 15 days after the end of the calendar year)
- Filed by the claim run-out date (90 days after the end of the plan year)

Claims are processed on a daily basis and provided the above conditions are met the claim will be paid either via check or direct deposit to the participant. Claims can be faxed or mailed to EBC. If faxing, do NOT include a fax cover sheet with your forms and receipts. As a reminder, the date of service does NOT equal the date the transaction is paid.

Reimbursements can be paid to you in the form of a check which will be mailed to your home address or via a direct deposit like your paycheck. In order to enroll in direct deposit, log on to EBC's website and set up an account. Once you are logged in, you can access a direct deposit enrollment form. If you do not have web access you can call Employee Benefits Corporation at 1-800-346-2126 and they will mail you a form.

CLAIMS CENTER FAX: 1-608-831-4790
MAILING ADDRESS: EMPLOYEE BENEFITS CORPORATION
PO BOX 44347; MADISON, WI 53744-4347

Accessing your Account Information

Employee Benefits Corporation has three methods by which you can access your account information. Their benefit administration service center is located in Madison, Wisconsin and customer service representatives can be reached from 8:00 AM to 5:00 PM CT Monday through Friday. Additionally, participants have access to their account information by calling EBC's Interactive Voice Response (IVR) system. This is an automated phone system available to participants 24 hours a day, 7 days a week. Finally, participants will be able to access their account information on the web.

The web self-service has the following features:

- 24/7 access to account information
- Detailed account information including claims, contribution and payment details
- Claim, substantiation and direct deposit forms
- General information (eligible vs. ineligible expenses)
- Frequently Asked Questions (FAQS)
- Tax savings calculation worksheet – this will help you determine how much money to elect to contribute annually.

Frequently Asked Questions

What is a Medical Spending Account (also referred to as a Flexible Spending Account or FSA)?

A Medical Spending Account is an employer-sponsored benefit that allows employees to have pre-tax dollars withheld from their paychecks to be used to pay for unreimbursed medical care expenses.

Does it only benefit people with medical problems to participate in the Medical Spending Account?

No! “Healthy” people can benefit from participation as well. If you have purchased any of the following items in the last year you can benefit from a Medical Spending Account: dental expenses, physical therapy, eyeglasses, contact lenses, and contact solution. Similarly, if you visited the doctor for a routine exam, you would have paid a co-payment which is eligible. While people who need to visit the doctor more frequently and fill multiple prescriptions should elect higher contribution amounts and therefore reap a higher tax benefit, those with lesser expenses can and should still participate as everyone generally incurs some medical expenses during the year.

What type of documentation am I required to submit to be reimbursed for OTC drugs and medicines? You are required to submit, along with a completed claim form and prescription, the usual required substantiation. Generally, this means a receipt from the merchant where the OTC was purchased that describes the product you are seeking reimbursement for, the cost of the product, and its date of purchase.

Can I change my election amount if I find I will need more/less money during the year?

You cannot change your election amount during the plan year unless you have a qualified family status change (see page 2 for the specific list of qualifying events).

What if I don't use all of my election by the end of the plan year?

You can carryover up to \$550 into the next plan year and use in addition to your current years election.

What if I do not participate in Devereux's benefit plan, can I still participate in a Medical Spending Account?

YES! You do not need to have Devereux's benefits in order to have a Medical Spending Account through Devereux.

Does it only benefit people with families to participate in the Dependent Care Spending Account?

Participation in this account does require that you have a dependent that needs care during the day while you work. This generally means a child in daycare or a tax dependent, such as an elder that requires nursing services.

Can I elect to sign up for a Medical Spending Account if I am choosing the High Deductible Health Plan/Health Savings Account (HDHP/HSA) benefit?

No. If you enroll in the HDHP/HSA benefit option you will not be eligible to elect a Medical Spending Account as the Health Savings Account fulfills the same qualifications, it would be duplicating the HSA Benefit.

Can I elect to sign up for a dependent care spending account if I am choosing the High Deductible Health Plan/Health Savings Account (HDHP/HSA) benefit?

YES! If you chose to elect the HDHP/HSA benefit option, you can still enroll in the Dependent Care Spending Account.

How do I get reimbursed for an eligible expense for which I have paid?

When paying a co-payment at a doctor's office or filling a prescription at a pharmacy, you can use your Benefits Card. The card works just like a credit card in that it can be used as a form of payment on the MasterCard® network. Reimbursement is essentially immediate in this case and filing a claim is not necessary. When purchasing items at a store which does not meet IRS requirements (IIAS-compliant), or if you choose not to use your Benefits Card for co-payments, you will pay with your normal method of personal payment, retain your receipt and submit a claim form along with your receipts to EBC via fax or mail. EBC processes claims on a daily basis so your reimbursement will be received as quickly as possible and can be in the form of a check made out to you or a direct deposit into your bank account.

Can I fax my claims?

Yes, you can fax claims directly to our administrator, Employee Benefits Corporation, at 1-608-831-4790. A fax coversheet is not needed. Claim forms can also be printed from EBC's website www.ebcflex.com.

Can my reimbursements be deposited directly to my account like my pay check?

Yes! Just like your paycheck, reimbursements can be direct deposited into your bank account. Once you are enrolled in a Medical Spending Account, log on to EBC's website www.ebcflex.com and complete a direct deposit enrollment form. If you do not have web access, you can call EBC at 1-800-346-2126 and you will be mailed a form.

When can I file claims for medical expenses? Can I file claims in advance when there is too little money in the account?

Claims can be filed during the plan year, grace period or claim run-out time period. The Medical Spending Account **DOES NOT** require the funds to be available in order for a claim to be processed. This is true when using the Benefits Card as well. The claim is approved based on your total election amount for the plan year.

When can I file claims for dependent care expenses? Can I file claims in advance when there is too little money in the account?

Claims can be filed during the plan year, grace period or claim run-out time period. The Dependent Care Spending Account **DOES** require the funds to be available in your flex account in order for a claim to be processed.

Why would I enroll when I could simply claim the medical expenses as deductions on my tax return and not risk losing any money in the process by not using it?

While you do have the option of claiming eligible expenses at the end of the year, participation in a Medical Spending Account plan allows your tax credit to be benefited immediately as opposed to waiting until the end of the year. The same way that your health insurance premiums provide you with an immediate tax break, your Medical Spending Account deductions would as well. Additionally, depending on your annual salary amount, you may actually see a higher tax savings by participating in a Medical Spending Account than you would if you wait until you file your taxes. Medical care expenses can only be claimed on your tax return if they exceed 10% of your adjusted annual salary; the majority of people may never reach this limit to receive a tax benefit. This type of tax advice should be directed to a tax consultant who can better advise you of which plan is best for you.

My medical expenses are estimated to be higher than the Medical FSA maximum. Should I participate in the plan or claim my expenses as deductions on my tax return?

The IRS does not allow double dipping, so you must choose participation in the plan or claiming the expenses as deductions on your tax return. Under the current law, you can deduct your medical expenses on your federal income tax return if your annual medical expenses exceed 10% of your adjusted gross income. Since most people do not reach that level, the Medical Spending Account is the only way to save taxes on medical expenses. If,

however, you know that your expenses meet that level, it may be more advantageous for you to submit your expenses on your tax return. As always, it is advisable to consult a tax account for more information.

If I make an election for dependent care expenses, can I continue to deduct my dependent care expenses from my tax return?

The IRS does not permit double dipping. You must determine which plan provides you with better savings, the tax deduction or the Medical Spending Account, and choose only one.

Why does my employer think it is so important for me (and other employees) to enroll or take advantage of such a program?

Great question! First, because it makes sense for many employees, as it increases your net pay by saving you tax dollars and therefore, your salary dollars go further. In addition, employers are required to pay FICA taxes (Social Security and Medicare taxes) for every employee. Thus, every dollar that an employee pays in FICA taxes, the employer pays as well. As a result, if the employee reduces their tax contributions, so does Devereux. Your participation not only saves you money, but Devereux as well!

Can I use my Medical Spending Account for my child's eligible medical care expenses while he/she is in college?

Yes, as long as you are claiming your child as a dependent.

May I use my Medical Spending Account to pay for health insurance premiums?

No, you can not use your Medical Spending Account to pay for the cost of your medical, dental, prescription or AD& PL coverage. Your health insurance deductions are already taken out of your pay check on a pre-tax basis so you can not also use your medical spending account to pay for these premiums. This would be considered double dipping and the IRS does not allow this.

What expenses can be reimbursed?

In general, IRS approved Medical Care and Dependent Care expenses that are not covered by another benefit plan are eligible for reimbursement through a Medical Spending Account. Visit www.ebcflex.com for these lists or the IRS Publication 502: "Medical and Dental Expenses" on the IRS website www.irs.gov.

Why aren't health club memberships or specific activities (Yoga or Tai Chi classes) included as reimbursable items?

Generally, eligible expenses are predicated on a specific ailment or disability and treatment that has been diagnosed by a doctor and is not covered by any medical insurance program. As such, a weight-loss program may be covered as an eligible expense, but only if it is prescribed by a doctor to treat an existing disease. Furthermore, our current medical plan with IBC does have a Healthy Lifestyles program which reimburses for medical management programs.

What happens if I retire or terminate employment during the plan year?

Under IRS regulations, you would be able to submit claims for reimbursement of expenses incurred prior to your retirement or termination date. Medical Care expenses incurred after you leave your employer are not eligible for reimbursement unless you elect to continue making contributions under COBRA. You may only continue your Medical Spending Account on COBRA through the end of the current plan year in which you terminate. The Medical Spending Account can not be elected under COBRA for subsequent plan years. In addition, you can not continue your Dependent Care Spending Accounts under COBRA.

If I elect to participate in both the Medical Spending and Dependent Care, is it possible to transfer contributions between the two accounts?

The Medical Spending and Dependent Care (FSAs) are two separate accounts. You may not transfer contributions between the two accounts. Claims for Dependent Care expenses will not be reimbursed from your Medical Spending, or vice versa.

What happens if I need to take a leave of absence from employment?

You have the option of suspending your Medical Spending Account at the time you complete your leave of absence paperwork. When you return to work, you may begin your Medical Spending Account again. If you decide to continue your Medical Spending Account during your leave, you will need to submit your monthly payment via a check to the Corporate People Operations department. In regards to the Dependent Care Spending Account, you do not have this option; it is an IRS requirement that both spouses be working to participate in the Dependent Care Spending Account. Thus, upon a leave of absence, you must suspend this account. You may begin participation again when you return to your employment. The same would be true if your spouse requires a leave of absence from his/her employment.

Do I have to enroll every year or is there an automatic rollover?

Your election does not carry over from plan year to plan year. You must make a new election during open enrollment if you wish to continue your Medical Spending and/or Dependent Care participation in the next plan year.



Frequently Asked Questions about the Benefits Card

How do I use my Benefits Card to pay for an eligible expense?

The Benefits Card is used like a credit card on the worldwide Mastercard® network at the point of sale/service. It does not require the use of a PIN.

Is there a limit to the amount of money I can charge on my card?

Although the card works like a credit card, it is more like a debit card in that it contains the amount of money based on the participant's annual election amount. Purchases made with the card will only be allowed up to this election amount.

Where can I use my Benefits Card to make a purchase?

The IRS has issued clarification to the use of the Benefits Card and part of this clarification limits the number of places an employee can use the FSA card for purchases to those designated as health care related merchants (using a health care Merchant Category Code (MCC)). This also includes vendors

who use the Inventory Information Accounting System (IIAS)

which provides product/service details at the point-of-sale to prove a purchase is valid. Thanks to new rules set by the IRS, employees who use their Benefits Card at IIAS-compliant merchants will not be required to submit substantiation for the purchase. In addition, the Benefits Card may be used in doctor's offices, dental offices, hospitals, health care clinics, pharmacies, and online pharmacies.

Can I use my Benefits Card at a department store that has a pharmacy, such as Wal-Mart?

In many cases, you can use your card at a department store that has a pharmacy because these stores have multiple Merchant Category Codes. However, there is no official listing of which department stores have a valid pharmacy MCC. Your best bet is to attempt to use the card in one of these locations and it will be denied if it is not a valid health care related MCC. At which point, you can use a personal form of payment and submit a claim for reimbursement.

What if I need to buy something that is ineligible, such as a birthday card, at the same time I am purchasing an eligible item like a prescription?

In this case, pay for your items in two separate transactions. Use your Benefits Card to pay for the prescription and then use your normal method of personal payment to pay for the birthday card.

What would happen if I try to pay for an ineligible item with my Benefits Card?

For those merchants who are IIAS-compliant, the purchase would most likely be denied at the point of sale as it would not contain a proper MCC code. If the purchase does get processed on the Benefits Card and it is an ineligible expense, you will receive a letter from Employee Benefits Corporation requesting a receipt for substantiation of your purchase. Once Employee Benefits Corporation determines it is an ineligible expense, they will request you submit payment for the item. If this request has gone unanswered after 45 days, your card will be deactivated and your Medical Spending Account balance will be put into the negative. Should the amount not be repaid by year end, you will be issued a 1099.

Can the Benefits Card be used online or over the phone for my mail-order prescriptions? Yes.

The card can be used online or over the phone.

How many cards will I receive after I enroll?

One card per employee will be supplied (not per family member).

Why should I use the Benefits Card instead of submitting a reimbursement request?

The card reduces the waiting period for a reimbursement to zero! You will still have your Medical Spending amount deducted from payroll but, you do not have to pay twice for eligible expenses because you do not have to pay out-of-pocket and wait for reimbursement. This means less paperwork to complete as well because you do not have to file a claim the majority of the time. It is, however, recommended you hold on to all of your receipts in case substantiation is requested.

How do I pay for qualified expenses with my dependent care FSA?

You can pay for [qualified expenses](#) with your dependent care FSA by submitting a claim for reimbursement. You can use the following methods to submit a claim:

Mobile App: Download *EBC Mobile* in the [App Store](#) or [Google Play](#). Use your online account information to log in.

Online Account: Log in and submit a claim at [ebcflex.com](#).

You can only be reimbursed for care that has already been received so we recommend that you wait to submit your claims until the period of care you've paid for has passed