

Flexible Spending Accounts (FSAs)

Plan Administrator

For the 2016 plan year, HCPSS will continue to use the services of Navia Benefit Solutions (formerly Flex-Plan Services, Inc.) to administer our FSA program.

Navia Benefit Solutions

PO Box 53250

Bellevue, WA 98015

Email: customerservice@naviabenefits.com

Web: www.naviabenefits.com

Toll-Free Phone: (800) 669-3539

Toll-Free Fax: (866) 535-9227

The Navia customer service team is available Monday through Friday from 8:00 a.m.—8:00 p.m., EST. If you have any questions about the HCPSS FSA program or about FSAs in general, please contact customer service.

Important Dates to Note

December 31, 2016 - Last day to incur Dependent Care claims for the 2016 FSA plan

March 15, 2017 - Last day to incur health care claims for the 2016 FSA plan

April 30, 2017 - Last day to submit claims against your 2016 FSA plan

Who Should Consider Using Flexible Spending Accounts (FSA)?

- Employees with dependent care expenses they are now paying with after tax dollars
- Employees with predictable health care out-of-pocket expenses (prescriptions, copays, orthodontia, laser vision correction, etc.)

Why You Should Consider Using FSA?

The money you have set aside from your paycheck in a FSA is not subject to Federal, Local, State, or FICA/Medicare taxes. You can save 28% or more using money that has not been taxed to pay for predictable expenses that qualify for FSA reimbursement.

Rules for Dependent Care FSAs

Dependent Care FSAs are used to reimburse you for expenses you have for dependent daycare only. Do not use the Dependent Care FSA for anticipated medical expenses for your dependents—those expenses are reimbursed through the Health Care FSA. The IRS requires the following conditions to be met.

- The dependent care expenses must be necessary because you (and spouse if married) work or attend school on a full-time basis
- The expenses must be for children **up to the age of 13** or for other dependents you report for federal income tax purposes who are incapable of self-care.
- Your dependent care provider must be an organization or an individual (that is not an immediate family member) who provides the care either in your home or outside your home.
- Programs for pre-school age children and summer day camp programs may also qualify for reimbursement.
- You must obtain a receipt for your dependent care expenses that includes the provider's taxpayer identification number or social security number.

How Dependent Care FSAs work

- Estimate what you think you will spend for dependent care expenses in the upcoming Plan Year (January 1, 2016–December 31, 2016).
- Enroll online by entering the amount you expect to spend this year on the Flexible Spending

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Accounts page. The annual minimum contribution is \$100/20 = \$5/pay and the annual maximum contribution is \$5,000/20= \$250/pay

- Beginning with the first paycheck in January, 2016, you will see a deduction for your Dependent Care Account. That amount will be credited to your Dependent Care Account each pay period. You can reimburse yourself as frequently as you prefer.
- You submit your receipts for dependent care to Navia Benefit Solutions directly using one of their claim submission features.
- You have the option of receiving your reimbursement either by check or by direct deposit to your bank account.
- If the claims you submit are more than the balance in your account, any additional approved amount will automatically be reimbursed as soon as the funds become available in your balance.

Some services such as nursing home expenses and overnight expenses do not qualify for Dependent Care FSA reimbursement—consult IRS Publication 503 for more information, or visit the Navia website at www.naviabenefits.com.

Rules for Health Care FSAs

The Health Care FSA is used to reimburse your out-of-pocket medical expenses. If you expect to spend \$100 or more this year on medical expenses for yourself or your spouse and/or dependent children, you should consider participating in a Health Care FSA. Examples of expenses allowed by the IRS include:

- Copayments or coinsurance amounts that you must pay for doctor's office visits, diagnostic tests, prescriptions, etc.
- Your share of the cost for orthodontia treatment for yourself, spouse or your children.
- Medical or dental services not paid for by your benefit plans (i.e., laser vision correction)
- The cost of some over-the-counter medical products as allowed by the IRS (medical equipment, bandaids, bandages)

How the Health Care FSAs work

Your Healthcare FSA plan offers a grace period allowing you to incur services for an additional 2 1/2 months after your plan year ends (January 1–March 15, 2017).

- Estimate what you think you will spend for health care expenses in the upcoming Plan Year (January 1, 2016–March 15, 2017)
- Enroll online at <https://hcpss.hrintouch.com> by entering the amount you expect to spend this year in the Flexible Spending Account section. The annual minimum contribution is \$100/20 = \$5/pay and the annual maximum contribution is \$2,550/20 = \$127.50/pay.
- Beginning with the first paycheck in January, 2016, you will see a deduction for your Health Care Account. That amount will be credited to your Health Care Account each pay period.
- Health Care Accounts are pre-funded—that means you have access to the entire election amount for the plan year at any time during the plan year. You can use your pre-funded debit card or submit your claims for reimbursement. You can access the full amount of your annual election for qualified services.
- Over-the-counter (OTC) medications such as antacids, allergy medicines, pain relievers and cold medicines, will require a prescription from a health care provider to qualify for reimbursement. Because of this, OTC medications cannot be purchased with the FSA debit card. You will be required to use another form of payment and submit a claim for reimbursement.

Options for receiving Health Care FSA Reimbursements

- **For Health Care FSAs only, participants will receive a debit card** that has been credited with the annual amount you elected for this plan year. The debit card can be used at numerous medical, dental and vision care practices for copays or coinsurance amounts as well as for qualified purchases. You may use your debit

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card at retail locations that comply with the IRS mandated Inventory Information Approval System (IIAS). Some services may be auto-substantiated. However, please retain all receipts when using your debit card as Navia may need to obtain a copy of your documentation to verify the eligibility of the expense.

- You may submit debit card documentation or file claims with Navia using one of the following methods:
Mobile App: for iPhone or Android
Online: at www.naviabenefits.com
Email: customerservice@naviabenefits.com
Fax: 866-535-9227
Mail: Navia Benefit Solutions
PO Box 53250 Bellevue, WA 98015
- You can elect to have your reimbursements directly deposited into your bank account, or sent to your home via check.

Online and Mobile Claims

Use the MyNavia mobile app to submit claims directly or online through your participant portal. Simply log in to your online account and complete the claim information (date, cost and type of service, for whom, etc...) and upload a copy of your documentation. For mobile claims, just open the MyNavia and tap the Submit a Claim icon. Complete the fields for claim information take a picture of your documentation and submit.

You'll receive more information about how to submit a claim as part of your enrollment confirmation materials.

Keep in mind the following:

- Expenses must be incurred during the plan year and while you are an active participant in the plan. An Expense is "incurred" when the service is provided or the eligible item is purchased—not when you are formally billed, charged, or when you pay for the service.
- Any expense incurred prior to your effective date in the plan cannot be reimbursed.

- If your employment is terminated (voluntarily or involuntarily), you must submit your claims within **120 days** after your termination date. The dates of service must be on or before your benefit termination date. You may be eligible for benefit continuation rights under COBRA for the health care FSA in certain circumstances.

Claims are generally processed within a few days of receipt and reimbursements are issued on Mondays. You will receive additional information about the plan as part of your enrollment confirmation after your election has been processed.

Mobile application

The MyNavia app is the most convenient way to access your FSA benefits on the go. It is a dedicated mobile application available on the iPhone and Android platforms. To find the MyNavia app on the App Store or Google Play, just search for Navia Benefit Solutions.

Users of the GoNavia app can perform the following tasks through their phone:

- Submit FSA claims
- View account balances
- Verify outstanding debit card charges
- Receive account alerts
- View claim denials
- Access FSA educational videos
- Update profile information

To learn more about the MyNavia app from Navia Benefit Solutions, you can watch educational videos at Navia's YouTube channel at www.youtube.com/user/FlexPlanServices.

Online account access

You will have online account access to your FSA plan through the Navia web site. The online account access will be available once

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your enrollment has been confirmed by Navia. You will receive a confirmation statement from Navia shortly after the close of open enrollment.

Registering your account

Available through the Navia website (www.naviabenefits.com), select any of the links labeled *Participant* to direct you to the participant information page. From here, you can access your account by selecting *Manage My Account*. As a first time user, you will need to register in order to set up your login credentials.

To register for online account access you will be requested to provide the following information:

- Last Name, First Initial
- E-mail Address
- Company Code: HWC
- Choose a User Name
- Date of Birth

Do not forget to review and accept the 'Terms and Conditions'. Shortly after registering for online access you will receive an email confirmation with a temporary password. Once you log into your account, you will be prompted to change your password.

Online account features

You will have full access to your FSA benefit through the online account access. This includes the following tasks:

- Updating your personal information
- Submit a claim
- View detailed account history
- View detailed debit card charges
- Access your quarterly account statement
- Adding or updating direct deposit info
- Verify a debit card charge
- Check your balance
- View claim denials
- Access custom forms

If you have further questions about the FSA benefit offered through HCPSS, please contact Navia Benefit Solutions' customer service at 800-669-3539 or visit their Web site at www.naviabenefits.com. Their customer service agents are ready to answer your questions and are available Monday through Friday from 8:00 a.m. to 8:00 p.m., EST.

Health Care FSA Savings

As with the Dependent Care FSA, you will save money because you are paying qualified Health Care expenses with pre-tax money instead of after tax money.

Health care FSA grace period

Your health care FSA plan offers a grace period allowing you to incur services for an additional 2 ½ months after your plan year is over (through March 15, 2017). Services incurred during this time frame will be first applied to your remaining balance from the previous plan year. All Health Care FSA services must be incurred before March 15, 2017 in order to apply to the January 1, 2016–December 31, 2016 plan year. The grace period does not apply to the Dependent Care FSA.

Use it or lose it rule

Any amount that remains in your account after April 30, 2017 must be forfeited. Keep in mind that you save at least 28% on every dollar you set aside and use to pay for qualified expenses—if you have a small balance at the end of the year, you will still have saved more in taxes than you lose if you didn't have enough expenses to claim all your money. Plus you can use the funds for certain over the counter supplies to avoid forfeiture of the money.

Flexible Spending Accounts are governed by the Internal Revenue Service (IRS) regulations. Under current law, amounts set aside in FSAs must be spent on qualified expenses you have during the plan year plus an additional 2½ month grace period for the Health Care FSA after the plan year ends.

Last date to submit claims

- The last day for submitting claims for Health Care expenses incurred January 1, 2016–March 15, 2017 is April 30, 2017
- The last day for submitting claims for dependent care expenses, incurred January 1, 2016 – December 31, 2016 is April 30, 2017.
- Retired / terminated employees are allowed 120 days from the benefit termination date to submit claims for services incurred up until their benefit termination date.



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Annual Enrollment Required

Because your anticipated expenses can change from year to year, you are required to re-enroll during open enrollment each year if you want to participate in one or both FSA plans for the new benefit year. This applies even if you want to elect the same amount you have in the current plan year. **If you do not enroll online during the Open Enrollment period, you will not be able to have an FSA in the new benefit year.**

Things to Know When Using Your FSA Debit Card

Your FSA debit card allows you to directly pay for your eligible FSA expenses at the point of services. This allows you to avoid the traditional hassles, such as paying out of pocket for services and then filling out and submitting a claim form and waiting for a reimbursement check. Your cards can be used at any authorized providers who accept MasterCard. A list of authorized retail outlets is available at www.naviabenefits.com. The payment that you make to the provider of services will be deducted directly from your FSA account.

- Your FSA debit card can only be used to pay for eligible expenses. Examples include:
 - Eligible Medical, Dental and/or Vision expenses not paid for by your insurance plan (i.e. copays and deductibles)
 - Prescription copays
 - Contact lenses, eyeglasses and other vision care expenses
 - Alternative healing (acupuncture and chiropractic visits)
 - The debit card system is coded to only accept charges from qualified merchants (i.e. doctor's office, dentist's office, pharmacy, etc.).
 - Your FSA debit card transaction will be denied if the amount of your transaction is greater than the balance in your FSA account.
- Your online account offers **24/7** access to real-time account balances plus other vital information. Go to www.naviabenefits.com to review your account status.
 - Please retain all documentation for goods and services that are purchased with your FSA debit card. Navia will request documentation for charges which cannot be automatically substantiated. If you cannot provide documentation to prove that your purchase is an eligible charge, you will be asked to reimburse your FSA for the amount of the purchase.
 - When using your FSA debit card, please be sure to swipe the card as "credit". If you'd rather use the card as "debit", you'll need to obtain a PIN from Navia ahead of time.
 - Be sure that you are using your FSA Debit card to pay for current plan year expenses. You will be asked to reimburse the plan if you pay for any expenses that were incurred in the previous plan year. The date that the service was rendered is considered to be the date the expense was incurred.

Substantiation receipts must be generated from the provider and include the following information:

- Name of Provider,
- Date of Service,
- Description of the Service,
- Amount of the service, and
- The patient's name.

Please note that credit cards receipts do not meet this requirement.

For more information about the plan and online account inquiry please visit: www.naviabenefits.com or contact:

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