

## Managing your Flexible Spending Plan and Benefits MasterCard

### Receiving Your Benefits MasterCard

A Benefits MasterCard will be ordered for you and, for security purposes will arrive at your home address in a plain white, unmarked envelope; the card is blue and states "Benefits Card". It is not necessary to activate your card, it will automatically activate upon your first use. If you order a second card for a dependent, please note that your Benefits MasterCard will arrive separately from the card for your dependent.

### Submitting Manual Claims

If you do not use your Benefits MasterCard and need to submit an expense for reimbursement, please see the online claim submission instructions found on <http://mywealthcareonline.com/plansource>.

### Process for Providing/Obtaining Receipts from Benefits MasterCard Purchases (when requested)

You may be required to submit receipts for Benefits MasterCard purchases. You will receive an email or letter (if we do not have an email on file) notifying you if receipts are required for substantiation purposes. This notification will include instructions for submitting your receipts.

If you do not respond to the initial notification within ten days, a second notice will be generated. If you do not respond to the second notification within ten days, it will be assumed that your transaction was for an ineligible expense and your card will be temporarily inactivated.

If receipts are submitted and it is determined that the expense was ineligible, per IRC § 213(d), we will email an Ineligible Expense Notification and you will have ten days from that point to reimburse the plan for the ineligible purchase. If you have not reimbursed the plan within ten days, your card will be temporarily inactivated and your employer will payroll deduct the amount of undocumented expenses.

### When and Where the Benefits MasterCard is Accepted

For the purchase of eligible over-the-counter expenses, the IRS requires merchants that are non-medical providers, such as grocery stores, convenience stores, warehouse clubs, supermarkets, discount stores, and online pharmacies to have an Inventory Information Approval System (IIAS). Through this system, eligible expenses are uniquely bar-coded; at the register when you purchase the item(s), the IIAS will automatically identify and validate items that are eligible for reimbursement through your Flexible Spending Account.

If the merchant is either listed below or on the IIAS merchant list that can be found in the publications section at [www.sig-is.org](http://www.sig-is.org), then the card will automatically substantiate your purchase and you will not have to submit a receipt. If the merchant is not listed below or on the IIAS merchant list as mentioned above, then your Benefits MasterCard will not be accepted. This does not mean that you cannot purchase eligible expenses at this store; it simply means that the Benefits MasterCard will not be accepted and you will need to pay for the items out-of-pocket and submit a manual claim for reimbursement.

New IIAS merchants are added each month. An up-to-date list of providers is available at [www.sig-is.org](http://www.sig-is.org). Some participating retailers include:

- Albertson's – SuperValu
- A&P Supermarkets
- Busch's
- Cubs – SuperValu
- CVS Pharmacy
- Jewel – SuperValu
- Kroger
- Meijer
- OSCO – SuperValu
- Rite-Aid
- Safeway
- Sam's Club
- Sav-A-Center
- Target Stores
- Wal-Mart Stores
- Walgreens

### Pharmacies and Drug Stores

The IRS requires all merchants accepting the Benefits MasterCard to implement the Inventory Information Approval System (IIAS). This allows your Benefits MasterCard to identify purchases at the point of sale. Retailers that are IIAS approved will accept your Benefits MasterCard and no receipts or proof of purchase will be requested from you.

*Example: You shop at Target and purchase numerous items: bandaids, contact lens solution, socks and laundry detergent. The best method of using the Benefits MasterCard is to segment your purchase and pay for the eligible expenses (bandaids and contact lens solution) with the Benefits MasterCard and then pay for your remaining expenses however you choose.*

### When Receipts Are Required For Benefits MasterCard Purchases

The Benefits MasterCard is also accepted at health care providers who supply health related items and services and who also accept MasterCard. Below is a list of services and the thresholds detailing when PlanSource will require the submission of receipts in order to validate the expense.

#### Chiropractic Services

Any amount charged to the card that is greater than \$75.

#### Dental Care / Orthodontics

Any amount charged to the card that is greater than \$250.

#### Doctor's Office / Emergency Room / Urgent Care

In general, if the amount of the charge matches the amount of the corresponding co-payment through your Medical Plan, or a multiple of the co-payment the card will be accepted. Any deviation from the co-payment schedule could result in a substantiation request.

#### Vision Care Providers

Any amount that is charged to the card that is greater than \$300.

#### Laboratory / Diagnostic Services

Any amount that is charged to the card that is greater than \$250.

## 90% Rule – Pharmacies and Drug Stores

The IRS allows retailers that certify themselves according to the 90% rule, the ability to accept your Benefits MasterCard. This means if 90% of goods sold at the retailer are eligible health care expenses, your Benefits MasterCard will be accepted. A list of those retailers will be found at [www.sig-is.org](http://www.sig-is.org). Some examples include: Walgreens, Express Scripts, Medco and more. In some cases however, you may be requested to substantiate your purchases from these retailers.

## Non IIAS Approved Pharmacies and Drug Stores

For retailers who do not have the IIAS bar-coding system, your Benefits MasterCard will not be accepted and you will need to pay for the items out-of-pocket and submit a manual claim for reimbursement.

## Dependent Care Claims

You may be required to substantiate your dependent care expenses.

THIS COMMUNICATION IS NOT INTENDED AS LEGAL OR TAX ADVICE. THE INFORMATION CONTAINED IN THIS COMMUNICATION IS GENERAL IN NATURE AND MAY NOT BE APPLICABLE TO YOUR PARTICULAR SITUATION OR YOUR EMPLOYER'S PLAN. TAX SAVINGS EXAMPLES ARE ILLUSTRATIVE ONLY. PLEASE REVIEW YOUR PLAN DOCUMENTATION FOR SPECIFIC INFORMATION REGARDING YOUR EMPLOYER'S PLAN. IN ADDITION, YOU SHOULD CONTACT A COMPETENT LEGAL OR TAX PROFESSIONAL FOR PERSONAL ADVICE ON YOUR UNIQUE TAX AND INCOME SITUATION. PLEASE NOTE, MUCH OF THE INFORMATION CONTAINED IN THIS COMMUNICATION REFLECTS EXISTING FEDERAL REGULATIONS. THOSE REGULATIONS ARE SUBJECT TO CHANGE AT ANY TIME.

Should you ever have any questions regarding the Benefits MasterCard, please reach us at (888) 266-1732.

**It is important to note that each time you swipe your Benefits MasterCard you are certifying that, to the best of your knowledge, the items or services you are purchasing are legitimate expenses in accordance with your Plan and that they will not be submitted under any other Flexible Spending plan. You also certify that upon request, you will submit the necessary documentation to verify your purchase or service. This is an IRS regulated plan, therefore we recommend retaining all documentation from purchases made with your Benefits MasterCard.**

**Important Note: Effective 1/1/2011 drugs, medicines and biological items are no longer reimbursable under any Flexible Spending Plan without a prescription from a physician.**