

Payrolling.com

FLEXIBLE BENEFIT PLAN

PLAN HIGHLIGHTS

- ❖ Use pre-tax dollars for:
 - Unreimbursed Qualified Medical Expenses
 - Dependent Care Costs
- ❖ Eligible **first day of the month following 30 days of employment**
(If employed **20 hours** or more per week)
- ❖ Re-direct a portion of your salary into a medical reimbursement account. You may select up to a maximum annual contribution of **\$1,000**. The amount you elect to contribute is deducted equally from each paycheck based on the number of pay periods remaining in the year.
- ❖ Re-direct a portion of your salary for dependent care costs. You may select up to a maximum annual contribution of **\$5000 (\$2500 if married filing separately)**. The amount you elect to contribute is deducted equally from each paycheck based on the number of pay periods remaining in the year.
- ❖ The plan year-ends on **December 31, 2010**. You have until **60** days after the plan year ends to submit your final expenses from the previous plan year. IRS rules do not permit a refund of any unused funds that remain in your Flexible Spending Account at the end of the 60 day grace period. For this reason, it is important that you be conservative when setting your target contribution.
- ❖ Reimbursements are processed according to pay schedule and by funds available in your account.
- ❖ Changes due to Family Status Change allowed when reported within 30 days of the event.
- ❖ Participation is voluntary.
- ❖ Participation can save you money.
- ❖ Join our Flex Plan - - - start paying for benefits the tax-free way.

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FLEXIBLE BENEFIT PLAN

It is with great pleasure that we present the **enrollment materials** for our **Flexible Benefit Plan** for this plan year beginning January 1, 2010.

The purpose is to allow you to pay for certain expenses (medical care and dependent care costs) with **pre-tax dollars**, rather than dollars that have already had federal, state and FICA taxes taken from them. By participating and redirecting a portion of your salary to this program, you can achieve a **significant tax savings!**

Please carefully review all the materials contained in this enrollment package. It is extremely important that you understand how the plan operates. Participation in this Plan is completely voluntary.

After you have read the enclosed materials, **it will be necessary for you to complete the Enrollment Form if you want to participate in the plan**. When completing the Enrollment Form, please indicate the amount that you wish to redirect from your salary into the Plan. The Enrollment Form is to indicate your desired salary redirection for **each pay period**.

There are a few simple rules that must be followed in order to participate in the Plan. They are as follows:

1. Expenses reimbursed to each participant must be expenses that are incurred January 1, 2010 through December 31, 2010. If employment begins after start of plan year, eligible expenses are those incurred from start of plan eligibility through the end of the plan year.
2. Monies specifically redirected to each account (i.e. – Medical Care Reimbursement Account or Dependent Care Assistance Account) may only be used to reimburse expenses accrued by that account.
3. The elections you make for participation and salary redirection **cannot be changed** during the plan year unless there has been a change in family status. A **change in family status** for purposes of definition would include marriage, divorce, birth or adoption of a child, death of a spouse/child or gain or loss of employment by you or your spouse. Changes must be reported within 30 days of the event.

As an example, if you decided to redirect \$50 each pay period into the Dependent Care Reimbursement Account, but at the end of six months of participation in the plan you find that you have overestimated the amount you will need, you cannot change your election unless there is a change in family status. Therefore, it is extremely important to be conservative in calculating the amount needed during the plan year.

4. Eligibility: **Medical Care Reimbursement Account and Dependent Care Assistance Account:** If you work 20 hours per week and have been working for at least 30 days, you are eligible for participation in these accounts.

When you become eligible to participate in the Plan (January 1, 2010 or date you become eligible for benefits), should you choose not to enroll, you will not be able to enter the plan until January 1, 2011 or if you experience a qualifying Family Status Change.

We hope that you are excited about our Flexible Benefit Plan. **Enrollment Forms must be returned on or before the cut of date to Payrolling.com**. The amount you wish to redirect will be reflected in your first paycheck after your entry date.

FLEXIBLE SPENDING ACCOUNTS

Beginning January 1, 2010, you may elect to put pre-tax dollars via payroll deduction into two types of “spending accounts”.

- Unreimbursed Medical – This allows you to put aside pre-tax dollars to pay for medical and dental expenses which are not covered under the health plan for you and your dependents. You may participate in the Flexible Spending Accounts even if you are not enrolled in Payrolling.com insurance plans.
- Dependent Care – Allows you to set aside pre-tax dollars to pay for child-care or for the care of a disabled dependent.
- Forfeiture – Careful review of expenses before making an election can minimize or eliminate any unused benefits at the end of the year. However, if you have funds elected but unused at the end of the year, the law requires that they be forfeited.

For your information, there is no cost to you for participating in this plan. It is just a great way to reduce your taxable income.

PAYROLLING.COM FLEXIBLE BENEFIT PLAN
FREQUENTLY ASKED QUESTIONS

What is a “Flex” Plan?

It is a voluntary plan established by your employer that allows you to select various employee benefits which will be paid on a non-taxable basis.

How does the Flex Plan work?

Once a year you make a decision to redirect part of your income through your employer’s Flex Plan to pay for your medical and child care expenses as well as your portion of your group medical insurance premiums, if any, before taxation. This election is irrevocable during the plan year except in cases of a change in family or employment status.

What does non-taxable basis mean?

You may now be paying for a variety of medical expenses which are not covered by health insurance out of your take home pay. A flex plan will allow you to pay for those expenses, and also for childcare expenses and group medical insurance premiums with pre-tax dollars.

How do these items become non-taxable?

By redirecting your salary, your employer pays these items by a reimbursement method before the government takes the taxes out of your paycheck.

What is the advantage of participating in a Flex Plan?

The biggest advantage is tax savings. A flex plan uses pre-tax dollars for reimbursement of otherwise after-tax expenses. Employees reduce their federal and state income taxes by reducing their salary, which reduces their tax base and their taxes. In other words, the more an employee uses the flex plan, the lower their tax base and the greater the tax savings.

How are benefits of the Flex Plan paid?

When you have incurred medical or dependent care expenses, you complete a claim form for those expenses and submit it, along with receipts or other documentation as proof of expenditure. Both Medical and Dependent Care expense reimbursements require a copy of the receipt from the care facility/provider.

What if I don’t use all of the money in my account?

This is a “use-it-or-lose-it” plan. **If there is any money left in the account at the end of the year, it will be forfeited.** We strongly suggest each individual accurately estimate their allowable expenses in order to avoid having any unused benefits at the end of the year.

Who qualifies as a “Dependent”?

Dependents are defined as your:

- Spouse (unless you are legally separated)
- Same-sex Domestic Partner
- Eligible children:
 - Must be at least 50% dependent on you for support.
 - Must reside in the same household as you up to 19 years of age or up to 23 years of age if they are a full-time student with your home as their primary residence. Proof may be required when a claim is submitted.
 - You have full parental responsibility and control, including any and all debts incurred by each child (i.e., charges for medical services and supplies).
 - They are the children of your same-sex domestic partner and both your partner and the children are dependent upon you for support.
 - You or your partner have a court-appointed legal relationship with the children (i.e., guardianship, adoption, foster child), or your partner is the biological parent or the stepparent of the children.

FREQUENTLY ASKED QUESTIONS, continued

- They are beyond age 18 and mentally or physically impaired and incapable of taking care of themselves, as long as their disability began before their 19th birthday.

What is a Family/Employment Status Change?

Once elections are made, they cannot be changed until the next Open Enrollment unless you have a qualifying change in family or employment status, defined by the IRS as a Qualified Family Status Change. Some examples include:

- Marriage or divorce
- Dependent's birth or death
- Gain or loss of legal custody of a dependent
- Dependent child reaches the age limit for coverage
- You or your spouse begins or terminates employment
- You or your spouse changes from full-time to part-time employment or vice versa

Changes must be consistent with the status event. Changes due to a Family Status Change must be made no later than 30 days from the event. Documentation of the event will be required.

Can my employer stop the plan?

Yes. If this did happen you would revert back to your original salary and tax base. Any money remaining in your benefit account(s) would be reimbursed according to the plan.

If I join the plan, will someone be available periodically to review the plan with me?

Yes. A company representative will be available to help evaluate your options and answer any questions you may have.

Can I use the Flex Plan to be reimbursed for health insurance premiums?

No. Reimbursements for Health Insurance Premiums are not qualified medical expenses for Flexible Spending Accounts.

DEPENDENT CARE ASSISTANCE ACCOUNTS

Why a Dependent Care Assistance Account?

The purpose of a Dependent Care Assistance Account is to provide a vehicle through which you can accumulate **pre-tax funds** in order to reimburse yourself for childcare expenses or day care for a your child or disabled dependent while you are employed. If you are married, you generally will not be able to receive benefits unless your spouse is employed, a full-time student or disabled.

How does a Dependent Care Assistance Account work?

In order to participate in the Dependent Care Assistance Account, you estimate what your annual expenses will be for dependent care. Then, set aside that amount from your income by indicating on the Enrollment Form how much you wish to have credited each pay period to the Dependent Care Assistance Account. It is important to note that depending on your tax bracket paying for dependent care expenses with pre-tax dollars through a Dependent Care Assistance Account may provide substantial tax savings! You should compare the tax benefits of this account to the dependent care tax credit currently permitted under the law.

What is an eligible expense?

The dependent care expenses which are eligible for reimbursement include services provided for: a dependent who is under the age of 13; a dependent who is physically or mentally incapable of caring for him/herself; or your spouse, if he/she is physically or mentally incapable of taking care of him or herself.

The expenses to be reimbursed must be incurred in order to enable you to remain gainfully employed and include the costs for the following: Household services – such as those provided by a maid, cook, housekeeper or babysitter – if they are related to the care of a qualifying individual as well as to run the home. The actual care of the qualifying individual in your home or during the day outside your home if the qualifying individual regularly spends at least eight (8) hours a day in your home.

“Qualified” Day Care Center and Expenses: In the event you use a day care center, only the expenses of a qualified dependent care center may be reimbursed. A qualified dependent care center is a facility which provides care for more than six individuals other than individuals who reside there; receives a fee, payment or grant for providing services to any of these individual; and has established that it complies with applicable laws and regulations of the state where it is located. Tax ID# of Care Center (or Social Security number if provider is an individual) **MUST** be included on the reimbursement request form.

What is not allowed as an eligible expense?

Generally, care does not include food or schooling expenses. But, if these items are included as part of the total care, and they are incident to and cannot be separated from the total cost, you may include the total cost. You may not include the cost of schooling for a child in the first grade or above or the expenses for sending your child to an overnight camp. You cannot be reimbursed for dependent care expenses paid to one of your dependents, your spouse or one of your children who is under the age of 19. If you are married, you generally will not be able to receive benefits unless your spouse is employed, a full-time student or disabled.

End of your Dependent Care Reimbursement:

You have until 60 days after the plan year ends to submit your final expenses from the previous plan year. Eligible dependent care expenses include only those amounts incurred during the year in which you participate in the Dependent Care Reimbursement Account. Any remaining balance after **60** days is forfeited.

DEPENDENT CARE ACCOUNT WORKSHEET

This worksheet will help you to think about your dependent care expenses for the coming year and estimate the amount you should put in your Dependent Care Account to reimburse yourself for them. Remember to consider any anticipated changes that might affect your expenses such as marriage or a new baby.

In estimating your expenses, keep in mind that any dependent care expenses you reimburse with a Dependent Care Account may not be claimed for tax credit when you file your income tax return. The maximum amount you may contribute to your Dependent Care Account is \$5000 - \$2500 if you are married and file a separate income tax return. If your spouse also participates in a reimbursement account at his/her employer, you should consider this amount when completing this worksheet.

TYPES OF DEPENDENT CARE EXPENSES

- Wages or salary paid to a babysitter or companion in or outside your home. 1. \$ _____
- Services of a day-care center and/or nursery school 2. \$ _____
- Cost for care at facilities away from home such as family day care or adult day-care centers 3. \$ _____
- Wages paid to a housekeeper for providing care for an eligible dependent. 4. \$ _____
- Total estimated dependent care expenses** 5. \$ _____
- Enter amount from line 5 or \$5,000, whichever is less. This is your estimated annual eligible expense. 6. \$ _____

**DEPENDENT CARE EXHIBIT
FLEXIBLE SPENDING ACCOUNTS VS TAX CREDIT**

Single, filing as head of household One child – Dependent care expenses \$2400 annually				Single, filing as head of household Two children – Dependent care expenses \$4800 annually			
Adjusted Gross Income	Tax Savings using Tax Credit (TC)	Tax Savings using Flexible Spending Account (FSA)	Best Option (TC or FSA)	Adjusted Gross Income	Tax Savings using Tax Credit (TC)	Tax Savings using Flexible Spending Account (FSA)	Best Option (TC or FSA)
\$10,000	\$0	\$184	FSA	\$10,000	\$0	\$367	FSA
\$12,000	\$225	\$409	FSA	\$12,000	\$0	\$367	FSA
\$14,000	\$525	\$544	FSA	\$14,000	\$158	\$525	FSA
\$16,000	\$648	\$544	TC	\$16,000	\$458	\$825	FSA
\$18,000	\$624	\$544	TC	\$18,000	\$758	\$1,087	FSA
\$20,000	\$600	\$544	TC	\$20,000	\$1,058	\$1,087	FSA
\$22,000	\$576	\$544	TC	\$22,000	\$1,152	\$1,087	TC
\$24,000	\$552	\$544	TC	\$24,000	\$1,104	\$1,087	TC
\$26,000	\$528	\$544	FSA	\$26,000	\$1,056	\$1,087	FSA
\$28,000	\$504	\$544	FSA	\$28,000	\$1,008	\$1,087	FSA
\$30,000	\$480	\$544	FSA	\$30,000	\$960	\$1,087	FSA
\$35,000	\$480	\$544	FSA	\$35,000	\$960	\$1,088	FSA
\$40,000	\$480	\$544	FSA	\$40,000	\$960	\$1,087	FSA
\$45,000	\$480	\$544	FSA	\$45,000	\$960	\$1,289	FSA
\$50,000	\$480	\$856	FSA	\$50,000	\$960	\$1,711	FSA
\$55,000	\$480	\$856	FSA	\$55,000	\$960	\$1,712	FSA
\$60,000	\$480	\$856	FSA	\$60,000	\$960	\$1,711	FSA

FLEXIBLE SPENDING ACCOUNTS VS TAX CREDIT

Married, filing joint return One child – Dependent care expenses \$2400 annually				Married, filing joint return Two children – Dependent care expenses \$4800 annually			
Adjusted Gross Income	Tax Savings using Tax Credit (TC)	Tax Savings using Flexible Spending Account (FSA)	Best Option (TC or FSA)	Adjusted Gross Income	Tax Savings using Tax Credit (TC)	Tax Savings using Flexible Spending Account (FSA)	Best Option (TC or FSA)
\$10,000	\$0	\$184	FSA	\$10,000	\$0	\$367	FSA
\$12,000	\$0	\$184	FSA	\$12,000	\$0	\$367	FSA
\$14,000	\$45	\$229	FSA	\$14,000	\$0	\$367	FSA
\$16,000	\$345	\$529	FSA	\$16,000	\$0	\$367	FSA
\$18,000	\$624	\$544	TC	\$18,000	\$278	\$645	FSA
\$20,000	\$600	\$544	TC	\$20,000	\$577	\$945	FSA
\$22,000	\$576	\$544	TC	\$22,000	\$878	\$1,087	FSA
\$24,000	\$552	\$544	TC	\$24,000	\$1,104	\$1,087	TC
\$26,000	\$528	\$544	FSA	\$26,000	\$1,056	\$1,087	FSA
\$28,000	\$504	\$544	FSA	\$28,000	\$1,008	\$1,087	FSA
\$30,000	\$480	\$544	FSA	\$30,000	\$960	\$1,087	FSA
\$35,000	\$480	\$544	FSA	\$35,000	\$960	\$1,088	FSA
\$40,000	\$480	\$544	FSA	\$40,000	\$960	\$1,087	FSA
\$45,000	\$480	\$544	FSA	\$45,000	\$960	\$1,088	FSA
\$50,000	\$480	\$856	FSA	\$50,000	\$960	\$1,087	FSA
\$55,000	\$480	\$856	FSA	\$55,000	\$960	\$1,198	FSA
\$60,000	\$480	\$856	FSA	\$60,000	\$960	\$1,711	FSA

AFTER TAX OR BEFORE TAX

EXAMPLE 1		EXAMPLE 2	
AFTER TAX: the traditional after-tax payment of group premiums, medical/dental expenses and dependent care expenses		AFTER TAX: the traditional after tax payment of group premiums, medical/dental expenses and dependent care expenses	
Total taxable monthly compensation	\$ 2,000.00	Total taxable monthly compensation	\$ 3,000.00
Taxes (20%)	-400.00	Taxes (20%)	-600.00
FICA (7.65%)	<u>-153.00</u>	FICA (7.65%)	<u>-229.50</u>
Total take home pay	\$ 1,447.00	Total take home pay	\$ 2,170.50
Dependent health insurance premium	-100.00	Dependent health insurance premium	-100.00
Medical/Dental Expenses	-30.00	Medical/Dental Expenses	-30.00
Dependent Care Expenses	<u>-200.00</u>	Dependent Care Expenses	<u>-200.00</u>
Net Spendable Income	\$ 1,117.00	Net Spendable Income	\$ 1,840.50
VS		VS	
BEFORE TAX: the tax savings after you have redirected your income to take advantage of the tax savings in a Flexible Spending Account		BEFORE TAX: the tax savings after your have redirected your income to take advantage of the tax savings in a Flexible Spending Account	
Total Monthly Compensation	\$ 2,000.00	Total Monthly Compensation	\$ 3,000.00
Redirected Salary of Employee into a FSA		Redirected Salary of Employee into a FSA	
Dependent Health Insurance Premium	-100.00	Dependent Health Insurance Premium	-100.00
Medical/Dental Expenses	-30.00	Medical/Dental Expenses	-30.00
Dependent Care Expenses	<u>-200.00</u>	Dependent Care Expenses	<u>-200.00</u>
Total Taxable Monthly Compensation	\$ 1,670.00	Total Taxable Monthly Compensation	\$ 2,670.00
Taxes (20%)	-334.00	Taxes (20%)	-534.00
FICA (7.65%)	<u>-127.76</u>	FICA (7.65%)	<u>-204.25</u>
Net Spendable Income	\$ 1,208.24	Net Spendable Income	\$ 1,931.75
SAVINGS: \$91.24 PER MONTH or \$1,094.88 PER YEAR!		SAVINGS: \$91.25 PER MONTH or \$1,095.00 PER YEAR	

MEDICAL CARE REIMBURSEMENT ACCOUNT

The Medical Care Reimbursement account allows you to set aside pre-tax dollars to pay for certain medical care expenses not reimbursed by any other medical plan.

Through payroll deductions, you may deposit money into the Medical Care Reimbursement Account before Social Security, federal and in most cases state income taxes have been withheld. This means that you may pay for unreimbursed medical care expenses in a tax-effective way.

Using the Medical Care Reimbursement Account is just one way you can receive a tax break for qualified medical care expenses. The federal government also allows a tax deduction for qualified medical care expenses when you file your income tax return. Remember that you may either take a tax deduction or submit the expenses for reimbursement from your Medical Care Reimbursement Account but you cannot take advantage of both methods for the same expense.

Contributing to your Medical Care Reimbursement Account:

When you enroll in a Medical Care Reimbursement Account, you choose how much you want deducted annually from your pay and deposited into the account in your name. The amount you choose is divided and deducted on a pre-tax basis from each of your paychecks throughout the year.

Because of IRS rules, it is important to estimate your annual expenses carefully when determining the amount you should deposit into your Medical Care Reimbursement Account. Amounts not used for eligible expenses incurred during the plan year are forfeited. The plan year ends on **December 31, 2010**.

Request Reimbursement:

To request reimbursement for an eligible expense, you must first submit your claim to your health plan (medical or dental) for reimbursement to determine if the expense is covered under your medical care program. Only those expenses not covered under your medical care program are eligible for submission and reimbursement.

Reimbursement from the plan shall be paid according to the pay schedule by providing the Administrator with a completed reimbursement form and adequate verification.

End of the year Medical Care Reimbursement:

You have until 60 days after the plan year ends to submit your final expenses from the previous plan year. Eligible medical expenses include only those amounts incurred during the year in which you participate in the Medical Care Reimbursement Account. Any remaining balance after 60 days is forfeited.

Federal Rules that Apply to Both Reimbursement Accounts:

Reimbursement accounts take advantage of federal laws that allow you to pay eligible medical and dependent care expenses with pre-tax dollars – that is, with money that hasn't been taxed. Since reimbursement accounts provide tax advantages, the IRS imposes certain restriction on their use.

IRS Reimbursement Account Restrictions:

The IRS requires that you use all the money in your reimbursement accounts for expenses you incur during the plan year in which you are participating.

If you enroll in both reimbursement accounts, you may not transfer money from one account to the other. Your Medical Care Reimbursement Account balance remains totally separate from your Dependent Care Reimbursement Account balance.

Once you enroll, you may not stop your payroll deductions or change the amount you contribute during the year unless you have a qualified change in status or stop working at the Company.

UNREIMBURSED MEDICAL EXPENSES WORKSHEET

Listed below are medical expenses you and your family may have that are not completely covered by insurance.
Estimate your annual medical related expenses not paid by insurance for the upcoming year:

Child Birth (portion not covered by insurance)	\$ _____
Chiropractor	\$ _____
Contraceptives	\$ _____
Contact Lens Solution	\$ _____
Co-payments	\$ _____
Dental Care Expenses	\$ _____
Out-of-Pocket Fees to Doctors and Hospitals	\$ _____
Deductible	\$ _____
Hearing Aids	\$ _____
Immunizations and Inoculations	\$ _____
In Vitro Fertilization	\$ _____
Orthodontic Expenses	\$ _____
Oxygen Equipment	\$ _____
Prescriptions	\$ _____
Special Instructions for Deaf and Blind	\$ _____
Substance Abuse Rehabilitation	\$ _____
Support or Corrective Devices (i.e. – orthopedic shoes)	\$ _____
Transportation to Receive Medical Care	\$ _____
Tuition for Special School for Handicapped	\$ _____
Vision Care (contact lenses, eyeglasses, laser eye surgery)	\$ _____
Over the Counter Medications (not including vitamins or supplements)	\$ _____
Other	\$ _____
TOTAL*	\$ _____

* Determine the portion you want withheld. Divide that amount by your number of pay periods and enter on the Flexible Benefit Enrollment Form under Unreimbursed Medical Expenses.

MEDICAL FSA ELIGIBLE AND INELIGIBLE EXPENSES

Eligible Medical Expenses (This is a partial list)

Acupuncture
Ambulance hire
Artificial teeth
Birth control pills
Braces
Braille – books and magazines
Breast pumps – by prescription for a specific medical condition
Childbirth/Lamaze classes
Chiropractors
Coinsurance
Contact lenses, including lens solution
Cost for physical or mental illness confinement
Crutches
Deductibles
Dental fees
Drug and alcoholism treatment
Drug and medical supplies
Ear plugs – if prescribed for a specific medical condition
Eyeglasses including exam fees
Fee of practical nurse
Handicapped persons special schools
Hearing devices and batteries
Hospital services
Insulin needles and test strips
Laboratory fees
Legal abortions
Mentally/physically handicapped dependent expenses
Norplant removal
Nurses' fees
Obstetrical expenses
Operations
Organ transplant donor expenses (recipient may claim)
Orthodontia
Orthopedic shoes
Over the counter drugs such as cold medicine, pain reliever, antacid, etc.
Oxygen
Physical exams
Physical therapy
Physician fees
Pre-existing conditions
Pregnancy test kits
Prescription medicines
Psychiatric care – medically necessary only
Psychologist fees – medically necessary only
Routine physical
Smoking cessation
Special deaf communication equipment
Sterilization
Vaccines
Vitamins by prescription
Wheelchair
Wig – for hair loss due to illness or disease
X-rays

Ineligible Medical Expenses (This is a partial list)

Adoption expenses
Automobile – insurance premiums including the segment of premiums providing medical coverage for persons injured in an auto accident
Cosmetic procedures
Cosmetics, toiletries, toothpaste and personal hygiene
Counseling – marriage or family
Dental – teeth bleaching
Eyeglasses – for sports
Exercise equipment – not prescribed by a doctor for a specific medical condition
Household and domestic help (even if recommended by a qualified physician due to an employee or dependent's inability to perform physical housework)
Institution – custodial care in an institution
Liposuction
Massage therapy – unless prescribed by a physician for specific illness or injury
Maternity clothes, diaper service, etc.
Medical/dental services rendered by a relative
Nurse – the salary expense of a licensed practical nurse incurred in connection with the care of a normal and healthy newborn (even if such care is required)
Operation – any expense incurred in connection with an illegal operation or treatment
Premiums – monies paid for insurance coverage (Health, Dental, Life, etc.)
Prescription drug discount programs
School – costs for sending a problem child to a special school for anticipated health benefits the child may receive from the course of study and the disciplinary methods
Social activities – dance lessons or classes (even if recommended by a physician)
Uniforms
Vitamins or dietary supplements taken for general health purposes
Water – bottled
Weight loss programs – for general health (included food and drugs) even if recommended by a doctor

Any expense that is for your general health, even if your doctor prescribes the program

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FLEXIBLE SPENDING ACCOUNT CLAIM FORM

Payrolling.com

Employee Name (Last, First, M.)

Social Security Number

Employer

Street Address

City

State

Zip Code

Check if new address

I. MEDICAL CARE EXPENSES: (Eligible expenses not paid by any insurance.) Attach an itemized bill showing the following information and a copy of the Explanation of Benefits from your insurance company showing their payment or denial. Cancelled checks or balance due receipts are not acceptable.

Date of Service	Patient Name	Relationship to Employee	Provider Name	Description of Services	Amount Requested
TOTAL:					

II. DEPENDENT CARE EXPENSES: (Attach receipts or have your provider sign and complete the following.) The IRS requires the dependent care provider to furnish the provider's current name, address, tax ID number (or SSN) to the taxpayer making the claim, unless the provider is exempt from federal tax income taxation as described in I.R.C. Section 501(C)(3).

The Dependent Care Information including provider name, address, TIN/SSN is correct to the best of my knowledge. I understand that I may incur penalties of perjury if the information is knowingly misstated. (Signed below by Provider).

Dates of Care (From:To)	Dependent Name	Age	Print Provider Name	Provider Address	TIN/SSN	Amount Requested
			Provider Signature			
TOTAL:						

The undersigned participant certifies that all expenses for which reimbursement of payment is claimed were incurred during a period while the undersigned was covered under the Plan and were not reimbursed from any other source. The undersigned fully understands that he/she is fully responsible for the accuracy of all information relating to this claim. The undersigned may be liable for payment of Federal, State and City income tax on amounts paid from the Plan which are not eligible expenses.

Employee Signature: _____ Date: _____

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CLAIM FILING INSTRUCTIONS

Please Read Carefully

Who Can File a Claim?

- Only employees participating in the Section 125 Flexible Benefit Plan can file a reimbursement claim.
- Employees can file a claim during the Plan Year and for a certain period after the Plan Year as described in the Summary Plan Description.
- Terminated employees can file a claim for a certain period after the date of termination if allowed by the Plan. Please see your Summary Plan Description.

What Expenses Can Be Claimed?

- Only expenses incurred during the Plan Year can be claimed for reimbursement. Each year is treated separately and the year of claim is the year the expense was actually incurred by the participant. It is imperative to send separate claim forms for each year.
- Terminated employees can request reimbursement for expenses incurred during the time period for which contributions were received. Please see your Summary Plan Description.
- Allowable expenses are the same as those allowed for tax purposes except for long-term care premiums and expenses. A summary list is provided here for your convenience. This list is not exhaustive.

Qualifying Dependent Care Expenses (Expenses necessary for you and your spouse (if married) to be gainfully employed.)

- Expenses paid to a dependent care center or care provider.
- Expenses paid for the care of a dependent under age 13 who lives with you.
- Expenses paid for care of other legal dependents who live with you and are physically or mentally incapable of caring for themselves.

Completion of the Claim Form

- Complete all information on the claim form for each amount claimed for reimbursement.
- Make sure the claim does not include items for more than one Plan Year. Use different claim forms for different years.
- You must sign and date the claim form.
- Attach a copy of a bill, invoice or other written statement from a third party which supports each reimbursement request and shows the date the services was incurred.
- Copies of cancelled checks or credit card receipts are not valid receipts.