Give yourself a pay raise.

Use flexible benefits to bring home more of your paycheck.

Who couldn’t use a little more money? That’s what you’ll receive when you take advantage of a flexible spending account (FSA).

An FSA allows you to set aside a portion of your salary, before taxes, to pay for qualified medical or dependent care expenses. Because that portion of your income is not taxed, you end up with more money in your pocket.

Follow these three steps and start making plans for that extra money you’ll bring home.

Three simple steps to a successful FSA:

1. Plan—how much money you want to set aside
2. Spend—on dependent care and out-of-pocket medical expenses
3. Collect—the money you’ve set aside

Get started today. Enroll at www.DiscoveryBenefits.com. It’s a great perk from your employer and it’ll save you money.
Two ways to save money.

**Use a flexible spending account to set aside money for medical or dependent care expenses.**

1. **Health FSA**—set aside money to pay expenses not covered by your medical insurance. There are two types of accounts:
   - If you have traditional medical insurance, you’ll use a regular Health FSA for things like coinsurance, prescriptions and medical equipment.
   - If you have a high deductible health plan (HDHP) along with a health savings account (HSA), you’ll use a Limited Health FSA to pay some out-of-pocket expenses until your annual deductible is met. (See your summary plan description for details.)

2. **Dependent Care Account (DCA)**—set aside money for dependent care for children up to age 13, a disabled dependent of any age or a disabled spouse. To be eligible for this type of account, both you and your spouse (if applicable) must work, be looking for work or be full-time students.

**Meet the Metzgers**

Mom and dad both work outside the home. One child attends school; the other goes to a home day care. Together they make $7,500 per month and claim four exemptions on their income taxes. Look at their take-home pay:

<table>
<thead>
<tr>
<th></th>
<th>With an FSA</th>
<th>Without an FSA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross monthly salary</td>
<td>$7,500</td>
<td>$7,500</td>
</tr>
<tr>
<td>Health FSA contribution</td>
<td>$208</td>
<td>$0</td>
</tr>
<tr>
<td>DCA contribution</td>
<td>$416</td>
<td>$0</td>
</tr>
<tr>
<td>Taxable income</td>
<td>$6,876</td>
<td>$7,500</td>
</tr>
<tr>
<td>Taxes</td>
<td>$2,407</td>
<td>$2,625</td>
</tr>
<tr>
<td>Net pay</td>
<td>$4,469</td>
<td>$4,875</td>
</tr>
<tr>
<td>Post tax medical expenses</td>
<td>$0</td>
<td>$208</td>
</tr>
<tr>
<td>Post tax dependent care expenses</td>
<td>$0</td>
<td>$416</td>
</tr>
<tr>
<td><strong>Monthly Income</strong></td>
<td><strong>$4,469</strong></td>
<td><strong>$4,251</strong></td>
</tr>
</tbody>
</table>

The Metzgers saved $218/month or $2,616/year!
Step One: Plan

*Use these worksheets to estimate your spending.*

Each year during your company’s open enrollment period, you’ll have the opportunity to enroll or change your FSA contributions. Being prepared will help you realize the greatest savings.

**Things to consider as you plan:**

- Be conservative in your estimate. The IRS has a “use or lose” rule which states that you lose any leftover balance in your account at the end of the plan year.
- Your employer may offer a grace period to use your remaining balance. Refer to your plan’s summary plan description (SPD).
- Most employers set a maximum contribution amount for your Health FSA. Ask your employer to make sure you’re within the limits of your program.
Health FSA Worksheet

Keep these things in mind:

• Use the money in this account to pay for the diagnosis, cure, prevention or treatment of a disease.
• Expenses cannot be reimbursed by insurance or any other source.
• Be conservative. If you don’t use the money in your account within the plan year, you lose it.
• You cannot change, midyear, the amount you set aside unless there is an IRS-approved status change event.
• For a Limited Health FSA, record only expenses for vision, dental and preventive care. (You can use your HSA for other eligible medical expenses, if offered by employer and stated in your SPD.)

| Insurance deductibles        | $___________ |
| Co-pays/coinsurance          | $___________ |
| Exams                        | $___________ |
| Prescription drugs           | $___________ |
| Diabetic supplies            | $___________ |
| Chiropractic                 | $___________ |
| *Over-the-counter medicines  | $___________ |
| Hearing exams                | $___________ |
| Hearing aid                  | $___________ |
| Hearing aid battery          | $___________ |
| Dental fillings, bridges, crowns | $___________ |
| Dentures                     | $___________ |
| Orthodontia                  | $___________ |
| Vision exams                 | $___________ |
| Glasses (lenses and frames)  | $___________ |
| Contact lenses               | $___________ |
| Contact lens solution        | $___________ |
| Corrective eye surgery       | $___________ |

Total: Amount to set aside   $___________
Divide by # of paychecks/year $___________

Dependent Care Account Worksheet

Keep these things in mind:

• $5,000 annual maximum per household.
• Record expenses for dependent children under age

Dependent Care Account currently NOT OFFERED by the Maple Shade Board of Education

* A few of you use your FSA to purchase over-the-counter (OTC) medications…
As a result of Health Care Reform, the IRS will require a prescription for OTC medication to be eligible for reimbursement. This change is for medicine purchased on January 1, 2011 or later. Go to www.DiscoveryBenefits.com for other reform updates.
**Step Two: Spend**

*Use the money you’ve set aside throughout the plan year.*

### Medical expenses—a list of items typically eligible*

- Acupuncture
- Alcoholism treatment
- Ambulance
- Artificial limbs
- Artificial teeth
- Birth control
- Braces
- Braille books and magazines
- Special car hand controls/special car equipment for a disability
- Chiropractor’s fees
- Christian Science practitioners’ fees
- Contact lenses
- Contact lens solution
- Crutches
- Dental fees (not cosmetic)
- Diagnostic fees
- Drug addiction
- Eyeglasses
- Eye exams
- Guide dog
- Health club membership dues*
- Health institute
- Hearing aids
- Hearing aid batteries
- Hospital services
- Immunizations
- Insulin
- Laboratory fees
- Lead-based paint removal
- Learning disability treatment
- Medical services
- Nursing services
- Operations
- Osteopathic physician appointments
- Over-the-counter medications**
- Oxygen
- Prescription drugs
- Psychiatric care
- Psychoanalyses
- Psychologist visits
- Sterilization
- Telephone for hearing impaired
- Television for hearing impaired
- Therapy**
- Transplants (organ)
- Transportation
- Vitamins**
- Weight loss programs* (not food)
- Wheelchair
- X-ray

**These expenses may require documentation of medical necessity.

### Medical expenses—a list of items typically ineligible*

- Babysitting and childcare
- Bleaching teeth (cosmetic)
- Cosmetic surgery
- Dancing lessons
- Diaper service
- Electrolysis
- Face lifts
- Feminine hygiene products
- Food
- Funeral expenses
- Hair transplants
- Household help
- Illegal operations or treatments
- Insurance premiums
- Laetrile
- Liposuction
- Marijuana used medically
- Maternity clothes
- Prescription drugs considered cosmetic
- Rogaine
- Swimming lessons
- Any expense not considered “medically necessary” by IRS
- Expenses for general health, even if doctor-prescribed

**Keep this in mind:**

- The date of your medical service—not the billing date—determines the plan year from which the expense can be reimbursed. Ask your company’s benefits administrator the start and end dates of your plan year.
- Your full annual election amount for the Health FSA is available at any time during the plan year, regardless of how much you’ve actually contributed to date.

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*A few of you use your FSA to purchase over-the-counter (OTC) medications…*

As a result of Health Care Reform, the IRS will require a prescription for OTC medication to be eligible for reimbursement. This change is for medicine purchased on January 1, 2011 or later. Go to www.DiscoveryBenefits.com for other reform updates.
Dependent care expenses—what's eligible:
• Care for children under age 13 who are claimed as dependents for tax purposes
• Disabled spouse or dependent of any age

Dependent care expenses—what's not eligible:
• Costs already claimed as a dependent care tax credit on your tax return
• Nursing home, respite care or other residential care centers
• Services provided by one of your dependents
• Expenses while on vacation

Keep this in mind:
• The IRS allows changes to your dependent care account throughout the plan year:
  • If you change day care providers
  • When your child turns age 13
  • If the cost of qualified day care expenses increases or decreases
  • If you submit receipts totaling more than you've contributed to your account, you'll be reimbursed only the balance in your account. If you choose, the remainder will be issued automatically as the funds become available.

Choose the way you pay for eligible expenses.

Pay upfront and get reimbursed.
• Pay for services and products.
• Submit reimbursement, proof of purchase and dates and type of service (also called substantiation).
• Have your funds automatically deposited into your checking or savings account, or receive a check.

OR

Pay eligible expenses with your Discovery Benefits Debit Card.
• Use your Discovery Benefits Debit Card to pay for eligible services and products.
  • Payments are automatically withdrawn from your FSA, so you don’t incur out-of-pocket costs.
• Discovery Benefits Debit Card purchases need to be verified to satisfy the IRS. Some merchants can provide all the IRS-required information right at the point of sale. Other purchases will need to be verified with receipts and dates and type of service.
  • Learn more about substantiation on the following pages.
• Receive two cards when you enroll.
  • Request additional cards for your spouse and dependents 18 years of age or older for free.
  • No fee for replacing lost or stolen cards.
Step Three: Verify and Collect

Substantiation is key to success with your FSA.
For medical expenses, the IRS requires you to substantiate:

- Date service was received or purchase made
- Description of service or item purchased
- Dollar amount
- Provider or store name
- In some cases, a Medical Necessity Form or physician letter may be required

NOTE: In some cases, the plan’s design requires that your health insurer’s explanation of benefits (EOB) is provided as substantiation for your expense. If you receive a receipt from your provider for a copay amount, make sure the receipt says “copay.” If not, ask your provider to write “copay” on your receipt before leaving the office.

Vague or missing information causes your reimbursements to be held up or become ineligible. Hang on to your receipts and documentation.

A few of you use your FSA to purchase over-the-counter (OTC) medications...

As a result of Health Care Reform, the IRS will require a prescription for OTC medication to be eligible for reimbursement. This change is for medicine purchased on January 1, 2011 or later. Go to www.DiscoveryBenefits.com for other reform updates.

For dependent care expenses, the IRS requires you to substantiate:

- Dates of service

NOTE: Day care expenses must be incurred (not just paid) in order to receive reimbursement.

Dependent Care Account currently NOT OFFERED by the Maple Shade Board of Education

Verifying your Discovery Benefits Debit Card

For both medical and dependent care purchases made on your Discovery Benefits Debit Card, the IRS requires the expense be verified.

Some of those purchases can be verified electronically right at the point of purchase, so there’s no need for additional substantiation.

- Look for pharmacies and drug stores that have the Inventory Information Approval System (IIAS) or meet the IRS 90% rule.
  - Find current lists of IIAS merchants and “90%” drug stores online at www.DiscoveryBenefits.com.
  - In some cases, a Medical Necessity Form may be required if the expense is considered both a medical expense and a general use item.
  - Hang on to receipts in case you are later asked for verification of the purchase.
  - You can upload and save receipts in your online account.

Other card purchases will require additional substantiation because the providers don’t typically have the IIAS in place. They include:

- Doctor’s offices
- Hospitals
- Clinics
- Dental providers
- Vision/optical facilities
- Pharmacies and drug stores without an IIAS

Helpful hint on using your card:

Don’t use the card for amounts that still need to be processed by insurance, such as deductibles and coinsurance.

When you receive your final statement from the provider showing insurance has been paid, write your Discovery Benefits Debit Card number on the statement and mail it to your provider.

Enrolled in a Limited Health FSA?

You can use your Discovery Benefits Debit Card for dental and vision and/or preventive expenses only. If your plan allows, once you meet your annual deductible, you may use your Limited Health FSA (although not your card) for all eligible IRS expenses. Check your plan description for details about the Limited Health FSA.
Choose the way you submit your documentation.

- Enter claim information online.
- Upload your receipt.
- Reimbursement will be processed once your substantiation is received.
- Download and print Reimbursement Request form.
- Complete and fax the form along with your substantiation to: 866-451-3245.
- Download and print Reimbursement Request form.
- Download and print Reimbursement Request form.
- Complete and mail form along with your substantiation to: Discovery Benefits PO Box 2926 Fargo, ND 58108-2926

Choose your reimbursement method

- Direct deposit
- Check

You’ll automatically receive a check unless you enroll in direct deposit.

Mobile apps give participants access anywhere, anytime.
Step Three: Verify and Collect
We’re here for you.

www.DiscoveryBenefits.com
• File a claim
• Check account balance and claim status
• View account history
• Access administrative forms
• Contact us via email
• Manage your profile

866-451-3399
• Speak to a service representative, M-F 7:00 a.m. to 7:00 p.m. CST
• Get answers to your FSA questions
• Interactive Voice Response (IVR) system for 24/7 access to account balance and claims information
• Be prepared to verify your identity when calling

Discovery Benefits • PO Box 2926 • Fargo, ND 58108-2926
Flexible Spending Account Enrollment Form

Step 1: Participant Information

* = Required Fields

- Employer Name (Do not abbreviate)
- Employee ID Number
- Participant Name (First, MI, Last)
- Social Security Number
- Participant Mailing Address
- Email Address (If provided, all notifications will be sent via email)
- City
- State
- Zip
- Day Telephone
- Birth Date (mm/dd/yyyy)
- Hire Date (mm/dd/yyyy)
- Enrollment Reason: Please circle one
- Open Enrollment Period
- New Hire

Step 2: Employee Premiums

If you have a payroll deduction for insurance premiums, eligible premiums will be deducted before taxes are calculated. You will automatically be enrolled in this portion of your Section 125 Plan. However, if you wish, you may opt out of the Employee Premium Conversion part of the Plan by contacting your HR Department and filling out the waiver form. *Please Note: Insurance premiums are not eligible for reimbursement with your Medical or Limited Medical Spending Account.

Step 3: Enrollment and Election Information

* Plan Type: (if enrolled in an HSA, you are not eligible to enroll in the Medical FSA. However, you are eligible for both the Limited Medical FSA and Dependent Care FSA if offered through your employer)

- Medical FSA Limit set by employer
- Dependent Care Account Limit set by employer up to IRS maximum
- Limited FSA Limit set by employer if this plan type is offered

* Annual Election: (if employer funded, note ‘ER’ next to amount)
- Minimum $200 - Maximum $1,200

* Date of First Payroll (mm/dd/yyyy)

* Participant Effective Date (mm/dd/yyyy)

* Pay Frequency: Please select
- Bi-weekly 10-month (20 pays)
- Bi-weekly 12-month (24 pays)
- Bi-weekly 10-month (20 pays) Bi-weekly 12-month (24 pays)

Minimum $200 - Maximum $1,200

01/12/2018

01/01/2018

Step 4: Optional Services

* Please select only one. Check with your employer as to which services your plan offers.

- Debit Card
- Auto-EOB

Auto-EOB is the automatic crossover of eligible health claims from a participant’s health insurance carrier. Payment is made automatically to you from your Flexible Spending Account.

Step 5: Authorization or Refusal

* Please select only one.

- Participant Authorization
  I authorize my employer to reduce my pay on a per pay period basis as indicated above. I understand my reduction is for one flex plan year and that I cannot change or revoke my election unless I experience a qualifying event in accordance with Internal Revenue Code Section 125 and submit my request within a reasonable amount of time as deemed by the IRS and my employer. I am aware of the plan’s forfeiture provision and that my Social Security and federal unemployment benefits may be reduced because of my reduced salary for tax purposes. Further, I authorize the release of any information necessary to substantiate claims submitted against my Flexible Spending Account.

- Participant Refusal
  I do not want to participate. I understand that by refusing to participate, I will be unable to enroll this plan year unless I experience a qualifying event in accordance with Internal Revenue Code Section 125 and submit the change within a reasonable amount of time as deemed by the IRS and my employer.

* Employer Signature (Not required during open enrollment)

* Participant Signature

www.DiscoveryBenefits.com
Phone: 866-451-3399 • Fax: 866-451-3245
PO Box 2926 • Fargo, ND 58108-2926
customerservice@discoverybenefits.com
This form needs to be completed if you wish to add the direct deposit feature to your account.

Please note, a voided (or photocopied) check is required for all checking accounts or we will be unable to process this form. We cannot accept deposit slips.

*Required Fields

**Step 1: Participant Information**

- **Employer Name (Do not abbreviate)**
- **Employee ID**
- **Participant Name (First, MI, Last)**
- **Social Security Number**

Updates or changes to your profile can be made by logging into your account at www.discoverybenefits.com

**Step 2: Financial Institution Information**

- **I am** ✔️ Select ✔️ beginning / canceling / changing a direct deposit account.
- **Account Type** Select ✔️ Checking / Savings
- **Routing Number** (must be 9 digits)
- **Account Number**
- **Financial Institution Name**
- **Financial Institution Address**

**Step 3: Participant Authorization**

I hereby certify the information provided on this form is accurate. Further, I understand my completion and submission of this form authorizes Discovery Benefits to issue payment directly to the specified account unless I notify them otherwise. I also understand a $25.00 fee will be deducted from my account for deposits returned for any reason.

- **Participant Signature**
- **Date**
**Complete and submit this form if requesting an additional card for your spouse or any dependents.**

If requesting a replacement card for yourself, spouse or dependents, please contact us at 866-451-3399 or customerservice@discoverybenefits.com and we would be happy to assist you. Please note that issued cards are valid for three years.

**IMPORTANT:** If you would like us to provide your spouse and/or dependent(s) with specific information regarding your account when they contact us, you will also need to complete and submit an Authorized Representative Form.

* = Required Fields

### Step 1: Participant Information

- Participant Name (First, MI, Last)
- Social Security Number
- Employer Name (Do not abbreviate)
- Employee ID

Updates or changes to your information can be made by logging into your account at www.discoverybenefits.com.

### Step 2: Additional Card Information

Please complete the following information for each additional card request.

#### Spouse Information

- Spouse Name (First, MI, Last)
- Birth Date (mm/dd/yyyy)

Mailing Address

City

State Zip

#### Dependent(s) Information

- Dependent Name (First, MI, Last)
- Birth Date (mm/dd/yyyy)

Mailing Address

City

State Zip

- Dependent Name (First, MI, Last)
- Birth Date (mm/dd/yyyy)

Mailing Address

City

State Zip

### Step 3: Participant Authorization

I hereby certify the information provided on this form is accurate. I understand I am only able to request cards for dependents over the age of 18.

- Participant Signature
- Date
Guide to the Benefits Debit Card

**Advantages of the Discovery Benefits Debit Card**
- No out-of-pocket expenses at the time of service
- No waiting for reimbursement
- Increased use of funds, less chance to forfeit at the end of the year
- Charges are paid directly to the provider
- Benefits Debit Card is valid for three years

**How It Works:**
You will no longer need to submit documentation to Discovery Benefits for any purchases made at retailers that are IIAS compliant. A list of compliant vendors can be found on our website (“IIAS Merchants”). These merchants will approve eligible expenses at the point of purchase. **When using your card at these merchants, you will swipe your card for the entire purchase. Those items that are eligible expenses will be auto-substantiated, and the merchant will then ask for a secondary form of payment for the ineligible items. Documentation may be required if eligible items are not auto-substantiated at the point of sale. Note: the debit card transactions (and documentation if applicable) are processed based on a Central Standard Time zone.**

**When Documentation Is Not Needed:**
Your card transactions can be automatically substantiated without additional paperwork if they are:
- Co-payment amounts tied to your health plan. These amounts need to be communicated to Discovery Benefits by your employer.
- Transactions that match the provider and dollar amount exactly for previously approved transactions (e.g., orthodontia claims, maintenance prescription drugs) and were noted by you as recurring on the request for substantiation notification or Debit Card Substantiation Form.
- Purchases made at merchants using the Inventory Information Approval System (IIAS). The good news—no more documentation for eligible expenses when a merchant has the IIAS in place!

**When Documentation Is Needed:**
Debit card transactions that do not meet the above criteria will need additional documentation due to IRS regulations. The following communication will be provided:

- Automated emails are generally sent one day and thirty days after the card transaction. Reminders will cease once documentation is received. **If Discovery Benefits does not have your email address on file, a letter will be sent to your mailing address.**

- **If documentation has not been received and processed within 72 days after the card transaction, the benefits debit card will be inactivated and placed in a temporary hold status.** You will be asked to pay back the plan or offset the ineligible amount with documentation for eligible out-of-pocket expenses incurred within the same plan year. The benefits debit card will be reactivated as soon as the appropriate documentation or repayment is received.
What Documentation Is Needed:
Documentation for medical expenses required by the IRS includes a third-party receipt containing the following information:

- Date service was received or purchase made
- Description of service or item purchased
- Dollar amount (after insurance, if applicable)
- Prescription drug number or name

Documentation for dependent care expenses, required by the IRS, includes a third party receipt containing the following information:

- Incurred dates of service
- Dollar amount
- Name of day care provider

Unacceptable forms of documentation include the following:

- Provider statements that only indicate the amount paid, balance forward or previous balance
- Credit card receipt
- Missing or vague medical practitioner’s note
- Bills for prepaid dependent care/medical expenses where services have not yet occurred

When submitting a receipt for a co-payment amount, please be sure the co-payment description is on the receipt. In some cases, you will need to ask for a receipt at the point of service. If “co-payment” is not clearly identified, have the provider write “co-payment” on the receipt and sign it.

How to Submit Documentation:
Documentation can be uploaded by logging into your account at www.discoverybenefits.com. If you chose to fax your documentation, please include the receipt reminder. Processing time is two business days, if further action is required you will be notified in writing.

| Participant Services – Hours of Operations | 7:00 a.m. to 7:00 p.m. CST (M-F) |
| Participant Services Toll-Free Phone Number | 866-451-3399 |
| Mailing Address | Discovery Benefits |
| | PO Box 2926 |
| | Fargo, ND 58108 |
| Participant Services Toll-Free Fax Number | 866-451-3245 |
| Participant Services Email Address | customerservice@discoverybenefits.com |