



# Save Money Now With Flexible Spending!

A Reimbursement Account is a **tax-free** method for paying out-of-pocket expenses for eligible health care and dependent care expenses.

## How It Works

- Contributions are deducted from your pay before taxes; annual contribution is divided by the number of pay periods in your plan year;
- You incur and submit expenses for reimbursement; the reimbursement is also pre-tax.

**\*\*Remember**, by participating in these accounts, you do not pay Federal, State, Local & Social Security taxes on the dollars set aside.

## *Medical Reimbursement Account*

## *Dependent Care Account*

### What It Is Used For

To pay eligible out-of-pocket medical expenses incurred during the plan year.

### Eligible Expenses

*General Rule:* Allowable expenses are those medical, dental, prescription, and vision expenses not covered by your insurance plan, including co-pays and deductibles. (Cosmetic procedures are not covered)

### Eligible Documentation

#### **A. Provider Statements**

An eligible statement contains:

- ◆ Patient's name
- ◆ Actual date of service
- ◆ Type of service provided
- ◆ Patient balance

\*Statements that only read "Balance Due on Account" or "Prior Balance" are not eligible, nor are canceled checks.

#### **B. Explanation of Benefits**

Expenses must be submitted to your insurance carrier (if applicable). Your carrier then adjudicates your claim and provides you with an EOB explaining covered services and amount you owe.

### Orthodontic Claims

Submit a copy of the agreement or contract from your orthodontist or have your orthodontic office complete a MEBS Ortho Receipt, along with an EOB from your insurance carrier. Services are paid over span of treatment.

### Requesting Reimbursement

You must attach a completed claim voucher to your statement and submit it for reimbursement. You can submit requests for reimbursement at anytime during the plan year and have up to 3 1/2 months beyond the end of your plan year to submit claims incurred during that plan year.

### Premium Conversion

Premium conversion allows you to pay your insurance premiums pre-tax. Examples are medical, dental, and vision insurance, short term disability, group term life insurance (up to \$50,000), etc. These are dependent upon which benefits your employer offers. If you are interested in a premium conversion account, all you need to do is sign up and your employer will take care of the rest, while you enjoy the tax benefit.

### What It Is Used For

To reimburse eligible out-of-pocket daycare expenses incurred during the plan year. Up to \$5,000 per plan year can be contributed if married or single; \$2,500 if married filing separately.

### Eligible Expenses

Expenses must meet the following requirements for reimbursement:

- ◆ Services provided enable you (and your spouse, if married) to be gainfully employed.
- ◆ Services provided are for eligible dependent(s). Including children under age 13, physically or mentally impaired children age 13 or older, and/or disabled spouse.

### Eligible Providers

Providers that qualify under this plan include:

- babysitters (must not be your tax dependent)
- day care centers
- licensed facilities
- latchkey programs

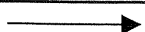
*\*The IRS requires that you provide the Social Security or Tax Identification number of the dependent care provider. You need to provide this number on Form 2441 - "Child & Dependent Care Expenses" and attach it to your Federal Income Tax return.*

Your W-2 will reflect the total benefits provided for the taxable year.

### Requesting Reimbursement

Once an eligible expense is incurred, submit a signed MEBS Dependent Care Receipt or a receipt from your provider detailing service dates, the dependents covered, and your provider's Tax ID or Social Security number, along with a claim voucher.

You will receive reimbursement up to your current account balance.



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## Important Information:

### **Contribution Changes**

You may elect to participate or change your contribution level during the year if you have an eligible change in status. For qualifying status events, please contact MEBS, Inc.

### **Employment Termination**

When you terminate your employment or participation in the plan, your plan year ends and you can no longer continue to incur expenses for reimbursement. Expenses incurred prior to your plan termination date can be submitted within 90 days of your termination date.

### **Claim Submission**

Claims may be submitted for your Medical or Dependent Care Reimbursement Accounts up to 3 1/2 months from the end of the plan year for services incurred during the plan year dates.

### **Grace Period (Not available on all plans and subject to employer's plan design)**

Employees may continue to incur claims for your Medical and or Dependent Care Reimbursement Accounts up to 2 1/2 months from the end of the plan year using previous plan year funds. Thus, any unused money in their account at the end of the plan year can be used for services incurred up to 2 1/2 months into the new plan year, using previous plan year funds.

### **Forfeitures**

Federal law governing Flexible Benefit Plans specifies that any money remaining in your account at the end of the plan year will be forfeited.

## Contact Information

If you have further questions regarding the reimbursement accounts, please contact the Flexible Benefits department at 1 (800) 968-9682 or e-mail us at [flex@mebs.com](mailto:flex@mebs.com).

