



# FLEXIBLE BENEFIT PLAN

## with Beniversal® MasterCard®

### PLAN HIGHLIGHTS\*

(page 1 of 2)

#### A. General Plan Information

1. Employer name: Linden Board of Education.
2. Plan name: Linden Board of Education Flexible Benefit Plan.
3. Plan type: The Plan is a welfare plan designed to provide benefits permitted under Section 125 of the Internal Revenue Code (IRC). The Plan name and Plan number should be used in any formal correspondence relating to the Plan.
4. Eligibility requirements: Please refer to your Employer.
  - *If you or your spouse is reporting contributions to a Health Savings Account (HSA), you are not eligible for a Medical FSA.*
5. The effective date on which you can begin participating in the Plan: Once the eligibility requirements have been met.
6. Kinds of group insurance for which you can pay your share of premiums through the Plan: Medical and Dental Insurances.
7. The Plan Year begins on January 1 and ends on December 31.
8. Plan effective date: July 1, 2012.
9. Plan number: 501.
10. Employer ID number: 22-6002033.
11. Name, address and telephone number of the Plan Administrator:  
Linden Board of Education  
2 E Gibbons Street  
Linden, NJ 07036-2951  
(908) 486-2800, ext. 113
12. Agent for service of process: Linden Board of Education.

#### B. Flexible Spending Accounts (FSAs)

##### 1. Types of FSAs

###### Medical FSA

- (a) Maximum amount you can set aside per Plan Year for reimbursement of eligible medical expenses as defined by IRC Section 213(d) except for insurance premiums: \$2,500.
- (b) The minimum amount you can set aside per Plan Year: \$100.
- (c) For active participants:
  - Eligible services must be provided:
    - after your effective date in the Plan and
    - during the Plan Year.
- (d) If you become ineligible (including termination of employment) during the Plan Year:
  - Eligible services must be provided:
    - after your effective date in the Plan,
    - during the Plan Year and
    - prior to the date on which you become ineligible.
  - The Beniversal Card may no longer be used to access Medical FSA funds. You may submit a claim for reimbursement of eligible expenses.
  - If you become ineligible due to being called or ordered to active duty as a reservist for a period of at least 180 days or for an indefinite period, your Employer will furnish Qualified Reservist Distribution information pertaining to your Medical FSA.

###### Dependent Care FSA:

- (a) Maximum amount you can set aside per calendar year for reimbursement of eligible dependent care services, as defined by IRC Section 21(b), is limited to the smallest of the following amounts:
  - \$5,000 if single or if married and filing jointly; \$2,500 if married and filing separately.
  - The earned income of the participant.
  - The earned income of the participant's spouse.
- (b) For active participants:
  - Eligible services must be provided:
    - after your effective date in the Plan and
    - during the Plan Year.
- (c) If you become ineligible (including termination of employment) during the Plan Year:
  - Eligible services must be provided:
    - after your effective date in the Plan and
    - during the Plan Year in which you become ineligible.



**FLEXIBLE BENEFIT PLAN**  
**with Beniversal® MasterCard®**  
*PLAN HIGHLIGHTS\**

*(page 2 of 2)*

**2. Claims for FSAs**

Claim submission time frames

- (a) Claims must be received by Benefit Resource, Inc. before the end of the 60 day run-out after the Plan Year ends.
- (b) Claims denied during the run-out may be resubmitted, but must be received by Benefit Resource within 21 days after the run-out ends.
- (c) Eligible participants are allowed to rollover up to \$500 of unused Medical FSA funds to the next Plan Year after the end of the time frame in (b) is completed for the current Plan Year. The minimum amount that can rollover must be greater than \$10.
- (d) Any funds remaining in your Medical or Dependent Care FSA after this will be forfeited.

Claim reimbursements

- (a) Complete your claim following all instructions.
- (b) Your completed claim form and the required documentation must be received by Benefit Resource at least 5 business days prior to the processing day.
- (c) Claim reimbursements will be processed each Wednesday.
- (d) There is a minimum reimbursement amount of \$15 (except during the run-out after the end of the Plan Year).
- (e) A claim should never be submitted for an expense that has been paid for with a Beniversal Card or reimbursed from any other source.

**3. Beniversal Card for Medical FSA**

- (a) The Beniversal Card allows you to access Medical FSA funds to pay for eligible medical services at qualified merchants.
- (b) The card may only be used to pay for eligible medical services after they have been provided. The IRS allows one exception: eligibility of orthodontia expenses can be based on either date of payment, date of service or payment due date on coupons/statements.
- (c) Payment of a current Plan Year medical service with the card must be completed before the Plan Year ends.
- (d) Once a new Plan Year begins, only Medical FSA funds associated with the new Plan Year will be available on the card.
- (e) You are advised to save all documentation related to medical expenses paid with your card, as IRS regulations require all transactions to be verified for eligibility.
- (f) If a card transaction cannot be automatically verified, you will be contacted to submit documentation for that transaction.
- (g) Medical expenses paid with the card should never be submitted for claim reimbursement.

## What is a Flexible Benefit Plan?

A Flexible Benefit Plan is made possible by Section 125 of the Internal Revenue Code. The plan allows you to pay for certain benefits, like group insurance premiums, a Medical Flexible Spending Account and a Dependent Care Flexible Spending Account, on a tax-free basis.

When you enroll in your employer sponsored Flexible Benefit Plan, your contributions are not subject to Federal, FICA and most state taxes. This means you bring home more money in your paycheck!

<b>Tax Savings Example *</b>		
<b>Monthly Pay and Expenses</b>	<b>Without Plan</b>	<b>With Plan</b>
<b>Gross Pay</b>	<b>\$ 5,833.00</b>	<b>\$ 5,833.00</b>
<b>Less Tax-free Expenses</b>		
• Group Health Insurance		\$ 250.00
• Unreimbursed Medical Costs		\$ 108.00
<b>Taxable Income</b>	<b>\$ 5,833.00</b>	<b>\$ 5,475.00</b>
<b>Less Taxes &amp; After-Tax Expenses</b>		
• Federal Income Tax	\$ 1,458.00	\$ 1,369.00
• State Income Tax	\$ 400.00	\$ 375.00
• FICA	\$ 330.00	\$ 309.00
• Group Health Insurance	\$ 250.00	
• Unreimbursed Medical Costs	\$ 108.00	
<b>Disposable Income</b>	<b>\$ 3,287.00</b>	<b>\$ 3,422.00</b>

\*This example is based on tax status of married, filing jointly with a taxable annual income of \$70,000. These figures are for illustration purposes only.

**Increase in monthly take-home pay: \$ 135.00**

**Increase in annual take-home pay: \$ 1,620.00**

For additional information:  
 visit [www.BenefitResource.com](http://www.BenefitResource.com), or  
 call the Benefit Resource Participant Services Department, (800) 473-9595,  
 Monday - Friday, 8am - 8pm (Eastern Time).

### Plan Participation

- In order to participate in the plan, you need to meet the eligibility requirements set by your employer.

### Insurance Premiums

- Premiums for insurances offered through the Flexible Benefit Plan are deducted from your pay on a tax-free basis.
- The amounts deducted from your pay will go directly to the applicable insurance company for payment of your premiums.

### Flexible Spending Accounts (FSA)

- Your Flexible Benefit Plan may include two types of Flexible Spending Accounts:
  - Medical FSA
  - Dependent Care FSA
- If you are eligible to participate, you can elect to enroll in one or both of these accounts.
- Elections do not carry over from year to year. You must make new elections prior to the beginning of each plan year.
- The tax-free dollars deducted from your pay can be set aside in an FSA to pay for qualified expenses.
- Services must be provided before using FSA funds. The IRS allows one exception to this rule for orthodontia expenses: reimbursement can be based on date of payment, date of service or payment due date on statements/coupons.

### Election Amounts

Your *Plan Highlights* contains the maximums (and any applicable minimums) you can set aside in a Medical FSA and Dependent Care FSA.

### Election Changes

- Generally, once you have enrolled in the plan, you cannot change your elections during that plan year.
- There are certain qualifying events (e.g. marriage, death, change in employment status, etc.) that may allow a change in your plan year election amounts.
- More information is available in your *Summary Plan Description*.

### Use-or-Lose

- Any unused amount in an FSA after the time frame indicated in your *Plan Highlights* will be forfeited.
- You cannot use Medical FSA funds for dependent care expenses and vice-versa.
- Plan your elections carefully!



## Medical FSA - Important Facts



- The tax-free amount you can set aside in a Medical FSA per plan year can be found in your *Plan Highlights*.
- Upon enrolling in a Medical FSA, you have access to your plan year election amount.
- A Medical FSA can be used to pay for eligible medical expenses provided to you, your spouse or your eligible dependents.
- Expenses must be primarily to prevent, treat, diagnose or mitigate a physical or mental defect or illness.
- Expenses may include eligible over-the-counter items.
- Expenses cannot be for personal care, cosmetic or general health purposes.
- Some expenses are only eligible if certified by a licensed medical provider as medically necessary.
- The eligibility of an expense is governed by the IRS.
- Expenses cannot be reimbursed from any other source (e.g. insurance).
- You forfeit any remaining amount in this account after the time frame indicated in your *Plan Highlights*.
- The following are just a few examples of what may or may not be eligible under a Medical FSA:

<b>Eligible Expenses</b>	<b>Ineligible Expenses</b>
<ul style="list-style-type: none"> <li>» Acupuncture</li> <li>» Co-pay, deductibles and co-insurance</li> <li>» Dental care</li> <li>» Prescription drugs</li> <li>» Vision expenses</li> </ul>	<ul style="list-style-type: none"> <li>» Daycare expenses</li> <li>» Foods for weight loss purposes</li> <li>» Hair transplants</li> <li>» Insurance premiums</li> <li>» Personal care items (e.g. shampoo, soap, toothpaste)</li> <li>» Teeth whitening</li> </ul>
<b>Expenses that must be certified by a licensed medical provider</b>	
<ul style="list-style-type: none"> <li>» Exercise and weight loss programs</li> <li>» Vaporizers/humidifiers</li> <li>» Vitamins</li> </ul>	

- The *Medical FSA Worksheet* is included in this booklet to help you estimate how much you should elect for a Medical FSA.
- Your *Plan Highlights* contain specific information about your employer sponsored plan.

Visit [www.BenefitResource.com](http://www.BenefitResource.com) to use the online calculator to estimate your Medical FSA tax savings

## Dependent Care FSA - Important Facts



- A Dependent Care FSA can be used to reimburse dependent care expenses for a qualified person. These expenses enable you to be gainfully employed and, if married, enable your spouse to be gainfully employed, look for work or attend school full-time. The qualified person must spend at least 8 hours per day in your home and is *one of the following*:
  - » a dependent child under the age of 13 and for whom you can claim a tax exemption
  - » a spouse or dependent who is physically or mentally incapable of self-care, has the same principal place of abode as you for more than half of the year, and for whom you can claim a tax exemption
- The tax-free amount you can set aside per calendar year in a Dependent Care FSA can be found in your *Plan Highlights*.
- The amount available for reimbursement for dependent care expenses is limited to the cash balance in your Dependent Care FSA.
- You forfeit any remaining amount in this account after the time frame indicated in your *Plan Highlights*.

<b>Eligible Expenses</b>	
» Before/Afterschool care	» Nursery school
» Adult care	» In-home dependent care
» Child care	» Day care facility
<b>Ineligible Expenses</b>	
» Services provided for education (including kindergarten), meals, etc.	
» Overnight camps	
» Services provided by the child's parent, someone who is your minor child or dependent for income tax purposes (e.g. older child)	

- The *Dependent Care FSA Worksheet* is included in this booklet to help you estimate how much you should elect for a Dependent Care FSA.
- Your *Plan Highlights* contain specific information about your employer sponsored plan.
- Consult a tax professional to determine if it would be more to your advantage to elect a Dependent Care FSA or to use the federal tax credit. You cannot claim the credit for any expenses reimbursed through a Dependent Care FSA.

For additional information, visit [www.BenefitResource.com](http://www.BenefitResource.com) for answers to frequently asked questions about a Dependent Care FSA.



## Accessing Your FSA Funds



### Beniversal® Prepaid MasterCard®

- Your Medical FSA funds can be accessed by using the Beniversal Card at the point-of-sale. No waiting for reimbursement!
- The card can only be used at qualified merchants, such as:
  - » doctors
  - » dentists
  - » vision centers
  - » medical labs
  - » hospitals
  - » medical supply stores
  - » certain drugstores and retail merchants (a list of these merchants can be found at [www.BenefitResource.com](http://www.BenefitResource.com))
- You must save your itemized receipts every time you use your card, per IRS regulations.
- Since some qualified merchants also offer services/items that are not eligible under a Medical FSA (e.g. teeth whitening, non-prescription sunglasses):
  - Benefit Resource may contact you about the purchase you made with your card.
  - You simply send in the requested information, which can easily be done using the online *Beniversal Followup* tool under the FSA/HRA Plans tab.
- You do not need a new Beniversal Card each plan year. As long as you continue participating in the plan, you can continue using your card through the card's expiration date.
- Carefully read the materials that you receive with your Beniversal Card.

### Claim Reimbursement

- Your Medical and Dependent Care funds can be accessed by submitting a reimbursement request.
- After a service is provided, you will need to submit a completed claim with supporting documentation to Benefit Resource. You can do this by one of the following methods:
  - (a) Log into [www.BenefitResource.com](http://www.BenefitResource.com), under the FSA/HRA Plans tab, select *Submit an Online Claim*. (This option is only available if allowed by your plan.)
  - (b) Complete a paper claim form and fax or mail it to Benefit Resource. You will find a *Claim Form* in this booklet to use when submitting your initial request for reimbursement.
  - (c) The BRiMobile app allows smartphone users to submit claims on-the-go.
- Reimbursements are processed each Wednesday and will include claims received by Benefit Resource at least 5 business days prior to the processing day.
- Reimbursements are paid directly to you. You can choose to have your reimbursements deposited directly into your bank account by one of the following ways:
  - (a) Log into [www.BenefitResource.com](http://www.BenefitResource.com), under the Profile tab, *Direct Deposit*.
  - (b) Submit the *Authorization Agreement For Direct Deposit Reimbursement* form (found at [www.BenefitResource.com](http://www.BenefitResource.com) or in this booklet).



## *Other Important Information*

### Enrollment

You now have the opportunity to choose the best health benefits for you and your family. We hope you will sign up for an FSA, the valuable benefit that helps you keep your hard earned money.

Enroll and let the savings begin!

- Enrollment forms are available from your employer.
- Online enrollment may be available (*if offered by your employer*): NOT AVAILABLE
  - From [www.BenefitResource.com](http://www.BenefitResource.com), click *Participants* under *Secure Login*.
  - At the *Participant Login* page, enter:
    - » **Company Code:** provided by your employer or the online instructions (lindenboe)
    - » **Member ID:** SSN or unique 9-digit ID provided by your employer
    - » **Initial Password:** 5 digit home zip code (you will be prompted to change the password upon initial login)

### Get Information

Benefit Resource provides you with a variety of resources for accessing your account 24 hours a day, 365 days a year:

- **Secure website ([www.BenefitResource.com](http://www.BenefitResource.com)):** Lets you access account activity, plan documentation, forms and more!
- **QuickBalance:** Provides instant access to account balance information:
  - phone: (888) 99MYBAL
  - web: [www.BRIWEB.mobi](http://www.BRIWEB.mobi)
- **BRiMobile app:** Allows smartphone users to have account access and to submit claims.

Our Participant Services Department is also available:

- (800) 473-9595, Monday - Friday, 8am - 8pm (Eastern Time)
- [participantservices@BenefitResource.com](mailto:participantservices@BenefitResource.com)
- Live Chat via [www.BenefitResource.com](http://www.BenefitResource.com), Monday - Friday, 8am - 5pm (Eastern Time) (*available with participant login*)



## Medical FSA and Dependent Care FSA Worksheets

**MEDICAL FSA:** Out-of-pocket expenses for the following services for you and your family may be eligible for payment from your Medical FSA (including co-pay and deductible amounts). Estimate your eligible out-of-pocket expenses below.

<b><u>MEDICAL</u></b>		<b><u>DENTAL</u></b>	
_____ Acupuncture		_____ Cleanings	
_____ Allergy treatments		_____ Dental exams	
_____ Chiropractor fees		_____ Fillings	
_____ Emergency room visits		_____ Fluoride treatments	
_____ Hospital bills		_____ X-rays	
_____ Immunizations			
_____ Insulin & diabetic supplies		\$ _____ <b>SUBTOTAL</b>	
_____ Laboratory fees			
_____ Office visits		<b><u>VISION</u></b>	
_____ Over-the-counter drugs and medicines. <i>Effective 01/01/2011, must be for a specific medical condition and requires a prescription from a medical provider.*</i>		_____ Corrective eye surgery	
_____ Over-the-counter medical supplies not used for cosmetic items (e.g. lotions, creams) or toiletries (e.g. toothpaste).		_____ Corrective eye wear	
_____ Physical therapy		_____ Eye exams	
_____ Physician fees		_____ Prescription contact lenses	
_____ Prescription drugs (for a specific medical condition)		_____ Prescription sunglasses	
_____ Routine checkups		\$ _____ <b>SUBTOTAL</b>	
_____ Surgery			
_____ Vaccinations		<b><u>HEARING</u></b>	
_____ Well baby care		_____ Hearing aids	
_____ X-rays		_____ Hearing exams	
		_____ Telephones for hearing impaired	
\$ _____ <b>SUBTOTAL</b>		\$ _____ <b>SUBTOTAL</b>	
		<b>Total Plan Year Estimate: \$ _____</b>	

\*To be reimbursed for these expenses, a completed claim form must be submitted to Benefit Resource along with one of the following:

- a customer receipt identifying the name of the person for whom the prescription applies, the date and amount of the purchase, and an Rx number; or
- a customer receipt that reflects the date and the amount of the purchase, along with a copy of the prescription.

**DEPENDENT CARE FSA:** The following expenses may be eligible for payment from your Dependent Care FSA. Estimate your eligible out-of-pocket expenses below.

\$ _____	Adult Day Care	
\$ _____	Child Day Care	
\$ _____	In-Home Dependent Care	
\$ _____	Nursery School	
	<b>Total Plan Year Estimate: \$ _____</b>	