



Section 125 Flexible Spending Account

Employee Enrollment Information Paychex PEO

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What Is a FSA?

A Flexible Spending Account (FSA) is a pretax benefit that enables eligible employees to set aside a specific pretax dollar amount for unreimbursed medical, dental, vision, orthodontia, and dependent care expenses. If you have predictable out-of-pocket expenses, you may want to consider enrolling in the FSA.



What Is a Health FSA?

A **Health FSA** allows eligible employees to set aside a specific pretax dollar amount for unreimbursed medical, dental, vision, and orthodontia expenses for themselves, their spouse (as defined under federal law), and/or their qualified dependents. Examples include: office visit co-pays; deductibles; prescription eyeglasses or contact lenses; dental cleanings.

Note: The maximum benefit contribution amount allowed under the Health FSA is the current maximum annual salary reduction amount established by the IRS. If an individual begins participation at any time other than the beginning of the plan year, the maximum annual contribution amount will be prorated based on the number of months remaining in the plan year.

You may have a **Health Savings Account (HSA)** in conjunction with an FSA; however, there are some restrictions. Your Health FSA may be used only for dental, vision, and preventative care expenses. Your HSA may be used to pay for any remaining HSA-qualified medical expenses. Please refer to your Summary Plan Description (SPD) for more details.

What is a Dependent Care Account?

A **Dependent Care Account (DCA)** is a form of FSA that provides you with the opportunity to set aside pretax dollars to pay for custodial expenses related to eligible dependents.

Note: The maximum benefit contribution amount allowed under the DCA is \$5,000.00 per household* or \$2,500.00 if married, filing separately.

Examples include:

- Daycare center or babysitter to allow you (and your spouse, if married) to work, actively look for work, or be a full-time student
- Custodial or elder care
- Placement fees for a dependent care provider such as an au pair; before and after school care (other than tuition expenses)
- Childcare at a day camp or nursery school
- Expenses for a housekeeper whose duties include caring for an eligible dependent
- Summer or holiday day camps, including registration fees



Changing Elections

Your Health FSA and DCA elections cannot be changed during the plan year unless you experience a qualifying event and submit the proper documentation substantiating the qualifying event within thirty (30) days of the event. Qualifying events include:

Qualifying Events	Documentation Required
Marriage*, divorce, or legal separation	Copy of the marriage certificate, divorce decree, or court order verifying separation.
Birth, adoption, or addition of a dependent	Copy of a birth certificate, application for social security number, hospital documentation indicating the date of birth, a court order in the case of an adoption, or other documentation indicating the addition of an eligible dependent.
Dependent reaches an ineligible age or becomes ineligible	Documentation indicating dependent is no longer eligible for the benefit.
Death of spouse* or dependent	Copy of the death certificate.
Loss or gain of employment by spouse*	Documentation from the spouse's current or previous employer indicating the loss or gain of employment.
Change from part-time to full-time or full-time to part-time employment by either employee or spouse* (allowable only if eligibility is affected)	Documentation from the current employer indicating part-time to full-time, or full-time to part-time employment, and stating the employee's (or spouse's) eligibility has been affected due to the change in status.
Commencement of (or return from) a leave of absence by employee or spouse*	Documentation from the employer that the employee (or spouse) has commenced or returned from leave.
Military leave that qualifies under the Uniformed Services Employment and Re-employment Rights Act of 1994 (USERRA) (Health FSA only)	A copy of the order or other notification indicating you have been called to duty for uniformed services must be provided in advance; if advance notice is not feasible, arrangements should be made to provide this information as soon as possible.
Medicare/Medicaid eligibility (Health FSA only)	Documentation from the employee indicating eligibility or ineligibility.
Dependent care cost/provider change (DCA only)	Documentation from the current provider indicating the cost change, or from the current or previous provider indicating commencement or termination of services.

*As defined under federal law.

Please refer to your SPD for more information about changing your election. In addition, per federal regulations you cannot move money between your Health FSA and DCA.

Note for Dependent Care Reimbursement: There are two criteria that must be met before a reimbursement for dependent care is issued: the service(s) must have occurred and there must be contributions available for reimbursement. If a sufficient balance is not available to reimburse a dependent care claim in full, a reimbursement will be issued for the amount available in the account at the time the reimbursements are prepared. Once the additional contributions are made, a reimbursement will be automatically issued for the pending balance.

*A "household" can be described as the total number of taxpayers (living as spouses as defined under federal law) who are filing tax returns either jointly or separately. The amount of dependent care assistance is limited to \$5,000 per tax year (\$2,500 for married individuals filing separate returns).

Why Should I Participate in a FSA?

Tax Savings. FSA deductions come out of your paycheck before most withholding taxes are computed, reducing your taxable income.

Budgeting. Regular payroll deductions help you budget medical, dental, vision, and dependent care expenses.

Ease and Convenience. The PBA Employee Website is available 24 hours a day/7 days a week, at www.paychexflex.com and you can contact Paychex at PaychexBenefitAccount@paychex.com.

Still unsure if you'll have FSA-eligible expenses? Check out thousands of eligible FSA products on our partner website at fstore.com/paychex or by clicking on the below banner for \$5.00 off your next FSA purchase!



Save even more with your FSA
A gift for you – code **5PAYCHEX**

\$5 OFF
One use per customer

Shop Now

Exp 3/31/23

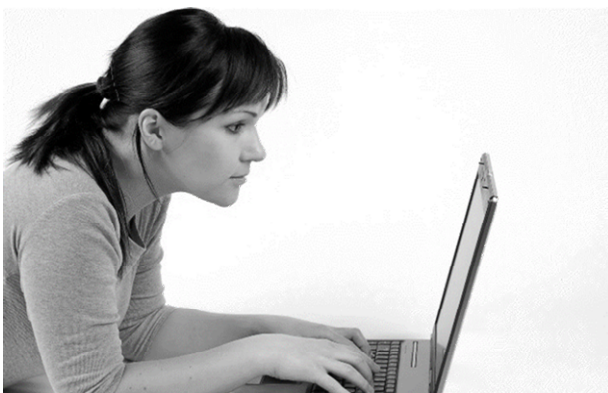
FSA store

FSA Tools

Visit the PBA Employee Website at www.paychexflex.com or use the Paychex mobile app to:

- Update your email address or home phone number;
- Access, submit, and track FSA claims;
- Review account balances and election amounts;
- Request FSA forms; or
- View important FSA-related balance information.

You can download the PBA mobile app on the website by clicking **Tools & Resources** from the home page.



When Can I Enroll in FSA?

If you meet the plan's eligibility requirements outlined in the SPD, you can enroll or change your annual election for the upcoming year during the **open enrollment period** using the website. The effective date for benefit plans elected during open enrollment is January 1 of the following year. For new plans, you can enroll online approximately two weeks prior to your plan effective date.



If you are a new employee who is eligible not during open enrollment, you need to submit a paper enrollment form to enroll. The form is available online on the PBA Employee Website, Tool & Reports tab, under Forms.

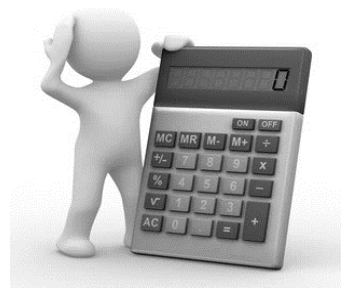
Sole proprietors, partners in a partnership, greater than two percent owners of an S-Corporation, and members of LLCs taxed as such, and their family members, are not eligible to participate in a Section 125 plan.

If you do not submit a change or request to cease participation during open enrollment, your current annual election amount will be used for the following plan year; you do not need to re-enroll.

How Much Should I Elect?

Use the Flexible Spending Account Deduction Worksheet at www.paychexflex.com or our online calculator at <https://www.paychex.com/calculators/employee-fsa-calculator>, to calculate your eligible expenses and determine the per-pay-period FSA deduction amount.

Be sure to consider the maximum amount your FSA Plan Administrator allows for unreimbursed medical expenses (refer to the SPD). The maximum household deduction allowed for dependent care expenses, per federal guidelines, is \$5000. A 'household' can be described as the total number of taxpayers (living as spouses as defined under federal law) who are filing tax returns jointly or separately.

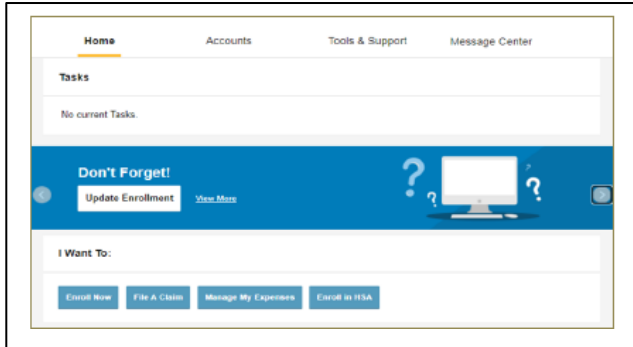


How Do I Enroll?

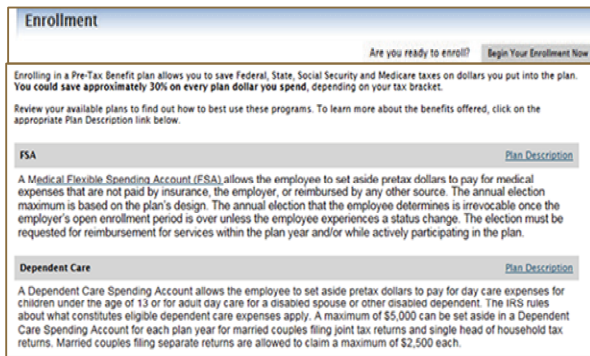
You can enroll by logging in to www.paychexflex.com and selecting **Benefits Account (PBA)**, or by emailing a paper enrollment form to PBAEnrollmentForm@paychex.com.

Enrolling Online

1. Log in to www.paychexflex.com and select **Benefits Account (PBA)**. From the menu saying, **I Want To...**, click the **Enroll Now** button.

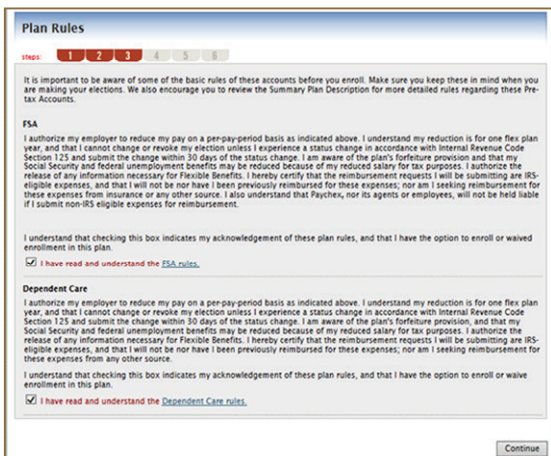


2. After reviewing the general information about your company's plans, click **Begin Your Enrollment Now**. Ask your employer for a copy of the SPD for specific plan details; this page is an overview.

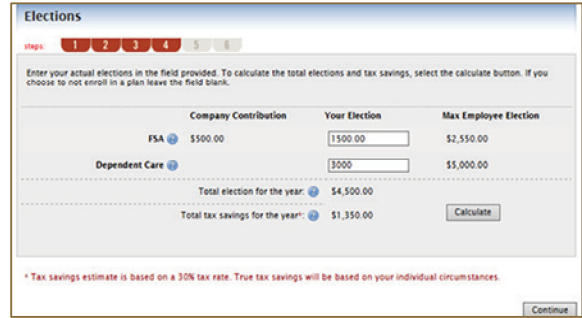


3. Verify your **Participant Profile** information. If you have or would like a Dependent Care plan, you can add a dependent by clicking **Yes** when asked, **"Do you have any dependents?"** Add the dependent.

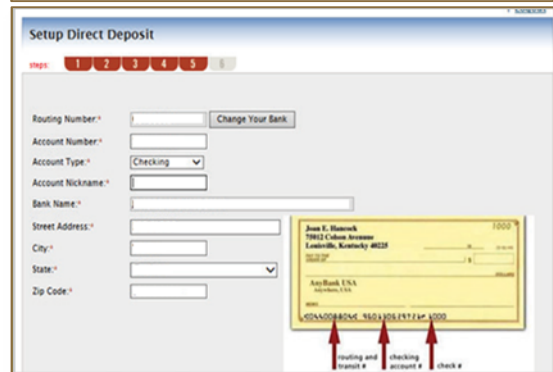
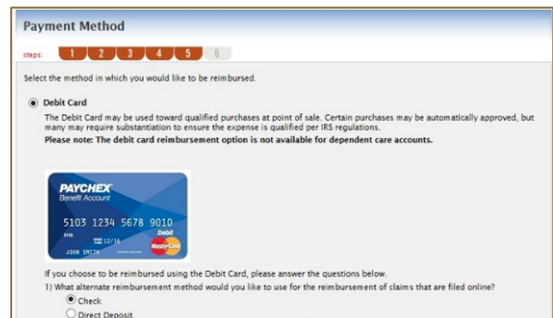
4. Approve the plan rules. Again, this is not a substitute for the SPD, so please see your employer for detailed information. Check the boxes and click **Continue**.



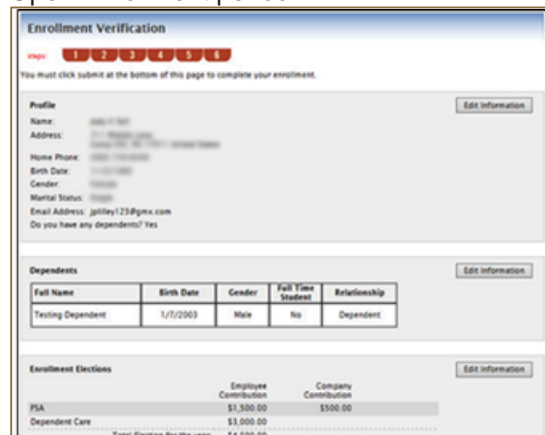
5. Enter your election amount(s) for the plans offered, click **Continue**.



6. Select **Check** or **Direct Deposit** for your secondary reimbursement method.



7. Verify your enrollment information, and click **Submit** if accurate. You can make updates until the close of the Open Enrollment period.



8. A confirmation message will display when you are finished.

Claims and Reimbursement

Orthodontia

The Monthly Orthodontia Claim Form, located on the PBA Employee Website at www.paychexflex.com under the Tools & Support tab, enables you to submit claims for orthodontia reimbursement using one of the following options:



- **If you pay the orthodontia bill up front, you will be reimbursed in full up front.** You can elect to submit only one claim form for the total amount of orthodontia care (up to your annual election) as opposed to monthly amounts. If you choose this option, you must submit an itemized receipt showing the payment and the date it was paid. This one-time submission option cannot cross plan years, and the payment date is considered the date of service.
- **If you pay the orthodontia bill in monthly installments, you will be reimbursed as services are incurred.** Your initial down payment will be reimbursed in full, and services will be allocated over the length of the contract, and you will receive reimbursement as services are incurred. You have the option of monthly automatic reimbursements, using your debit card to pay for services each month, or submitting individual claim forms for reimbursement. The monthly installment option can cross plan years.

Reimbursement Timing

Claims are processed within three business days of receipt; however, reimbursements may take more than two days to receive. You can monitor the claim status on the PBA Employee Website at www.paychexflex.com. If your claim is denied, or needs additional documentation, you will receive notification explaining the reason and/or need for additional documentation.

End of Year Submissions

You have up to 90 days (“closeout period”) after the end of the plan year (December 31), or termination of your employment, to submit claims for reimbursement. Eligible expenses must be incurred during the plan year (up to and including your termination date) while you are an active participant.

Your employer offers a **grace period** up to, and including, March 15 of the following year to incur DCA expenses that can be reimbursed from your prior year’s account.

Your FSA Plan has a **carryover allowance** of up to \$550 of unreimbursed medical expense funds from the current year to the following year. This option does NOT apply to dependent care funds (DCA). This option allows you to incur expenses up to and including December 31 of the following year that can be reimbursed from your prior year’s account. It applies only if you were an active participant on the last day of the plan year (December 31) and have a balance remaining in your prior year’s account. If a reimbursement received by March 31 is put “on hold” because we need additional documentation, you have until May 15 to submit the required documentation.



Reimbursement requests are processed in the order they are received; please submit reimbursement requests for services from the previous plan year before you submit claims for the current year.

All claims for services incurred on or before December 31 must be submitted by March 31 of the following calendar year. If unclaimed funds remain in your account after the claim filing and resolution deadlines, they are forfeited to the plan and cannot be reimbursed.

FSA Debit Card

You can use the PBA Debit Card to pay for FSA-eligible items and services at point-of-sale rather than submitting a claim reimbursement request.

You will receive a notification from Paychex if additional substantiation documentation is required; please respond to the notice promptly so your debit card remains active. To stay up-to-date about vendor card acceptance and accepting merchants, refer to www.sig-is.org. FSA debit cards will be denied for purchases of over-the-counter medicines and drugs other than insulin.



FSA Direct Deposit

FSA direct deposit allows you to receive medical and dependent care claim reimbursement through direct deposit to your bank account.

Termination

If your employment is terminated, you will have 90 days to submit receipts for expenses incurred on or prior to your termination date, or to submit documentation for claims that were placed on hold or required substantiation prior to your termination date.

Submitting Claims

After you have paid for a medical or dependent care expense using out-of-pocket funds, claims and appropriate documentation can be easily submitted online at www.paychexflex.com or the PBA mobile app.

How Do I Submit a Claim?

- To submit a claim, log in to www.paychexflex.com and select **Benefits Account (PBA)**. From the left menu saying, **I Want To...**, click the **Reimburse Myself** button.

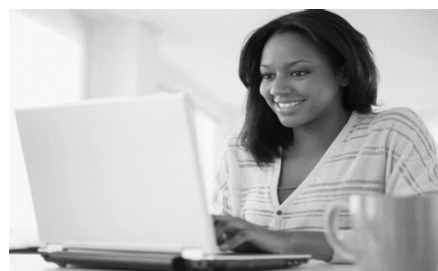
The screenshot shows the dashboard with a navigation bar (Home, Accounts, Tools & Support, Message Center) and a 'Tasks' section. A prominent blue banner says 'Don't Forget! Enroll Now'. Below it, the 'I Want To:' section has 'Reimburse Myself' highlighted.

- In the **Pay From** drop-down menu, select the account you'd like to be reimbursed from, and in the **Pay To** drop-down menu, choose **Me**.

The screenshot shows the 'Accounts / Reimburse Myself' form. It displays an available balance of \$1,550.00. The 'Create Reimbursement' section has 'Pay From' set to 'FSA' and 'Pay To' set to 'Me'. A 'Next' button is visible at the bottom right.

- Upload a valid receipt that is a .jpg, .gif, or .pdf file type no larger than 2MB. Be sure to include a receipt with the name of the service provider, date(s) of service, dollar amount of the service, and a description of the service provided.

The screenshot shows the 'Receipt / Documentation' section of the form. It includes a 'Summary' table with 'Pay From' as 'Medical' and 'Pay To' as 'Me'. There is an 'Upload Valid Documentation' button and 'Previous' and 'Next' navigation buttons.



- Complete the required fields with details of your claim and click **Next**.

The screenshot shows the 'Claim Details' section of the form. It includes fields for 'Start Date of Service', 'End Date of Service', 'Amount', 'Provider', 'Category', and 'Type'. A 'Next' button is at the bottom right.

- Add another claim or click **Submit** to complete.

The screenshot shows the 'Transaction Summary' page. It displays a table with columns for 'FROM', 'TO', 'CATEGORY', 'AMOUNT', 'APPROVED AMOUNT', and 'RECEIPT STATUS'. A 'Submit' button is at the bottom right.

- Review the Transaction Confirmation.

The screenshot shows the 'Transaction Confirmation' page. It displays a 'Confirmation' message and a 'Successfully Submitted' table with columns for 'FROM', 'TO', 'AMOUNT', 'APPROVED AMOUNT', and 'RECEIPT STATUS'. A 'Print Confirmation' button is at the top right.

You can check your claim status by accessing the dashboard at any time.

The screenshot shows the 'Expenses' dashboard. It includes a summary table with columns for 'DATE', 'EXPENSE', 'EMPLOYER/DATE/TYPE', 'MEDICATION/ENDORSEMENT', 'SUBMITTED AMOUNT', and 'STATUS'. A 'Total Eligible to Submit' of \$0.00 is shown.

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