

# Regional School District #13

## Section 125 Flexible Spending Plan Highlights and Enrollment Instructions

---

Start Date: • July 1, 2021

Plan Year: • July 1 to June 30

Eligibility: • 20 hours per week (regularly scheduled )  
• First of the month following 30 days of employment.

*You do not have to be enrolled in your employer's group health plan to enroll in this Flex Spending plan.*

Annual Elections: • Health Care (HCR): \$250.00 minimum/ \$2,750.00 maximum  
• Dependent Care (DCR): \$200.00 minimum/ \$5,000.00 maximum

Limited Health Care: • Limited HCR: For you or your spouse enrolled in an HSA. Submit visio  
IRS HSA minimum deductible is claims until the IRS HSA minimum deductible is met. Once deductible  
\$1400.00 single / \$2800.00 family customary HCR expenses are eligible.

2 ½ Month Grace Period\*: • Eligible HCR & DCR expenses can be incurred up to 2 ½  
\*The 2 ½ Month Grace Period & Year months following the end of the plan year and applied  
End Run-off Period Run Concurrently to any remaining account balance in the prior plan year.

Year End 90 Day Run-off Period\*: • Reimbursements can be submitted up to 90 days following the end of  
the plan year.

Claim Reimbursement: • Processed weekly (\$20.00 minimum reimbursement)

Reimbursement Type(s): • Check / Direct Deposit /Debit Card (A fee is charged by the debit card  
company for replacement of lost or stolen cards. The fee is the responsibility of the  
card holder and paid for from your account.)

Plan Year Payroll Deductions: • 20

Date of 1<sup>st</sup> Deduction: • September 10, 2021

Your ABS Account Manager is: • Rosanne at ext. 413 (Rosanne@abs125.com)

---

### Here's How to Enroll in Your Section 125 Plan Follow these simple steps:

1. If you meet the eligibility requirements, please complete the Enrollment Form.
2. Estimate your annual reimbursable health-care/dependent-care related expenses using the worksheet on the back of the enrollment form or the FSA calculator on the ABS website.
3. If you use the Dependent Care Auto-Affidavit a new form must be completed for the new Plan Year.

**\*Send completed enrollment form to Melinda Torgerson by June 14, 2021.** \*Enrollment information submitted less than 30 days prior to the start of the new Plan Year may not have cards reloaded or created by the start date.

**Questions? Need Help?** First, read the "How to Save on Medical & Child Care Expenses" employee handbook. If you do not have one, contact Human Resources, visit us on the web at [www.abs125.com](http://www.abs125.com), check out the [ABS Mobile App](#) or call 1-877-732-8125 from 8:00am to 5:00pm E.S.T. Monday through Friday.

## Worksheet for Medical/Dental/Vision Expenses

Use this worksheet to estimate your reimbursement of “out-of-pocket” medical, dental and vision expenses for the year. Remember:

- You can include unreimbursed expenses for spouse and dependents.
  - This is only a partial list from the “List of Eligible Expenses.”
  - See IRS publication 502 “Medical and Dental Expenses” for specifics on what the IRS allows.
  - Focus on the kinds of expenses you and your family normally have or have scheduled for the upcoming year.
- Remember – you will not get a refund of unused money that remains in your account. It’s better to be slightly conservative when determining the total deduction amount.

Acupuncture	\$
Chiropractic care	\$
Contact lenses and solutions	\$
Co-insurance	\$
Co-payments for office visits	\$
Co-payments for prescriptions	\$
Deductibles	\$
Dental care expenses (routine)	\$
Dental care expenses (fillings/other services )	\$
Eyeglasses and prescription sunglasses	\$
Fitness club membership if necessary for medical reasons	\$
Fitness equipment if necessary for medical reasons	\$
Hearing Aids	\$
Immunizations and inoculations	\$
Infertility treatment including in-vitro fertilization	\$
Laser eye surgery	\$
Orthodontic expenses	\$
“Over the counter” eligible items	\$
Psychiatric treatment/counseling	\$
Other	\$
Total expenses:	\$

## “Over the Counter” products for Section 125 Health Care Reimbursement Accounts

Drugs & Medicines sold "over the counter" such as aspirin, cold medicine, bacitracin etc.

are now eligible for reimbursement through your Section 125 Plan effective January 1, 2020.

### Not Eligible for reimbursement (partial list)

Baby wipes & diapers	Dental floss	Ear treatments	Toothpaste
Moisturizers & powders	Deodorants	Mouthwash	Vitamins (general health)
Shampoo	Soap	Teeth whitening/bleaching	

Call ABS at 1-877-732-8125 with any questions.

04/2020revision date

# Pre Tax Plan Reimbursement Request Form

# Advanced Benefit Strategies

Your Flexible Benefits Specialists

[www.abs125.com](http://www.abs125.com)

Fax claims to: 860-673-2207

Mail claims to: Advanced Benefit Strategies

30 Mill Street

Unionville, CT 06085

Call: 860-675-2261 • Toll Free: 877-732-8125

<b>Employee Name:</b>			
<b>Company/Employer Name:</b>			
<b>Social Security Number</b> <i>(or Employee ID, If Applicable):</i>			
<b>Email:</b>	<b>New Email:</b>	<b>Yes</b>	<b>or No</b>
<b>Phone:</b>			

## All documentation must be attached and include:

- Name and address of provider
- Date of service
- Services rendered on that date
- The portion of charges you are responsible for

**Credit card receipts/statements, Cancelled checks, & Balance forward statements aren't considered acceptable forms of documentation by the IRS.**

HEALTHCARE		
Date:	Type (RX, co-pay, contact solution, etc.)	Cost:
<b>HEALTHCARE TOTAL:</b>		

TRANSIT		
Date:	Transit Provider:	Cost:
<b>TRANSIT TOTAL:</b>		

DEPENDENT CARE			
Date:	Dependent(s) Name:	AGE:	Cost:
<b>DEPENDENT CARE TOTAL:</b>			

PARKING		
Date:	Garage/Parking Facility:	Cost:
<b>PARKING TOTAL:</b>		

**I certify that the above reimbursement submissions are for eligible expenses incurred for my spouse, eligible dependent or myself. I will not receive payment from any other source for any of these expenses. If I am enrolled in an HSA I am submitting for only vision and or dental claims or medical expenses after IRS minimum deductible is met.**

**SIGNATURE:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

OVER THE COUNTER MEDICATIONS MAY BE SUBMITTED FOR REIMBURSEMENT. VITAMINS & SUPPLEMENTS, TEETH WHITENING PRODUCTS AND WARRANTIES ARE SAMPLES OF EXPENSES THAT ARE NOT ALLOWED AS THEY ARE CONSIDERED NOT MEDICALLY NECESSARY BY THE IRS.

View our website, [www.abs125.com](http://www.abs125.com) for complete description of eligible/ineligible items or shop at [www.fsastore.com](http://www.fsastore.com) for your medical needs.

# ABS Quick Tips



## ABS HEALTH BENEFITS DEBIT CARD:

- Two debit cards will be issued to each first time plan participant.
- Upon receipt of your cards follow the included instructions for activation.

## Direct Deposit: Get your money quickly and easy.

- Go to [www.abs125.com](http://www.abs125.com) and click Logins
- Click **Tools & support**
- Under the **How Do I** menu
- Click **Change Payment Method**
- Add your bank routing and account number



## ABS Mobile App – Information on the go! Download app from Apple Store or Google Play.

- Log in with the same user ID and password you use for the Consumer Portal ([www.abs125.com](http://www.abs125.com)).
- View your account balance/s and submit claims.
- Consumers can simply scan a product bar code right in their ABS mobile app to help determine eligibility as a qualified medical expense.



## TRANSIT & PARKING:

- **Do you have an excessive amount of money saved in one or both of those accounts??** Check your account on the Consumer Portal or Mobile App at [www.abs125.com](http://www.abs125.com), visit your Human Resource office or give ABS a call (1-877-732-8125) to discuss the value of your accounts and how you can remedy the overage.
- Consumers can have both a parking account and a transit account, each account is separate, and funds cannot be transferred from one to the other.
- **What if I have dollars remaining at the end of the year?** At the end of the plan year, funds will automatically roll over to the new plan year if you *re-enroll*. Commuter benefits are a month-to-month benefit.
- *Ask about the ABS Commuter Benefits automatic reimbursement affidavit for fixed expenses*

## Health Savings Account (HSA): Are you currently active and Interested in growing your HSA account balance?

- Meet the minimum cash balance threshold, and start investing HSA dollars into mutual funds. Check out investment options and information in your online account or mobile app ([www.abs125.com](http://www.abs125.com)).
- Step-by-step investment enrollment process with access to the Guidance Tool.
- Expense analysis dashboard – plan, budget, manage.
- Integrated HSA investment goals & analysis.
- Add banking information to quickly & safely transfer to funds from your HSA to your bank.
- Choose electronic statements instead of paper delivery.

## RESOURCES:

1. ABS Mobile App- (Search abs125 on the App Store or Google Play)
2. ABS Consumer Portal- ([www.abs125.com](http://www.abs125.com))
3. Toll Free- (1-877-732-8125)
4. FAX - (860-675-2207)
5. Mail- (30 Mill Street, Unionville, CT 06085)
6. [Claims@abs125.com](mailto:Claims@abs125.com)





## Know Your Health Care FSA Eligible and Ineligible Expenses

*Maximize the Value of Your Reimbursement Account* - Your Health Care Flexible Spending Account (FSA) dollars can be used for a variety of out-of-pocket health care expenses that qualify as federal income tax deductions under Section 213(d) of the Internal Revenue Code ("IRC").

- Health Care FSA dollars can be used to reimburse you for medical, dental and vision expenses incurred by you, your spouse or eligible dependents (children, siblings, parents and other dependents which are defined in your Plan Documents).

Here is a sample list of expenses currently eligible and not eligible by the Internal Revenue Service ("IRS") as deductible medical expenses. This list is not necessarily inclusive or exclusive, and may be subject to change based on regulations, IRS revenue rulings and case law. It is solely based on our current interpretation of IRC Section 213(d) and is not intended to be legal advice.

For a complete up-to-date list of FSA Eligible Products & Services visit [www.abs125.com](http://www.abs125.com) and click on the **FSAStore**.

### Sample List of Eligible Expenses

#### BABY/CHILD TO AGE 13

- Lactation Consultant\*
- Lead-Based Paint Removal
- Special Formula\*
- Tuition: Special School/Teacher for Disability or Learning Disability\*
- Well Baby /Well Child Care

#### DENTAL

- Dental X-Rays
- Dentures and Bridges
- Exams and Teeth Cleaning
- Extractions and Fillings
- Oral Surgery
- Orthodontia
- Periodontal Services

#### EYES

- Eye Exams
- Eyeglasses and Contact Lenses
- Laser Eye Surgeries
- Prescription Sunglasses
- Radial Keratotomy

#### MEDICAL EQUIPMENT/SUPPLIES

- Air Purification Equipment\*
- Arches and Orthotic Inserts
- Contraceptive Devices
- Crutches, Walkers, Wheel Chairs
- Exercise Equipment\*
- Hospital Beds\*
- Mattresses\*
- Medic Alert Bracelet or Necklace
- Nebulizers
- Orthopedic Shoes\*
- Oxygen\*
- Post-Mastectomy Clothing
- Prosthetics
- Syringes
- Wigs\*

#### HEARING

- Hearing Aids and Batteries
- Hearing Exams

#### MEDICATIONS

- Insulin
- Prescription Drugs

#### OBSTETRICS

- Breast Pumps and Lactation Supplies
- Doulas\*
- Lamaze Class
- OB/GYN Exams
- OB/GYN Prepaid Maternity Fees (reimbursable after date of birth)
- Pre- and Postnatal Treatments

#### PRACTITIONERS

- Allergist
- Chiropractor
- Christian Science Practitioner
- Dermatologist
- Homeopath
- Naturopath\*
- Optometrist
- Osteopath
- Physician
- Psychiatrist or Psychologist

## Sample List of Eligible Expenses

### LAB EXAMS/TESTS

- Blood Tests and Metabolism Tests
- Body Scans
- Cardiograms
- Laboratory Fees
- X-Rays

### MEDICAL PROCEDURES/SERVICES

- Acupuncture
- Alcohol and Drug/Substance Abuse (inpatient treatment and outpatient care)
- Ambulance
- Fertility Enhancement and Treatment
- Hair Loss Treatment\*
- Hospital Services
- Immunization
- In Vitro Fertilization
- Physical Examination (not employment-related)
- Reconstructive Surgery (due to a congenital defect, accident, or medical treatment)
- Service Animals

### THERAPY

- Alcohol and Drug Addiction
- Counseling (not marital or career)
- Exercise Programs\*
- Hypnosis
- Massage\*
- Occupational
- Physical
- Smoking Cessation Programs\*
- Speech
- Weight Loss Programs\*
- Sterilization/Sterilization Reversa\*
- Transplants (including organ donor)
- Transportation

Note: This list is not meant to be all-inclusive, as other expenses not specifically mentioned may also qualify. Also, expenses marked with an asterisk (\*) are "potentially eligible expenses" that require a Note of Medical Necessity from your health care provider to qualify for reimbursement. For additional information, check your Summary Plan Document or contact your Plan Administrator.

Please Note: Currently, the IRS does NOT allow the following expenses to be reimbursed under Health Care FSAs as they are not prescribed by a physician for a specific ailment.

## Sample List of Ineligible Expenses

- |  |   |   |
|--|---|---|
| <ul style="list-style-type: none"> <li>■ Contact Lens or Eyeglass <u>Insurance</u></li> <li>■ Cosmetic Surgery/Procedures</li> <li>■ Electrolysis</li> </ul> | <ul style="list-style-type: none"> <li>■ Marriage or Career Counseling</li> <li>■ Swimming Lessons</li> </ul> | <ul style="list-style-type: none"> <li>■ Personal Trainers</li> <li>■ Sunscreen (spf less than 30)</li> </ul> |
|--|---|---|

*Note: This list is not meant to be all-inclusive.*

Please Note: Over-the-Counter (OTC) medicines can be purchased with Health Care FSA, HRA or HSA funds effective January 1, 2020. You can use your benefits card for these purchases.

## Sample List of eligible Over-the-Counter Medicines and Drugs

- |   |  |  |
|---|--|--|
| <ul style="list-style-type: none"> <li>■ Acid controllers</li> <li>■ Acne medications</li> <li>■ Allergy &amp; sinus</li> <li>■ Antibiotic products</li> <li>■ Antifungal (Foot)</li> <li>■ Antiphrastic treatments</li> <li>■ Antiseptics &amp; wound cleansers</li> <li>■ Anti-diarrhea's</li> <li>■ Anti-gas</li> <li>■ Anti-itch &amp; insect bite</li> <li>■ Baby rash ointments &amp; creams</li> <li>■ Baby teething pain</li> <li>■ Cold sore remedies</li> <li>■ Contraceptives</li> </ul> | <ul style="list-style-type: none"> <li>■ Cough, cold &amp; flu</li> <li>■ Denture pain relief</li> <li>■ Digestive aids</li> <li>■ Ear care</li> <li>■ Eye care</li> <li>■ Feminine menstrual care products</li> <li>■ Fiber laxatives (bulk forming)</li> <li>■ First aid burn remedies</li> <li>■ Foot care treatment</li> <li>■ Hemorrhoid preps</li> <li>■ Homeopathic remedies</li> <li>■ Incontinence protection &amp; treatment products</li> </ul> | <ul style="list-style-type: none"> <li>■ Laxatives (non-fiber)</li> <li>■ Medicated nasal sprays, drops, &amp; inhalers</li> <li>■ Medicated respiratory treatments &amp; vapor products</li> <li>■ Motion sickness</li> <li>■ Oral remedies or treatments</li> <li>■ Pain relief (includes aspirin)</li> <li>■ Skin treatments</li> <li>■ Sleep aids &amp; sedatives</li> <li>■ Smoking deterrents</li> <li>■ Stomach remedies</li> <li>■ Non medicated vapor products</li> </ul> |
|---|--|--|



---

## Activate Your Benefit Card

**Online:** Once you receive your WEX Health MasterCard visit our website at [www.abs125.com](http://www.abs125.com). Please click on Employees and Participants. Under the “Benefit Card” caption click on “Activate Your Card”. You will be prompted for your Member ID (this is your Social Security Number with no dashes or your Employee ID) and then your zip code. Follow the prompts to complete activation.

**By phone:** Call 1-866-898-9795. You will need the 16 digit card number and need to follow the prompts. The Benefit card can be used as a signature based card, select credit or healthcare card at the terminal. There is also an option where you can assign a PIN number to your Benefit Card and then use it as a debit card to pay for medical services.

***Please remember that you and you alone have control of your PIN.*** The staff at ABS has no access to your PIN.

---

## Fees Associated with the Benefit Card

A \$5.00 fee is charged by WEX Health Prepaid MasterCard to reissue or replace a card for any reason and the fee is withdrawn from your annual election. If you order extra cards for dependents the fee is \$5.00 per card. **Do not destroy your Benefit Card at the end of the plan year. New funds will be reloaded onto your card at renewal.**

## How to Use Your Benefit Card

Two Benefit cards will be issued to each plan participant in the participant’s name.

**To View Your Account on the Consumer Portal:** Go to [www.abs125.com](http://www.abs125.com) click on “Employee and Participants”, click on “Log into your Personal Account” located in the middle of the page. If you have never logged into your Account, you will click on “Create your new username and password”. You will be prompted for your first and last name, zip code and your social security number (no dashes) OR your employee ID number (if commonly used by your employer). On the next screen, select and answer three security questions. Click “Next” and on the final screen, you will be asked to create a permanent password. ABS does not have access to your password. After the initial set up, to access your account you will need your username (your first initial, your complete last name, and the last 4 digits of your social security number OR employee ID number) and the password you chose. Your password can be changed at any time. **You should review your balance and activity on the Consumer Portal regularly. Doing so will avoid possible suspension of your card due to a request of verification that has gone unanswered.**

**Save Your Itemized Receipts:** The debit card eliminates the need to take money out of your pocket; however, the IRS controls what items can automatically be approved as eligible. Don’t worry the vendor/merchant was paid, but **when expenses are not automatically verified the IRS requires us to request a detailed receipt.** The request is sent via email and the senders address is: [noreply@abs125.com](mailto:noreply@abs125.com) - do not delete! To open any attachments use the last 4 digits of your Benefit Card. Be sure to respond promptly so your Card remains active! Submit any requested receipts along with the notification letter or use a Benefit Card Submittal of Receipts Form. ***Please remember that credit card receipts or balance forward statements are not acceptable forms of receipts.***

**Ineligible Items on Your Benefit Card:** All items that are not medically needed are considered ineligible. You will be notified of ineligible charges on your card. The card is automatically suspended and you will incur a \$25.00 fee for processing the adjustment to your card. The top examples of “**ineligible items**” include: Cosmetic Services, Teeth Whitening/Teeth Whitening Trays, Warranty for Eyeglasses or Hearing Aides, Vitamins and Supplements and using the WEX Health MasterCard for services from prior Plan Years.

**Recurring Expenses:** When documentation is requested and submitted for a card transaction, ABS will make that expense eligible in the WEX Health MasterCard system. After that, the second transaction for the same dollar amount at the same vendor is automatically substantiated as a ***Recurring Expense Match*** and no further documentation will be requested for the remainder of the year. After 365 days these steps **MUST** be repeated. Please be ready to provide documentation each year so that we can begin offering this automatic approval again.

**Visit our website at [www.abs125.com](http://www.abs125.com) for more information or to download forms.** I hope you found this general “How To” useful. You can refer to your Summary Plan Description for specific plan information.



30 Mill Street, Unionville CT 06085  
Tel: (877) 732-8125 (860) 675-2261 Fax: (860) 673-2207

Benefit Card 04/2020

# HOW TO SAVE ON MEDICAL & CHILD CARE EXPENSES



**Advanced Benefit Strategies**  
*Your Flexible Benefits Specialists*



## **A Gift from the IRS...** *Section 125 is an important part of the Internal Revenue Act of 1978, which Congress created to help make benefits more affordable.*

### **How does it work?**

When you participate in either or both plans, you choose a set dollar amount to have deducted from your gross income before any taxes are taken out! When you pay for an eligible expense, send your receipt to ABS and you will be reimbursed.

- **Health Care Reimbursement (HCR)** - Use

this plan to pay for unreimbursed medical and dental expenses for you, your spouse, your dependents, and adult children who have not turned 27 during the employee's tax year.

- **Dependent Care Reimbursement (DCR)** - Use this plan for child or elder-care expenses. Eligibility is based upon your employment and/or student status.
- **Limited Health Care Reimbursement (LMT)** – Use for vision and dental claims in conjunction with a Health Savings Account (HSA).



the money set aside during the plan year only for claims incurred during that plan year.

Contact your employer to see if your company has implemented the optional 2½ Month Grace Period Rule or the \$500.00 Carry Over. These rules allow a bit more flexibility for claim reimbursement after the end of the plan year. The 2½ month grace period acts as an

extension allowing you to incur claims up to 2½ months after the plan year has ended. See below for Carry Over Rule. Ask ABS for advice when you are planning your deductions. If you have enrolled in a Health Savings Account (HSA) for the first time you may not contribute to

the HSA during a Plan Year that you are enrolled in an HCR even if that account is reduced to zero dollars.

### **Carry Over Rule?**

The IRS allows for a maximum of \$500.00 per year to be carried over into the next Plan Year for continued use after the 90 day runoff period. You do not have to re-enroll or make a new annual election for the next Plan Year to have access to any funds that may have been carried over into the new Plan Year. Contact your employer to see if your company has implemented this optional Carry Over Rule.

### **What is the 90 day runoff?**

The 90 day runoff is the time you have to submit claims after your Plan Year has ended. For example if your Plan Year ends on December 31<sup>st</sup> you have from January 1<sup>st</sup> – March 31<sup>st</sup> to submit claims for reimbursement to ABS. All Plans have a 90 day runoff.

### **How does my income increase?**

The IRS lets you make deductions on a “pre-tax” basis. For example, if you contribute \$600 to an HCR and \$3,000 to a DCR that is \$3,600 of your annual salary that will not be taxed. You will not pay Federal, State (if applicable) and Social Security or Medicare taxes. For most people, that is a combined savings of 30%!

### **Use It or Lose It?**

Because of the tax advantages, the IRS has strict guidelines as to how money in HCR and DCR may be spent. Plan wisely – you must use

## Examples of Expenses Eligible for Reimbursement

This is a partial list of expenses that may be reimbursed through Health Care Reimbursement and Dependent Care Reimbursement. Employees can deduct expenses for themselves, their spouses, their eligible dependents and adult children who have not turned 27 during the employee's tax year! Sorry, but cosmetic services and/or items cannot be reimbursed.

### Eligible Health Care Reimbursements: (abbreviated list)

Acupuncture	Eyeglasses, prescription sunglasses
Alcoholism Treatment	Fees for healing services
Artificial teeth	Fees for practical nurses
Chiropractic Care	Hearing aids, devices & batteries
Co-Insurance	Infertility treatment
Contact lenses and solution	Laboratory fees
Contraceptives	Laser eye surgery
Copays: Office, prescription, hospital (inpatient & outpatient), etc.	Mileage to and from medical appts.
Deductibles – medical and dental	Orthodontia (braces, etc.)
Dental work (un-reimbursed and non cosmetic)	Over the Counter Meds
Diabetic supplies and insulin	Psychiatric care
Diagnostic fees	Psychologist fees
Durable medical supplies	Routine physicals
Eldercare expenses	Substance abuse treatment
	X-rays



### These Health Care Reimbursements REQUIRE A DOCTOR'S NOTE stating the specific medical condition that requires the recommended treatment:

Braille books, magazines, keyboard, phones, etc.	Mouth guards
Companion dog for sight or hearing disabled	Orthopedic shoes
Electrolysis	Prosthetics
Health Club membership	Telephone equipment for the hearing impaired
Home Improvements	Vitamin and Nutritive supplements
Swimming pool / spa installation & maintenance	Weight loss programs
Hypnosis	
Lead based paint removal	
Massage Therapy	

*\*This is only a partial list. Other expenses may require documentation from your physician.*

### Eligible Dependent Care Account Reimbursements:

(Dependent children must be under age 13)

Before/after school programs    Child care expenses    Day camp    Preschool  
Care for the mentally and physically disabled (See IRS eligibility guidelines).

For a complete listing and explanation of eligible charges for these plans, please see IRS Publication 502 "Medical and Dental Expenses;" and 503 "Child and Dependent Care Expenses" or visit the website [www.irs.gov](http://www.irs.gov)



## **Calculate Your Expenses**

**E**stimate your “out-of-pocket” medical, dental, vision expenses and over the counter medications (prescription required) for the coming year. Remember: you can include unreimbursed expenses for your spouse, dependents and adult children who have not turned 27 during the tax year of the employee.

Focus on the kinds of expenses you and your family normally schedule during the year. Remember that you will not get your unused funds back if you do not spend them on expenses incurred during that plan year.

## **Key Rules for Health Care and Dependent Care Reimbursement Accounts**

HCR and DCR plans are a great way to s-t-r-e-t-c-h your paycheck and save on the cost of unreimbursed medical, dental and child or eldercare expenses for you and your family. The IRS has rules for these plans, as they involve tax savings. For example, dependent children who are in daycare, after school care or day camps must be under the age of thirteen (13). In order to participate in the Dependent Care Program (DCR) parent/s must be gainfully employed, seeking gainful employment, or be full time students. We encourage you to visit us on the web at [www.abs125.com](http://www.abs125.com) or call ABS at (877) 732-8125 with your questions.

## **Limited Health Care Reimbursement versus Health Care Reimbursement**

If you or your spouse is enrolled in a High Deductible Health Plan (HDHP) and a Health Savings Account (HSA) you may enroll in the Limited HCR for vision, dental claims and certain health screenings (see IRS Publication 969 and 502 for details) until the IRS statutory annual minimum HDHP deductible is met. After the IRS annual minimum HDHP deductible is met your Limited HCR turns into a full use Health Care Reimbursement and you can submit all qualified medical expenses from the date that the deductible was met.

## **1. SAVE ALL RECEIPTS for qualified expenses!**



Submit your receipt(s) along with ABS's Pre-tax Plan Reimbursement Request form. Your request may be mailed or faxed to ABS. ABS will reimburse you from your account. We recommend you save all your receipts in one place, perhaps in a file or envelope, to help you stay organized throughout the plan year. If you participate in a debit card program, you may be required to submit a receipt, so the same recommendation applies. It is important to save your original receipts as you would save any tax document. Send **copies** of receipts for submitting reimbursement requests.

### **Copies of Receipts must show:**

- Name and address of the service provider
- Date service/expense was incurred
- Name of the person for whom the service/expense was provided
- Detailed description of the service/expense provided
- Amount charged for the service and what dollar amount is your responsibility



### **Acceptable receipts include:**

- Receipts for office co-payments
- Receipts for prescriptions
- Explanation of Benefit (EOB) statements from your insurance carrier showing the amount or percentage of a dental or medical charge you owe (i.e. deductibles, co-insurance, co-payments, etc.)
- Receipts from daycare, home daycare, preschool programs, before & after school care, day camps, or eldercare facilities

Please note: The IRS does NOT consider credit card receipts, cancelled checks or balance forward statements as acceptable forms of receipts. For over-the-counter items, clarify the specific item.

## **2. Submit copies of your qualified receipts with ABS's Reimbursement Request form.**



Receipts are required to verify that you are spending the money from your account on eligible expenses. You can submit your receipts once or as often as you like. However, processing of reimbursements require a minimum of \$20.00 of receipts. You may visit us on the web at [www.abs125.com](http://www.abs125.com) to download this form and to review your account activity.



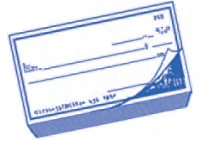
### 3. Debit card users:

***The IRS allows some transactions to be automatically marked as eligible but others will require detailed receipts.***

The debit card eliminates the need to take money out of your pocket; however the IRS controls what items can automatically be approved as eligible. The vendor/merchant has been paid for the item you purchased but, per IRS guidelines sometimes a detailed receipt is required.

The IRS allows the following items to clear automatically:

- A transaction that matches a co-pay table – Medical expenses that do not fit into a co-pay table will also need further documentation
- A recurring expense – previously approved as eligible, recurring at the same vendor for the same dollar value.
- A transaction processed at an IIAS inventory controlled merchant (drug store, mass merchant)



Dental and vision transactions will require receipts 99.99% of the time.

You will receive an email or a letter via the post office requesting receipts. The email received from [noreply@abs125.com](mailto:noreply@abs125.com) is encrypted; follow the instructions to open using the last 4 digits of your card number. Submit the receipts with a copy of the email attachment or submit the Debit Card Submittal of Receipts form that can be found at [www.abs125.com](http://www.abs125.com), attach your receipt/s and return by fax or regular mail.

Visit [www.abs125.com](http://www.abs125.com) and click on “For Employees” then “Log in to your Personal Account” to view your debit card transactions in great detail. When you see the words “documentation required” this means we need a receipt.

Your debit card is reloaded with your new annual election for the next five (5) years if you participate in the Plan, therefore it is important that you do not throw away or destroy your debit card. A fee is levied by the debit card company should the card need to be replaced for any reason.

### 4. Watch for quick reimbursement from ABS!

ABS is committed to sending your reimbursements quickly, usually within 10 business days of receiving your signed Pre-tax Plan Reimbursement Request form and receipts. You may upload your reimbursement requests via your online portal at [www.abs125.com](http://www.abs125.com) or the ABS mobile app under “File a claim...”, fax or mail them as well. View your account 24/7 by visiting [www.abs125.com](http://www.abs125.com) and clicking on “For Employees” or your ABS mobile app. Sign up to have your reimbursement directly deposited into your bank account via ACH service. Your ACH reimbursement transmits over three business days and is secure.

### 5. Spend all your money – You cannot get back what you do not spend.

The IRS has strict rules regarding reimbursement. When you enrolled, you told the IRS you were reducing your taxable salary by \$X for the plan year. According to IRS guidelines, your unspent money is forfeited, so avoid overestimating! It's easy to save money with this benefit as long as you plan wisely. When you enroll, ask questions. ABS and your benefits point person are more than willing to help you take full advantage of this important benefit!

**6. You cannot change or stop deductions during the plan year unless there exists any of the following circumstance(s):**

- The birth or adoption of a child
- Marriage, divorce or legal separation
- Death of spouse
- Termination of your or your spouse's employment
- Change of your or your spouse's employment status from full-time to part-time or vice versa; or if either of you take an unpaid leave of absence from work

**\*A change in your group health plan such as opening an HSA in conjunction with a High Deductible Health Plan is not a qualifying event to change your election. You may not contribute to an HSA plan while contributing to an all purpose Section 125 HCR plan.**

**7. You can only sign up once a year during open enrollment (unless you are a new employee, in which case you will have a limited enrollment period).**

These plans work on a 12 month "plan year". The dates depend upon how your company has set up the benefit period, therefore it MAY NOT always be January 1- December 31. The plan year is renewed every 12 months. At this time, you may sign up, change, or waive participation.

**8. In order to participate everyone must complete an enrollment form annually.**

Submit a completed enrollment form to your Human Resource before the new plan year starts. It is up to your Human Resource as to the need for a form indicating that you have elected to waive participation. Your employer may require you to enroll electronically; doing so will eliminate the need for a form.

**9. If you terminate your employment, you cannot submit receipts for expenses incurred after you leave your company.**

You have 60 days after you leave the company to submit your receipts to ABS for reimbursement. Expenses will only be reimbursed for services incurred up to and including the date of termination. (See your benefits department to discuss possible COBRA options.)



**10. Questions on how to save with this benefit?**

ABS manages this benefit for many companies and can answer all of your questions. Visit us on the web at [www.abs125.com](http://www.abs125.com) or call ABS at (860) 675-2261 or (877) 732-8125.



**Here's an example of how to keep more of your hard earned dollars by contributing to the HCR Plan for health care expenses:**

	<u>After-Tax</u>	<u>Pre-Tax</u>
Your Semi-Monthly Salary	\$1200.00	<b>\$1200.00</b>
Pre-Tax Contribution	\$0.00	<b>\$-50.00</b>
<i>(Redirected from salary on pre-tax basis)</i>		
Your Taxable Income is now...	\$1200.00	<b>\$1150.00</b>
Federal, State & FICA Taxes	\$360.00	<b>\$345.00</b>
<i>(Average 30%)</i>		
Your Take Home Paycheck is now...	\$840.00	<b>\$855.00</b>
Your Per Period Take Home Pay Is		
Now Increased By...		<b>\$15.00</b>
<b>Your Annual Net Income Increase:</b>		<b>\$360.00</b>

If you add pre tax contributions for DCR or Dependent Care Reimbursement for daycare, pre-school services etc. your net income will increase that much more.

The content of this booklet is informational and does not replace a Summary Plan Description provided to participants after the Plan is designed.

The Plan is intended to constitute a cafeteria plan within the meaning of section 125 of the IRS Code, and the applicable portions of the Plan are intended to constitute an accident and health plan within the meaning of section 105 of the IRS Code and a dependent care assistance program as defined in section 129 of the IRS Code. To the extent not preempted by ERISA, this Plan shall be interpreted and construed in accordance with, but not limited to, the above-referenced sections of the IRS Code and the law.

Get started with ABS mobile app in minutes.

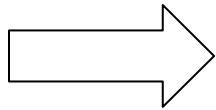


*Your Flexible Benefits Specialists*

30 Mill Street • Unionville, CT 06085  
 860-675-2261 • 877-732-8125 • Fax: 860-673-2207  
[www.abs125.com](http://www.abs125.com)

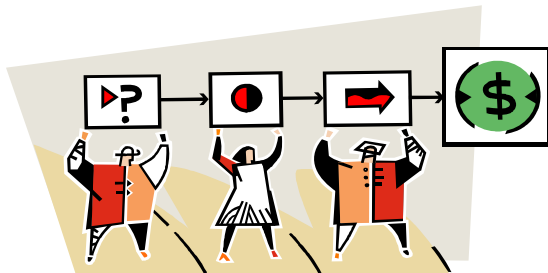
Rev. 04/2020

# ENROLLED IN A HEALTH SAVINGS ACCOUNT?

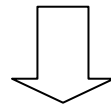


## NEW TO HSA? Read below.

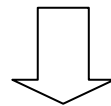
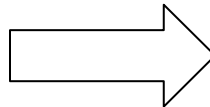
You are not eligible to contribute to your new HSA until your full use Flexible Spending Account (FSA) has come to the Plan Year end and the account has a zero value.



## YOU CAN ONLY SIGN UP FOR



## Limited Flexible Spending



**HOW** do I get a copy of my EOB?  
Call the 800# on the back of your  
insurance card or log onto your health  
plans website and download a copy.

## DO...

**DO SAVE** for vision and dental expenses in your Limited Flex instead of using your valuable HSA contribution for items that do not track towards your health plan deductible.

If you have incurred \$1,400.00 / individual \$2,800.00 / family in medical expenses that have tracked towards your High Deductible Health Plan: send ABS your explanation of benefits (EOB) that shows you have met these dollar values. Now ABS can open your account to accept medical claims from the date you reached the deductible until the end of the plan year, no longer limiting the plan to just vision and dental.

**DO** remember the debit card will only work at dental or vision facilities.

## DON'T....

**DON'T PLAN** on using your Limited (LMT) account for medical claims immediately – only after you have met the \$1,400.00/ \$2,800.00 in deductible medical expenses.

**DON'T PLAN** on changing your account mid-year if you change health plans. Changing health plans is not a qualifying event to make a change in your Section 125 Plan.

# Sec. 125 HCR & DCR with Limited HCR Enrollment

IRS Section 125



Advanced Benefit Strategies

Your Flexible Benefit Specialists

Health Care Reimbursement (HCR) Account & Dependent Care Reimbursement (DCR) Account

## I. Employer Name

Your Name (last, first, middle)	Social Security Number	Date of Birth	Gender	Marital Status
Mailing Address	City	State	Zip	( ) Day Time Phone Number
email address:				

## II. List Dependents (If any)

Spouse's name (last, first, middle)	Date of Birth	Dependent's name (last, first, middle)	Date of Birth
Dependent's name (last, first, middle)	Date of Birth	Dependent's name (last, first, middle)	Date of Birth

## III. Enrollment Election (check which plans you want and complete information)

- ☐ Yes, I elect to participate in a Dependent Care Reimbursement (DCR) Account: Annual Election: \$ \_\_\_\_\_
- ☐ No, I do not elect to participate.

Name of Dependent Care Provider:

Tax ID # or SS #

- ☐ Yes, I elect to participate in a Health Care Reimbursement (HCR) Account: Annual Election: \$ \_\_\_\_\_ **OR**
- ☐ Yes, I elect the **LIMITED** Health Care Reimbursement (LMT). I or my spouse are eligible to contribute to an HSA bank account OR I am part time, not eligible to enroll in my employers group health plan but eligible to enroll in this LMT Plan: Annual Election: \$ \_\_\_\_\_
- ☐ No, I do not want to participate.

## IV. Certification

I certify that all the information on this form is correct. I understand that: Any amount remaining in my Health Care Reimbursement (HCR) and/or Dependent Care Reimbursement (DCR) and/or Limited Health Care Reimbursement (LMT) accounts at year end will be forfeited in accordance with current plan provisions and the IRS tax laws; and that all plan deductions are in effect for the full plan year and cannot be changed or stopped unless I experience a change in family or employment status.

Employee's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

*Return completed Enrollment Form to your Benefit Department*

<b>Employer Use REQUIRED</b>	Date of Hire:     /     /	Effective Date:     /     /	# of Paychecks remaining this Plan Year:
Payroll Cycle: <input type="checkbox"/> Weekly <input type="checkbox"/> Bi-Weekly <input type="checkbox"/> Semi-Monthly <input type="checkbox"/> Monthly	Pay Date of First Deduction: /     /		
Health Care Deduction Per Pay Period \$		Dependent Care Deduction Per Pay Period \$	
<input type="checkbox"/> Mid-Year Status Change (See plan document for list of qualifying events) Explain:			
<i>Note to employer Representative: Please retain the original copy of this form for you records and provide a photocopy to ABS.</i>			

30 Mill Street Unionville, Connecticut 06085

Ph. (860) 675-2261 or (877) 732-8125 Fax (860) 673-2207 [www.abs125.com](http://www.abs125.com)