

AMERICOMP BENEFITS, INC.

***FLEXIBLE SPENDING ACCOUNTS NOTEBOOK
FOR THE EMPLOYEES OF
ATLANTA PUBLIC SCHOOLS
January 1, 2014 – December 31, 2014
PLAN YEAR***



***Dependent Day Care Accounts
&
Medical Reimbursement Accounts***



INTRODUCTION

Your company has established a flexible spending account (the “Plan”) to allow you to make your own decisions about your benefit needs. The Plan provides you with a way to set aside amounts from your payroll deposits so you can pay for certain health care expenses on a tax-free basis. This booklet explains, in general terms, how your cafeteria plan works.

HOW THE REIMBURSEMENT PROGRAM WORKS

The amount of money you elect to set aside for the plan year, which runs from January through December of each year, will be deposited over the course of the plan year on a per-pay period basis. The maximum eligible amount to be set aside for your medical reimbursement account is \$2500.00 for the plan year.

As you incur expenses, you will pay for the expenses with your own money or use your Flexible Spending Debit Card (FIS DebitCard). We will be using the same debit card vendor for the new Plan year so you will use the same card you have now. Only new participants will receive one new card in the mail. You can order dependent cards by completing the dependent card form and returning to us. The first dependent card is free, after that there is a \$5.00 charge per card. Please read page 14 about Grace Period Claims before using your card for the new Plan year. Also read pages 7-9 as how to check your account online. As long as you are making contributions to the Plan, the full annual amount of coverage you have elected (reduced by any prior reimbursements received during the Plan year) will be available for reimbursement at any time during the Plan year for the medical reimbursement account.



For the dependent daycare account, only the amount currently deposited in your account will be available (reduced by any prior reimbursements received during the Plan year).

During the Plan Year and 30 day Grace Period you will be able to pay expenses with your Benefit Card. After the Grace Period ends on January 30th of the new plan year, you will have a 90 day run out period to submit manual claims for reimbursements that have not previously been paid. All manual claims will need to be in our office by April 30th of the new plan year in order to be considered for payment. If submitted after that date, claims will be denied and any funds in the account will be forfeited to your employer. Please note that the Plan Year is from January 1st through December 31st of each year. All claims must be incurred during the Plan Year or 30 Day Grace Period. The Plan does not allow you to pay prior year expenses with current plan year funds.

ELECTING THE RIGHT AMOUNT TO DEPOSIT INTO YOUR PERSONAL ACCOUNT

Be cautious when estimating your expenses for the forthcoming plan year because overestimating will result in forfeitures. This is a “Use It or Lose It Benefit”. If you do not spend all of the funds you put aside for the Plan Year, you lose them. Every year, during your group’s open enrollment, you will be given the opportunity to elect how much money you want to deposit into your account(s) for the upcoming plan year. Although you should take advantage of the maximum tax savings offered by the Plan, overestimating will result in forfeiture. You may wish to consult your individual tax advisor.



ELIGIBLE DEPENDENT DAYCARE EXPENSES

Daycare expenses are covered for children under age thirteen (13). These expenses must be incurred to allow the custodial parent(s) to remain actively employed. The following is a brief listing of common fees that are and are not eligible under a flexible dependent daycare program:

COVERED

*Registration Fees
Late Pick Up Fees
Routine Daycare Fees
Before & After School Care
Day Camp Fees*

NON-COVERED

*Kindergarten
Field Trips
Gymnastic Fees
Piano Lessons
Overnight Camps*

*As a general rule, all outdoor activities that a daycare center charges extra for, are not considered eligible expenses. .*Please note Overnight Camp costs are not eligible reimbursement expenses.*

The maximum amount that can be put aside for the Dependent Day Care account is \$5000.00 annually for married couples filing jointly or single parents. If the married couple is filing separately the maximum amount they can put aside is \$2500.00 per parent. The receipts for the daycare center or baby sitter should have their address, social security number/tax identification number, dates services rendered and fees charged.

Your spouse is not considered an eligible daycare provider. You can only have people whom you cannot claim an exemption on your taxes for, perform daycare services. Sometimes an employee is



paying a mother or mother-in-law to take care of the child(ren). If you have advised the caregiver that you will not report the funds to the IRS so the caregiver will not be taxed on the fees, then you cannot be reimbursed for these expenses under a dependent daycare account plan. Also, remember both custodial parents must be working in order for either spouse to enroll in a dependent daycare program. Daycare expenses incurred while your “at home” spouse volunteers or does charity work are not covered. The only times an employee with an “at home” spouse can enroll for dependent daycare benefits is when:

- 1. Your “at home” spouse is self-employed on a full-time basis;
or*
- 2. Your “at home” spouse is mentally or physically unable to take care of the child(ren); or*
- 3. Your “at home” spouse is going to school full-time; or*
- 4. Your “at home” spouse is job hunting on a full-time basis.*

Please note that to use your FIS Card at a daycare provider the credit card terminal must be coded as a daycare provider.

ELIGIBLE MEDICAL EXPENSES

An eligible medical expense under a flexible spending account plan must satisfy this definition: “Amounts paid for the diagnosis, cure, mitigation or prevention of disease, or for treatment affecting any structure or foundation of the body, and for transportation primarily for essential medical care.” This also includes insulin and all prescription drugs. Page 5 lists items that will and will not require a prescription from a Physician. Page 6 lists items that are FSA Eligible and those that are not FSA Eligible.

FSA Eligible Medical Items
That **Do NOT Require** a Doctor's
Prescription

Bandages and related items (over-the-counter)
Birth Control (over-the-counter)
Blood pressure monitors
Cholesterol test kits and supplies
Condoms
Contact Lens, cleaning solutions, etc.
Crutches, canes, walkers or like
Equipment (purchase or rental)
Dentures, bridges, etc.
Diabetic monitors, test kits, strips and supplies
Eye related equipment/materials
Eyeglasses (over-the-counter)
Fertility monitors (over-the-counter)
First aid kits (over-the counter)
Hearing aids and batteries
Incontinence supplies
Insulin, testing materials and supplies
Magnetic therapy (over-the-counter)
Medical equipment (for treatment of medical condition) & repairs
Medical monitoring and testing devices
Medical supplies (for treatment of a Medical condition)
Monitors & test kits (over-the-counter)
Occlusal guards to prevent teeth grinding
Orthotics
Orthopedic and surgical supports
Ovulation monitor (over-the-counter)
Pregnancy tests (over-the-counter)
Urological products
Wheelchairs and repairs
(If your card does not work at the pharmacy for these items please send us the receipt with a manual claim for reimbursement.)

FSA Eligible Medical Items
That **NOW Require** a Doctor's
Prescription

Acne treatments
Allergy & sinus medicine and products
Antacids
Antibiotic ointment
Aspirin or other pain relievers
Asthma medicines or treatments
Canker & cold sore treatment
Chest rubs
Cold & flu medicines
Corn and callus removers
Cough drops & sore throat lozenges
Cough syrup
Diaper rash ointments and creams
Ear drops & wax removal
Gastro-Intestinal medications
Herbal or homeopathic medicines
Laxatives
Lice treatments
Motion & nausea medicines
Over-the-counter products for dental, oral and teething pain
Pain relievers
Propecia (for treatment of a medical condition)
Retin-A (for non-cosmetic purposes)
Sleep Aids
Wart removal treatments



Here are Examples of Eligible Expenses

Abortion – if abortion is legal	Acupuncture
Alcoholism	Ambulance
Artificial Limbs	Contraceptives
Braille books & magazines	Chiropractors
Christian Science Practitioners	Contact Lens Solution
Guide Dog	Crutches (rental & purchase)
Dental Services (non-cosmetic)	Eyeglasses & Contact Lenses
Oxygen	Hearing Aids & Batteries
Hospital Services	Laboratory Services
Laetrill	Psychologist
Prescription Drugs	Wheelchairs
Psychoanalysis	Prescription Sunglasses
Sterilization	Co-payments & Deductibles
Invitro-fertilization & fertility treatments	Immunizations
Smoking-cessation programs & associated medications (prescription)	Physicals (no employment physicals)
Weight Loss Programs for specific medical condition (letter from physician would be required)	Orthodontic Services (braces)
Home Exercise Equipment prescribed by physician for specific medical condition such as Obesity, Hypertension, Diabetes, etc. (letter from physician would be required)	Air Purifier (if prescribed by Dr. for specific medical condition)
	Transportation for covered Medical Expenses (\$.24 per mile)
	Breast Pump
	Lasik Eye Surgery
	Insulin

Here are Examples of Expenses that are NOT Eligible

Cosmetic Surgery or Services	Marriage Counseling	Electrolysis
Dancing Lessons	Swimming Lessons	Diaper Service
Funeral Expenses	Maternity Clothes	Breast Feeding Classes
Osmolyte HN(for tube-fed patients)	Disability Insurance Premiums	Trips
Teeth Bleaching	Prepared Childbirth Classes	Vitamins
Nursing care for healthy baby	Over the counter medicines	Long term care expenses
	Travel advised by doctor for rest or change	Medical Insurance Premiums



Accessing your Benefits Card Account Online

Welcome to the AmeriComp Benefits Participant Portal. This new Participant Portal will allow you easy access 24/7 to your Benefits Card Account information.

You will be able to:

- View your balance
- View your pending claims
- View your transaction history
- View your card status
- View your personal information

To access your account information, go to www.americompbenefits.com and select the Benefits Card.



The Participant Portal screen will allow you to either:

- Login to your account using your User ID and Password
- Create New Account

Welcome, please login or create an account below.

Login to your secure account

User ID:

Password:

[Forgot Password](#) | [Create Account](#)

Please contact your plan administrator for questions regarding access to this site or for questions regarding balances and statements. If you have a debit card, your administrator contact information is located on the front or back of the card. If you do not have a debit card or are having difficulty determining who your administrator is, please contact your Benefits Department or HR Manager.

This site uses only secure connections to protect your personal information.

This site is designed for use with Mozilla Firefox , Internet Explorer 7 and 8.

To Create a New Account, select the Create Account link

Account Creation
Create a new user account.

Enter the information below to create your account. Please contact your Administrator for questions regarding access to this site or for questions about balances and statements.

Name *	<input type="text"/> <input type="text"/>	?
	<small>First Last</small>	
Employee ID *	<input type="text"/>	?
Employer ID *	<input type="text"/>	?
	or	
Card Number *	<input type="text"/>	?
New User ID *	<input type="text"/>	?
Password *	<input type="text"/> <input type="text"/>	?
	<small>Password Confirm Password</small>	
Security Word * (Mother's Maiden Name)	<input type="text"/>	?
Birth City *	<input type="text"/>	?
E-mail Address	<input type="text"/>	?
E-mail Options	<input checked="" type="checkbox"/> Send E-mails	?

* = required

Enter the following information to create your account:

- Name
- Employee ID
 - Social Security Number (no dashes) ex. 2222334444
- Card number
 - Employer id is **not** needed
- New User ID
 - 6 – 16 characters (remember this is case sensitive)
- Enter a password
 - 8 – 18 characters
 - at least 1 upper case letter, 1 lower case letter and 1 numeric character must be included
 - must not have 3 consecutive characters ex. AAA, 111
- Security word
 - Ex. Mother's Maiden Name
- Birth City
- Email Address

Once you complete this information you will have 24/7 access to all of your Benefits Card Account information.

*Participants should always know their account balance before making a purchase with their Flexible Spending Benefits Card. We advise you to check your account at least once a month to verify there are no unauthorized charges against your account. As with any other credit card, you have 90 days from the date of the charge to dispute any unauthorized activity on your account. Also check your account for any pending transactions that require backup documentation.

For support, contact AmeriComp Benefits at 800-868-0196 or email support@americompbenefits.com

E Pin Retrieval For Debit Card

Dear Benefits Cardholder,

On July 21, 2010, President Barack Obama signed the Dodd-Frank Wall Street Reform and Consumer Protection Act into Federal Law. A component of this legislation, the Durbin Amendment, specifically targets the processing of transactions originating from debit cards and prepaid cards. This includes HRA, FSA, and HSA benefit cards. The changes directed by this legislation go into effect April 1, 2013 and will impact how merchants use your benefit card.

To comply with this legislation, AmeriComp Benefits, Inc. is writing to inform you that you will now have a unique Personal Identification Number (PIN) associated with your current benefit card(s). You may be prompted by some merchants to enter this PIN at the point-of-sale when purchasing eligible items. It is important to note that there is no need for you to obtain a new benefit card at this time; there will be no changes to your benefit plan(s), and you can continue to purchase eligible items at merchants you currently frequent.

To view your PIN, you need to log into the Participant Portal. You can access the Participant Portal through the following web address: www.americompbenefits.com. When you log in the system will request that you perform some additional authentication procedures before allowing you to view your PIN. You will not have to update your current username or password and can continue to use these credentials going forward. Once authenticated, you will be able to access your PIN by clicking on the "View PIN" link that is displayed with each of your benefit cards. Primary cardholders will be able to view the PINs for all dependent cards associated with the account.

If you have any questions or concerns, please contact AmeriComp Benefits, Inc. at 1-800-868-0196 or via email at support@americompbenefits.com.

Best Regards,

**The Benefits Support Team
AmeriComp Benefits, Inc.
1-800-868-0196**

The FIS Prepaid Debit Card

For the new Plan Year (2014) we will continue to use the FIS DebitCard for the flexible spending accounts. Only new participants will receive one FIS MasterCard Flexible Spending Debit Card if they sign up for the flexible spending account. To receive a debit card for a spouse or college age child, please complete the Dependent Card Form and return to us. The first dependent card is free, after that there is a \$5.00 per card charge. Present participants will use the same card they have now. If they lost or threw away their card, please contact us to order you a new card. We will charge your flex account \$5.00 for the new card.

Your Flexible Spending Account (FSA) includes the FIS DebitCard, the fast and easy way to access your account. An FSA is a good idea, and here is a feature that makes it even better – the FIS Prepaid Benefits Card. The FIS DebitCard contains the value of your annual health care FSA election amount, so you can use the FIS DebitCard to pay for eligible medical expenses such as:

**Covered prescriptions, copays and deductibles
Health Plan Deductibles
Doctor and emergency room deductibles
Orthodontics
Lasik Surgery & Eyeglasses or Contacts
Coinsurance
Out-of-pocket dentist (no teeth bleaching) or other provider fees
Mail service and online prescription co-pays and deductibles
And More!**

Simply present FIS DebitCard at locations that accept MasterCard. The amount of your eligible expense will be automatically deducted from your account. (Don't Forget! Always save receipts for FSA purchases made with the FIS DebitCard. You may be asked to submit receipts to verify that your expenses comply with IRS guidelines. Your receipt must show: merchant or provider name, service rendered or item purchased, the date and the amount of the expense. If the expense is for deductible or coinsurance please submit a copy of your explanation of benefits from your insurance carrier.)

You can also use your FIS DebitCard at day care centers that accept MasterCard and the credit card machines coded as Day Care Centers. Not all Day Care Centers credit card machines are coded as such (example YMCA is coded as a club). You will need to submit manual claims for those providers that are not coded properly. Please note that you need to send in all day care receipts showing the dates of service, name of provider and Tax ID number of the provider after using your card per Internal Revenue Service Guidelines.



FILING A CLAIM

To file a claim for reimbursement of eligible expenses, submit a completed claim form to AmeriComp Benefits for each participant you are requesting reimbursement on at the address below along with a receipt for each expense, including the following information:

- *Name of the claimant (person receiving services);*
- *Nature of services or supplies incurred or purchased;*
- *Name and address of the provider of service. If it is a daycare provider, we will also need their tax identification number;*
- *Amount of charges (itemized);*
- *Date each service incurred;*
- *When submitting medical reimbursement claims for all services besides your prescription copays and office visit copays, we will need a copy of your insurance carrier's Explanation of Benefits (E.O.B.) before we can process these items.*

To obtain claim forms, the FSA Booklet or Direct Deposit Forms, go to our website www.americompbenefits.com. Click on "Our Services" then type Atlanta Public Schools in the box. All forms will be available. Your claims should either be mailed or faxed to the following:

AmeriComp Benefits, Inc.

Post Office Box 4319

Columbus, Georgia 31914

Fax Number: (706) 327-1160

Phone Number: (706) 327-6511 or (800) 868-0196

DIRECT DEPOSIT

Please note that we offer Direct Deposit to our participants for any manual claims that they file. We encourage everyone to sign up for Direct Deposit by completing the Direct Deposit form and faxing it along with a copy of a voided check to us at 706-327-1160. If you are already signed up for Direct Deposit you do not need to send in a new form unless you are changing to a different checking account. If you are unsure about whether we have the correct direct deposit information, please contact us at 800-868-0196 to verify the account information we have in the system is correct. Claims are paid on a daily basis so this means the funds will be deposited into your checking account on the next banking business day instead of waiting for a check in the mail. If you do opt to receive a check instead, please note that if the check is lost in the mail or lost after you receive it there is a \$36.00 Stop Payment fee you will need to send to us before we can reissue the check. This is the fee that the bank charges us for the Stop Payment.



GRACE PERIOD FOR FLEXIBLE SPENDING PLANS

For several years Congress has declined to pass proposed legislation that would allow employees to “carry over” unused funds from one year to another within a flexible spending plan, therefore those funds have been subject to a “use-it-or-lose-it” rule. Thus, any money remaining in the flexible spending plans at the end of the plan year must be forfeited. However, on May 18, 2005, the Treasury Department and Internal Revenue Service (IRS) released Notice 2005-42. This notice allows Section 125 plans, including Flexible Spending Accounts to allow a “grace period” during which plan participants may continue to incur eligible medical expenses beyond the plan’s established benefit year. Since the inclusion of the grace period into the flexible spending plans is at the employer’s discretion, there are specific guidelines that must be followed. Atlanta Public Schools has decided to allow the grace period within its flexible spending accounts effective with the 2008 Plan Year. They are implementing a 30 day grace period after the end of the Plan Year. The following are frequently asked questions about the “Grace Period”:

How long is the Grace Period?

The Notice states that the grace period must not extend beyond the fifteenth day of the third calendar month after the end of the immediately preceding plan year to which it relates. In other words, employers may add a grace period to the end of their Section 125 Plan Year. For example, Atlanta Public School’s benefit plan year ends December 31st and they are allowing plan participants to continue to incur expenses through January 30th of the following Plan Year.

How does the Grace Period differ from a “run-out” period?

A grace period extends the amount of time in which participants may incur expenses. A run-out period allows employees to submit claims for those eligible expenses after the close of the plan year. Unlike a grace period, expenses submitted during the run-out period must have been incurred prior to the end of the benefit plan year. Since Atlanta Public Schools has chosen to allow the grace period, the run-out period will end April 30th of each plan year.

Can a Section 125 plan allow unused benefits or contributions to be cashed out or carried over?

No. Although Notice 2005-42 allows a Section 125 Plan to incorporate a grace period into its plan, unused benefits or funds with the flexible spending accounts at the end of the grace period continue to remain subject to the use-it-or-lose-it rule.

The following example demonstrates how a grace period applies to a flexible spending account:

Your employer's Section 125 Plan year ends on December 31, 2014. The employer implemented a 30 day grace period to its plan. The grace period ends on January 30th 2015.

Employee elects to contribute \$1000.00 to his medical flexible spending account for the plan year ending December 31, 2014. As of December 31, 2014, the Employee has \$200.00 remaining in his medical flexible spending plan. Employee also elects to contribute \$1000.00 to his medical flexible spending account for the plan year ending December 31, 2015.

On January 15, 2015, the Employee incurs \$250.00 in expenses when he purchases a pair of glasses. Employee submits this claim for reimbursement in a timely manner. Employee is reimbursed \$200.00 from the unused funds within his medical flexible account for the plan year ending December 31, 2014. The remaining \$50.00 of medical expenses is paid to the Employee from funds within his medical flexible spending account for the plan year ending December 31, 2015.

The grace period within a flexible spending account not only provides employees with an additional 30 days to incur claims, but it also provides employees with "overlapping coverage". In this example the Employee is covered under the two medical flexible spending account plan years during the 30 day grace period. This example is important to keep in mind when setting up your allocation for the 2014 plan year.

How will the FIS debit card work with the charges incurred during the grace period? Effective 1/1/14 when you use your debit card and you have funds left in your 2013 plan year account, the funds will first come out of the 2013 plan year until funds are exhausted and then will come out of the 2014 plan year funds. If you have any claims you paid out of pocket for with 2013 dates of service, be sure to submit them as manual claims and be reimbursed for them prior to using your card for the 2014 plan year. If you slide your card effective 1/1/14 and the funds come out of prior year funds there will be no reprocessing of any claims.



CHANGES IN CONTRIBUTIONS

You may change the amount of money you are depositing into your accounts during your company's annual open enrollment with those requested changes to be effective on the Plan's renewal date. In addition, you may make a revision if you experience a "change in status" event as defined by the IRS regulations. Some examples of change in status events are:

- *Marriage;*
- *Divorce;*
- *Adoption of child(ren) or birth of child(ren);*
- *Death of your spouse and/or child(ren);*
- *Termination or commencement of your spouse's job;*
- *For dependent daycare, if your non-family member daycare provider increases or decreases their fees; and*
- *Also, for dependent daycare, your child turning age 13.*

Remember, you must make your written request for a change based on a change in status within sixty- (60) days of the event date (date of marriage, date of divorce decree, date of birth, etc.) in order for the request to be handled. If submitted after this timeframe, the requested revision will not be able to be made. Also, note the requested change must be consistent with the change in status event.



TERMINATION OF CONTRIBUTIONS AND REIMBURSEMENTS

Your ability to make contributions to the Plan ends if you retire, become disabled, die, are laid off or terminate employment for any other reason. If you take a leave of absence, you have the option of stopping the deduction while on leave and either double/triple up before taking the leave or when you return (if deductions will be taken during the same plan year). If you terminate employment with your company, you will be able to continue your medical reimbursement account under the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA), if your company is subject to this federal mandate.

Whether or not you continue the medical reimbursement account under COBRA is entirely up to you. Remember, the full annual benefit for the medical reimbursement account has to be made available to you as of the first day of the plan year. If you terminate and have not used your money and you incur an expense after your date of termination off of the Plan, you will be able to continue this benefit under COBRA. Remember, when continuing under COBRA, you are paying with after tax money and you are paying 2% more than the actual premium due to administrative service fees imposed by the COBRA administrator. If you do not take the plan under COBRA your benefit terminates your last day of employment.

This will not apply to your dependent daycare account. You can only claim the funds that were deducted from your pay and deposited into your account, prior to termination. However, the claims can be incurred after your date of termination but must be incurred during the plan year and the expenses must be incurred because you become actively employed or are actively looking for employment.