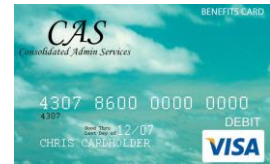


Frequently Asked Questions on the FSA & HSA Benefits Card



General Questions on the FSA / HSA Benefits Card

1. What is the FSA / HSA Benefits Card?

The FSA / HSA Benefits Card is a special-purpose Visa® Card that gives participants an easy, automatic way to pay for eligible health care/benefit expenses. The Card lets participants electronically access the pre-tax amounts set aside in their respective employee benefits accounts, i.e. Flexible Spending Accounts (FSAs), Health Savings Accounts (HSAs).

2. How does the FSA / HSA Benefits Card work?

It works like any Visa® Card, except funds available equal the balance of the participant's pre-tax account(s). When participants have eligible expenses at a merchant or provider that accepts Visa debit cards, they simply use their CAS Card. The amount of the eligible purchases will be deducted – automatically – from their account and the pre-tax dollars will be electronically transferred to the provider/merchant for immediate payment.

3. How does the FSA / HSA Benefits Card change how the participant is reimbursed for expenses?

Before the FSA / HSA Benefits Card became available, participants had to pay out-of-pocket for their eligible expenses at the time of purchase, submit claim forms along with all receipts, and then wait for the reimbursement to be processed. Checks were issued and mailed to the participants, who then cashed the checks. In essence, participants “paid twice” – through payroll deduction and then at the point of sale – then they had to wait for reimbursement.

However, with the FSA / HSA Benefits Card, participants simply swipe their Card and the funds are automatically deducted from their respective benefit account(s) for payment to the merchant. The Card eliminates most out-of-pocket cash outlays and paperwork, as well as the need to wait for reimbursement checks.

4. Is the FSA / HSA Benefits Card just like other Visa® Cards?

No. The FSA / HSA Benefits Card is a special-purpose Visa Card that can be used only for eligible health care/benefits expenses. It cannot be used, for instance, at gas stations or restaurants. There are no monthly bills and no interest.

5. How many FSA / HSA Benefits Cards will the participant receive?

Participants will receive one Card, initially. If participants would like to request additional Cards for family members, they may contact Consolidated Admin Services at 1-877-941-5956 or email the request to info@consolidatedadmin.com.

6. Will participants receive a new FSA / HSA Benefits Card each year?

No, participants will not receive a new Card each year. If the participant elects a benefit associated with the Card for each plan year, the participant will simply keep using the same Card year after year until the card expires. Close to the expiration date of the Card, a new benefit card will be auto-ordered. The Card will be loaded with the new annual election amount at the start of each plan year or incrementally with each pay period, based on the type of account(s) the participant has.

7. What if the FSA / HSA Benefits Card is lost or stolen?

Participants should call Consolidated Admin Services to report a Card lost or stolen as soon as they realize it is missing, so that the Administrator can turn off their current Card(s) and issue replacement Card(s). There may be a fee for replacement cards.

Getting Started and Activating Your Card

1. How do participants activate the Card?

Participants should follow directions on the activation sticker on the front of the Card.

2. What dollar amount is on the FSA / HSA Benefits Card when it is activated?

For Health Care FSA / HSAs, the dollar value on the Card will be the annual amount that each participant elected to contribute to their respective employee benefit account(s) during their annual benefits enrollment. It is from that total dollar amount that eligible expenses will be deducted as participants use their Cards or submit manual claims for reimbursement.

Some other types of accounts, like Dependent Care FSAs, HSAs, HRAs, and transportation accounts, are funded incrementally at each pay period, so it is especially important to be aware of account balances in order to avoid Card declines at the point of service.

Using the Card

1. Where may participants use the Prepaid Benefits Card?

IRS regulations allow participants to use their Prepaid Benefits Cards in participating pharmacies, mail-order pharmacies, discount stores, department stores, and supermarkets that can identify FSA/HSA/HRA-eligible items at checkout and accept Visa® cards. Eligible expenses are deducted from the account balance at the point of sale. Transactions are fully substantiated, and in most cases, no paper follow-up is needed. Participants can find eligible merchants/providers by visiting www.consolidatedadmin.com.

Some plan designs may also allow participants to use their Cards in pharmacies that have certified that 90% of the merchandise they sell is FSA/HSA/HRA-eligible. However, since these pharmacies cannot identify the eligible items at the point of sale, another form of auto substantiation or paper follow-up will be required.

Participants may also use the Card to pay a hospital, doctor, dentist, or vision provider that accepts Visa®. In this case, the Plan Administrator uses its auto-substantiation technology to electronically verify the transaction's eligibility according to IRS rules. If the transaction cannot be auto substantiated, paper follow-up will be required.

2. Are there places the FSA / HSA Benefits Card won't be accepted?

Yes. The Card will not be accepted at locations that do not offer the eligible goods and services, such as hardware stores, restaurants, bookstores, gas stations and home improvement stores.

Cards will not be accepted at pharmacies, mail-order pharmacies, discount stores, department stores, and supermarkets that **cannot** identify FSA/HSA/HRA-eligible items at checkout. The Card transaction may be declined. Participants can find out which merchants are eligible by visiting the web site on the back of the Card or consulting their Plan Administrator.

3. If asked, should participants select "Debit" or "Credit"?

Your FSA / HSA Benefits Card is technically a prepaid card. But, since there is no "prepaid" selection available, participants should select "Credit." Participants do not need a PIN and cannot get cash back with the Card.

4. How does the Card work in participating pharmacies, discount stores, department stores, and supermarkets?

- a. Bring prescriptions, vision products, eligible OTCs and other purchases to the register at checkout to let the clerk ring them up. (Please note: The list of eligible OTC items changed per the Patient Protection and Affordable Care Act of 2010. Contact Consolidated Admin Services for more information.)
- b. Present the Card and swipe it for payment.
- c. If the Card swipe transaction is approved (e.g., there are sufficient funds in the account and at least some of the products are FSA/HSA/HRA-eligible), the amount of the FSA/HSA/HRA-eligible purchases is deducted from the account balance and no receipt follow up is required. The clerk will then ask for another form of payment for the non-FSA/HSA/HRA-eligible items.
- d. If the Card swipe transaction is declined, the clerk will ask for another form of payment for the total amount of the purchase.
- e. The receipt will identify the FSA/HSA/HRA-eligible items and may also show a subtotal of the FSA/HSA/HRA-eligible purchases.
- f. In most cases, the participant will not receive requests for receipts for FSA/HSA/HRA-eligible purchases made in participating pharmacies, discount stores, department stores, or supermarkets.

5. Why do participants need to save all of their itemized receipts?

Participants and their other eligible users should always save itemized receipts for FSA, HSA, and HRA purchases made with the Prepaid Benefits Card. They may be asked to submit receipts to verify that their expenses comply with IRS guidelines. Each receipt must show: the merchant or provider name, the service received or the item purchased, the date the service was provided or the item was purchased, and the amount of the purchase or service. The IRS requires that every card transaction must be substantiated. This can occur through automated processing as outlined by the IRS (e.g. copay matching, etc.). If the automated processing is unable to substantiate a transaction, the IRS requires that itemized receipts must be submitted in order to validate expense eligibility.

6. How long do participants need to save their itemized receipts?

Participants should save itemized receipts for FSA, HSA, and HRA until the end of the benefit year and/or grace period (if applicable). HSA participants should save receipts for three years to comply with IRS document retention rules.

7. What if participants lose their receipts or accidentally swipe the Card for something that's not eligible?

Usually the service provider can recreate an account history and provide a replacement receipt. In the event that a receipt cannot be located, recreated, or if the expense is ineligible for reimbursement, the participant can send a check or money order to the Plan Administrator for the amount so it can be credited back to the participant's FSA/HSA/HRA account.

8. May participants use the FSA / HSA Benefits Card if they receive a statement with a Patient Due Balance for a medical service?

Yes. As long as they have money in their account for the balance due, the services were incurred during the current plan year, and the provider accepts Visa® debit cards. Participants can then use the Card to pay for the medical service in whichever way they prefer.

9. Sometimes the participant is asked for the CVV when paying the balance due or when placing an order by phone or online. What is this and where is it found?

CVV stands for "Card Verification Value." It is a 3-digit number that can be found on the back of the card to the right of the signature panel.

10. How do participants know how much is in their account?

They can visit their personal Account Summary page to view their account activity and current balance on the Consolidated Admin Services mobile app or at www.consolidatedadmin.com. Or, they can email Consolidated Admin Services at info@consolidatedadmin.com or call at 1-1-877-941-5956 to obtain their current balance. Participants should always know their account balance before making a purchase with the Card.

12. What if participants have an expense that is more than the amount left in their account?

By checking their account balance often – either through the app, online, or by calling Consolidated Admin Services at 1-877-941-5956 – participants will know how much is available for purchases. When incurring an expense that is greater than the amount remaining in their account, participants may be able to split the cost at the register. (Check with the merchant.) For example, participants may tell the clerk to use the FSA/HSA Benefits Card for the exact amount left in the account, and then pay the remaining balance separately. Alternatively, participants may pay by any other means and then submit the expense for reimbursement via the mobile app, the participant portal at www.consolidatedadmin.com, or by a claim form with the appropriate documentation to their Plan Administrator.

13. What are some reasons that the FSA / HSA Benefits Card might not work at point of sale?

The most common reasons why a Card may be declined at the point of sale are:

- a. The participant has insufficient funds in his or her employee benefit account to cover the expense.
- b. Non-eligible expenses have been included at the point-of-sale. (Retry the transaction with the eligible expense only.)
- c. The merchant is encountering problems (e.g. coding or swipe box issues).

- d. The pharmacy, discount store, department store, or supermarket cannot identify FSA/HSA/HRA-eligible items at checkout according to IRS rules.

14. Is the participant responsible for charges on lost or stolen FSA / HSA Benefits Cards?

If Consolidated Admin Services and the issuing bank are notified within 2 business days, the participant will not be responsible for any charges. If the notification is after 2 days, the participant may be responsible for the first \$50 or more. Replacement Cards may be purchased.

15. Whom do participants call if they have questions about the Prepaid Benefits Card?

Call Consolidated Admin Services at 1-1-877-941-5956.

16. Can a participant use the FSA / HSA Benefits Card to access last year's money left in the account this year?

If your plan allows for a rollover amount (up to \$500.00), then yes. The rollover funds will be available each year on the card after the run-out period.

17. How will a participant know to submit receipts to verify a charge?

The participant will receive an email or notification from Consolidated Admin Services if a receipt is required. All receipts should be saved per the IRS regulations.

18. What if a participant fails to submit receipts to verify a charge?

If receipts are not submitted as requested to verify a charge made with the FSA / HSA Benefits Card, then the Card may be suspended until receipts are received. The participant may be required to repay the amount charged. If a receipt is not received and the card is suspended, Consolidated Admin Services will notify the participant. The Card will be made active again when the requested receipt has been submitted or the amount in question has been repaid.