

A black and white photograph of a woman in a business suit, looking down at a document. She is holding a pen in her right hand. The image is used as a background for the advertisement.

The
BESTflexSM
Plan

SECTION 125 SUMMARY PLAN DESCRIPTION

THE **BESTFLEX**SM PLAN LETS YOU
TAKE ADVANTAGE OF A LEGAL TAX BREAK.

Employee
Benefits
Corporation

Welcome!

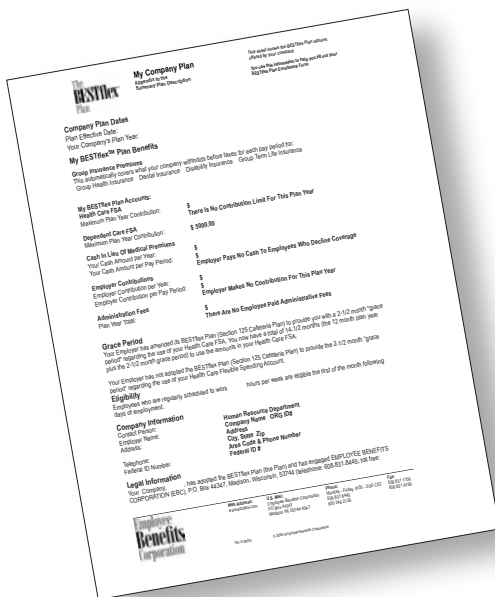
Employee Benefits Corporation is employee-owned. As owners, the priority of each of our team members is to contribute to our customers' success. We do this by sharing a wealth of technical expertise, providing exceptional administration services and exercising creative plan design.

This Summary Plan Description (SPD) will help you understand how the BESTflexSM Plan works and how it saves you money. Your full involvement plays a vital role in this process, so it is important that you read it completely.

You can e-mail us at ebconline@ebcflex.com or call us at 800 346 2126 with your feedback, suggestions or questions.

Sincerely,

The Employee Benefits Corporation Team



My Company Plan is an appendix to this document and describes the specific benefits available through your Company's BESTflex Plan.

The BESTflex Plan and Employee Benefits Corporation

The BESTflex Plan is an IRS-approved health care benefit plan that provides special tax-free spending accounts. Based on your health care expenses that are not covered by regular health insurance and your dependent care expenses, you choose how much of your pay to place in these accounts.

When your gross pay is taxed, the money you elected to place into the BESTflex Plan is not counted as taxable income so you pay less taxes. Each time you pay out of pocket for an eligible expense, you submit a claim and the BESTflex Plan reimburses you.

About Employee Benefits Corporation

Employee Benefits Corporation provides your Company with benefits administration services.

We are not your insurance carrier. We manage your Company's BESTflex Plan and process your claims for certain out-of-pocket expenses.

Additional Benefits with the BESTflex Plan

Quick reimbursement turnaround time

We issue checks and direct deposit transactions daily. Your check can be mailed to you or deposited into your bank account.

Comprehensive reports

You receive 24-7 access to personal account information on our web site, www.ebcflex.com.

Customer service

Customer Service is available at 800 346 2126, Monday - Friday, 8:00 - 5:00 CST

Understanding My Company Plan

My Company Plan, the appendix to this document, describes the specific details of your Company's BESTflex Plan. Use the information in My Company Plan to aid in completing your enrollment.

My Company Plan contains:

A. Company Plan Dates, including the date your Company started its BESTflex Plan (Original Plan Date) and the start and end dates of your Company's BESTflex Plan (My Company's Plan Year)

- B. Group Insurance Premiums contributions and the Health Care and the Dependent Care FSAs' contribution limits
- C. Eligibility definitions
- D. Plan Amendments, if any
- E. Company Information regarding who to contact within your Company
- F. Legal Information that defines the relationship between your Company and Employee Benefits Corporation

How The BESTflex Plan Saves You Money

Without the plan: Let's say you make \$3,000 a month. Taxes take 30%, leaving you \$2,100 in take-home pay. If your medical expenses are \$100 a month and your daycare expenses are \$400, your take-home is \$1,600 a month.

With the plan: You put \$100 for medical expenses and \$400 for daycare into the BESTflex Plan, leaving you \$2,500 as your taxable monthly income. After taxes, that leaves you \$1,750 in take home pay, a net gain of \$150 a month or \$1,800 a year. **You pay less taxes and pocket the difference.**

Without the BESTflex Plan:	
\$ 3,000.00	Gross Pay
- 900.00	Taxes
\$ 2,100.00	
- 100.00	Medical Expenses
- 400.00	Day Care Expenses
\$ 1,600.00	Monthly Take-Home
\$ 19,200.00	Annual Take-Home
With the BESTflex Plan:	
\$ 3,000.00	Gross Pay
- 100.00	Medical Expenses
- 400.00	Day Care Expenses
\$ 2,500.00	
- 750.00	Taxes
\$ 1,750.00	Monthly Take-Home
\$ 21,000.00	Annual Take-Home
\$ 1,800.00	Annual Savings

Note: The salary and tax example below is a broad approximation of tax liability. You should consult a tax advisor for help with your own situation. Current IRS tax laws control all BESTflex Plan matters.

How Do I Enroll In The BESTflex Plan?

Enrollment in the BESTflex Plan lasts for one plan year, which usually consists of twelve calendar months or less.

During a specific period of time prior to the start date of the plan year, called the **Enrollment Period**, you complete your enrollment. To complete your enrollment, you determine your **election**, the amount you'd like withheld from your pay in the upcoming plan year. A **deadline** for enrollment is established by your employer.

Companies can choose one of many enrollment methods. Regardless of the type your employer chooses, you decide how much of your pay to place in the Flexible Spending Account(s) that applies to you.

To enroll:

1. Choose the FSA(s) that best fits your needs: the Health Care FSA and/or the Dependent

Care FSA; you can use the worksheet in this booklet to help you estimate your expenses

2. Estimate how much money you expect to spend over the length of the plan year for expenses covered by that account, then divide the amount by the number of paychecks in your Plan Year
3. Total the amounts for each FSA to determine the amounts you'd like withheld from each of your paychecks

Note: Your annual amount will be rounded down if it isn't evenly divisible by the number of paychecks. (\$1,200 ÷ 24 = \$50.00: no rounding down; \$1,200 ÷ 26 = \$46.15: rounded down to the nearest penny)

If you are newly hired and would like to enroll in the BESTflex Plan mid-year, please refer to My Company Plan for eligibility information.

You must enroll in the BESTflex Plan each year you plan to participate.

Note: Your Plan Start Date may be different than what is listed in My Company Plan. Please see your HR Department for more information.

What Happens After I Enroll?

Your employer transfers the amounts you specified during your enrollment to your Health Care FSA or your Dependent Care FSA. Check your pay stub to ensure your employer withholds the correct amount.

After the enrollment period ends, your employer gives you a *Getting Started With The BESTflex Plan* booklet, containing Reimbursement and Direct Deposit Forms.

Using Your Plan How Am I Reimbursed For Expenses?

When you incur a medical or daycare expense during the plan year, you send a Reimbursement Form to Employee Benefits Corporation. If you choose to participate, you can find the form in *Getting Started With The BESTflex Plan*.

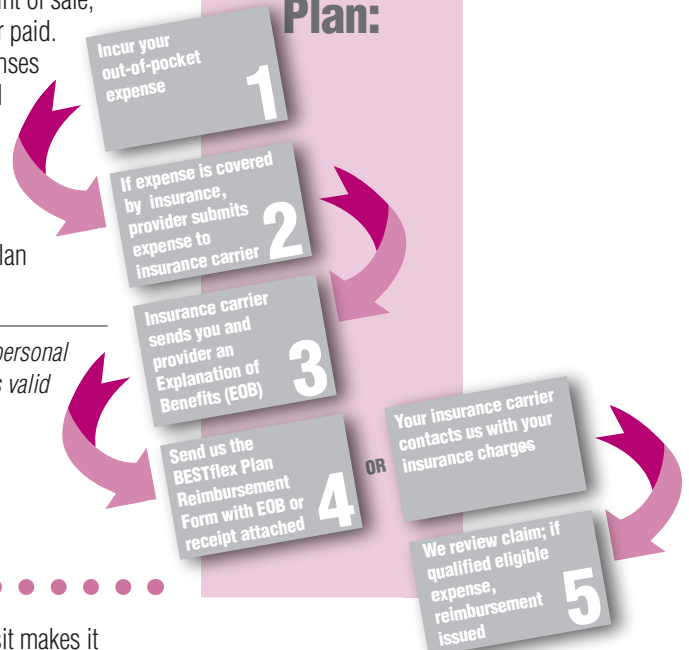
1. Complete a Reimbursement Form
2. Sign and date the form
3. Photocopy the Reimbursement Form and its supporting invoices, receipts and Explanation of Benefits (EOB), and mail or fax them to Employee Benefits Corporation. Your documentation must include a description of the product or service to be reimbursed.

An expense is incurred at the point of sale, not when the expense is billed or paid. You may submit claims for expenses incurred within the plan year and you have up to 90 days after the end of the plan year to request reimbursement.

Expenses incurred before your plan effective date are not eligible.

Note: The IRS does not recognize personal checks or credit card statements as valid proof of an expense.

How To Use Your BESTflex Plan:



Direct Deposit Saves You Time!

Employee Benefits Corporation can deposit your BESTflex Plan reimbursement check directly into your bank account, saving you from having to make a trip to the bank to deposit the check yourself. Because you're responsible for paying the reimbursement amount to your health care

or daycare provider, direct deposit makes it easier for you to pay these bills. Once you've enrolled in the BESTflex Plan, you'll receive a Direct Deposit Authorization Form. Simply fill out the form and mail or fax it to us to use this convenient service.

The BESTflex Plan

In Detail

The BESTflex Plan is made up of three parts, with each part covering different types of expenses.

1. Group Insurance Premiums

Group Insurance Premiums covers the money your employer already withholds in each pay period to pay for medical or other group insurance premiums. With the BESTflex Plan, this withholding becomes an automatic, pre-tax deduction unless you notify your employer otherwise.

2. Health Care Flexible Spending Account (FSA)

You use your Health Care FSA for out-of-pocket, unreimbursed medical, vision, and dental expenses incurred by you, your spouse or your eligible dependent(s). You decide how much pre-tax money to put into this account. Use the Employee Worksheet (p. 13) to help you estimate your eligible expenses for the Plan Year.

This FSA is not available if you participate in a Health Savings Account (HSA).

Your election amounts are divided by the number of paychecks in your Plan Year and your employer withholds that amount from each paycheck. When appropriate, your employer sends that withholding to Employee Benefits Corporation to be deposited into your account.

Note: Your annual amount will be rounded down if it isn't evenly divisible by the number of paychecks. (\$1200 ÷ 24 = \$50.00: no rounding down; \$1200 ÷ 26 = \$46.15: rounded down to the nearest penny)

You can spend money from your Health Care FSA anytime during the plan year, whether the money has already been withheld from your paycheck or not. So a large expense incurred early in the plan year can be reimbursed soon after you incur it, and the balance is then withheld from your paychecks throughout the plan year. Estimate the total amount you want withheld during the plan year. Although the IRS prohibits returning unused dollars to you, careful planning can alleviate forfeitures.

Additional important information regarding the Health Care FSA is located later in this booklet. Please refer to:

Two Important IRS Rules this page.

What happens if I don't use all of the money in my FSAs by the end of the plan year? on p6.

Health Care FSA Grace Period on p7.

Events For Which You May Change Your Enrollment Elections on p8.

Note: Internal Revenue Code, Section 213, defines expenses for "medical care" as amounts paid for "the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body." Employee Benefits Corporation reimburses you for all eligible expenses as defined within the parameters of the law.

3. The Dependent Care Flexible Spending Account (FSA)

You use your Dependent Care FSA for daycare expenses that are incurred for the care of your child(ren) or other eligible dependents. You (and your spouse, if you are married) must work or be a full-time student to use this account. As with the Health Care FSA, you decide how much pre-tax money to put into this account. Your employer withholds that amount from your pay and sends it to Employee Benefits Corporation, where it is deposited into your account. We reimburse you from this account.

The Dependent Care FSA differs from the Health Care FSA in that you can only be reimbursed for the amount of an incurred expense that is available in your account when you request reimbursement. Your current balance is the maximum reimbursement you can receive. If you pay for daycare expenses and send in your Reimbursement Form in advance, you are not paid until after the daycare service has been provided.

You should carefully estimate the total amount of pre-tax money you want withheld for the plan year. If any money is left over, IRS rules prohibit returning it to you.

Additional important information regarding the Dependent Care FSA is located later in this booklet. Please refer to:

Two Important IRS Rules this page.

What happens if I don't use all of the money in my FSAs by the end of the plan year? on p6.

Note: You cannot apply the Federal Tax Credit for dependent care expenses to the amount you spend in this account.

Two Important IRS Rules

There are two very important IRS rules that you must follow to use the BESTflex Plan:

1. You cannot cancel your participation in the BESTflex Plan or change the amount of your payroll withholding during the plan year unless certain events occur
2. You must use all of the money in each of your FSAs by the end of the plan year or Grace Period. Any amount left over cannot be returned to you or carried over to the next plan year (unless a Grace Period has been added to your plan); funds remaining in your FSA must be returned to your employer. This is an IRS rule.

Using the FSAs effectively means carefully estimating your expenses. This ensures you use up the money in your accounts by your plan year's or Grace Period's end.

The BESTflex Plan vs. the Federal Income Tax Credit for Daycare

The BESTflex Plan vs. the federal tax credit?

- A. The BESTflex Plan saves tax dollars on every paycheck, while the tax credit makes you wait until after the year ends
- B. You can turn your BESTflex Plan check over to the daycare provider and avoid an out-of-pocket payment
- C. Many participants not only save on federal taxes, but in many states save on state and local taxes as well.

Using IRS Form 2441

You are required to report both your federal tax credit and the BESTflex Plan dependent care pre-tax expenses, whichever applies, on IRS Form 2441. It is an attachment to your federal income tax return. Also on Form 2441, you are required to list the name, address and tax identification number of your daycare provider. Contact Employee Benefits Corporation or your accountant if you have questions.

Note: Expenses for services from daycare centers that have more than six individuals may be reimbursed only if the center complies with all state and local rules.

Expenses that ARE eligible for reimbursement in the Dependent Care FSA:

- A. Charges for daycare services outside your home for a "qualifying child" who is under the age of 13 and depends on you (and your spouse, if you are married) for at least half of his or her support, does not have his or her own dependents, and is not a "qualifying child" of any other taxpayer during the year
- B. Charges for care outside of your home for your spouse, dependent adult or child who is mentally or physically incapable of caring for himself or herself and has the same principal place of abode; the spouse or dependent must spend at least 8 hours of each day in your house
- C. You may be reimbursed for expenses to provide care in your home to the individual(s) described above if the services

are, at least in part, for the care of your dependent so you (and your spouse, if you are married) may work; the expenses include wages paid to the service provider, but not expenses such as food or clothing

Expenses that ARE NOT eligible for reimbursement in the Dependent Care FSA:

- A. Schooling (Preschool is generally not schooling)
- B. Overnight camps
- C. Health care expenses
- D. Services provided by a person whom you or your spouse could claim as a deduction on your tax return or any of your children who are under age 19
- E. Meals, supplies and materials

The Dependent Care FSA limits spending to a \$5,000 maximum for married and head-of-household filers or \$2,500 for those who are married and filing separately.

In general, if you file your income taxes as "single, head of household" or "married, filing jointly," you may be reimbursed for up to \$5,000 per calendar year for dependent care expenses. If you are married and file a separate return, you may claim up to \$2,500. However, you may not be reimbursed for more than the following amounts:

- A. If you are single, your reimbursable limit is your net taxable pay (after all salary reductions for the BESTflex Plan and any other plans) for the year in which the expenses are incurred
- B. If you are married and your spouse works, your reimbursable limit is the lesser of your net taxable pay or your spouse's taxable pay for the year in which the expenses are incurred
- C. If you are married and your spouse is either a full-time student or is physically or mentally incapable of caring for himself or herself, your reimbursement limit is:
 - 1. \$250 in any one month if you have only one dependent
 - 2. \$500 in any one month if you have more than one dependent

Can I spend the money in my FSAs at any time during the plan year?

The IRS allows you to spend the entire annual amount you put into the Health Care FSA at any time during the plan year. You could, for example, get reimbursed for an expense equaling your entire annual contribution in the first month of the plan year, even though most of the money has not yet been withheld. The Dependent Care FSA is different. You may use the money in this FSA only after it has been withheld from your paycheck and the expense has been incurred.

Frequently Asked Questions

How do I file for reimbursement?

After the open enrollment period ends, your employer gives participants a "Getting Started with the BESTflex Plan" booklet. This booklet contains a Reimbursement Form. Reimbursement Forms are also available for download from www.ebcflex.com.

Do I have to use all three accounts of the BESTflex Plan?

No. You can use one or all parts of the BESTflex Plan, depending upon which accounts apply to your situation.

Can I decide not to use the BESTflex Plan at all?

Yes. If you decide not to use the plan, sign and date the part of the Enrollment Form marked, "NO, I do not want to participate:" and return it to your employer.

Note: If you choose not to participate, you cannot enroll in the plan until the following plan year, unless you experience a qualifying event.

Can I cancel or change the amounts I decide to put in my FSAs or my premium contribution?

You cannot cancel or change these amounts during the plan year unless your situation changes.

Can I transfer funds between different BESTflex Plan accounts?

No. For example, unused funds that have been deposited into your Health Care FSA cannot be transferred to your Dependent Care FSA to pay for daycare expenses.

What happens if I don't use all of the money in my FSAs by the end of the plan year?

The IRS requires that any money you do not use be returned to your employer. It cannot be returned to you or carried over to the next plan year. Your employer often uses the money to pay for the cost of administering the BESTflex Plan. If, near the end of the plan year, you have not spent all of the money in your FSAs, you should look for other eligible expenses, on which you can spend the unspent portion. For example, any money left in your Health Care FSA could be used for a pair of prescription eye glasses or contact lens solution.

Note: While all expenses must be incurred during the plan year, you have a 90-day runout period after the plan year ends to request reimbursement for those expenses.

Can I spend the money in my FSAs anytime during the plan year?

The rules for the Health Care FSA are different than those for the Dependent Care FSA. The IRS allows you to spend the entire annual amount that you put into the Health Care FSA at any time during the plan year. You could, for example, get reimbursed for an expense equaling your annual contribution in the first month of the plan year, even though most of the money has not yet been withheld.

The Dependent Care FSA is different. You may use the money in this FSA only after it has been withheld from your paycheck and the expense has been incurred.

What if I terminate employment or lose eligibility during the plan year?

For the Health Care FSA: If you terminate or lose eligibility, you can only submit claims for expenses incurred prior to your termination date. You have the standard 90-day runout period to submit claims after your termination date.

Note: The Health Care FSA grace period does not apply to participants who terminate or lose eligibility before the end of the plan year.

To receive reimbursement for expenses incurred after your termination date, you must elect Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) continuation, which may require after-tax contributions to the plan.

For mid-plan year rehires or other questions, please contact your Human Resource Department or Employee Benefits Corporation.

For the Dependent Care FSA: If you terminate or lose eligibility, the contributions to your plan stop. You can continue to submit eligible expenses for daycare through the end of the plan year; however, you cannot contribute additional dollars after your termination date.

Additional important information is located later in this booklet. Please refer to:

See **Health Care FSA Grace Period** on p7.

See **Events For Which You May Change Your Enrollment Elections** on p8.

BESTflexSM Plan Eligible Expenses

Use this list of eligible expenses to help determine elections for your BESTflex Plan

Examples of eligible Health Care FSA expenses:

DENTAL SERVICES

Crowns/Bridges
Dental X-Rays
Dentures
Exams/Teeth Cleanings
Extractions
Fillings
Gum Treatments
Oral Surgery
Orthodontia/Braces

INSURANCE-RELATED ITEMS

Copays
Coinsurance
Deductibles

LAB EXAMS/TESTS

Blood Tests
Cardiographs
Diagnostic Fees
Laboratory Fees
Spinal Fluid Tests
Urine/Stool Analyses
X-Rays

MEDICATION

Insulin
Prescribed Birth Control
Prescribed Vitamins*
Prescription Drugs*

OVER-THE-COUNTER MEDICINE

Over-the-counter medicines, drugs, or dietary supplements for a specific medical condition:

Allergy Medicines
Antihistamines
Analgesics
Antacids
Anti-Diarrhea Medications
Anti-Itch Medications
Anti-Nausea Medications

*Excludes drugs imported from Canada and other countries

Aspirin
Athletes Foot Creams and Powders
Cold Sore Remedies
Contact Lens Solution and Cleaners
Cough Drops
Cough Syrups
Decongestants
Eye Drops
Fever Reducers
First Aid Cream (Bactine, special diaper rash ointments, calamine lotion, bug bite medication, wart remover treatments)
Digestive Tract Relief Medications
Flu and Cold Medications
Hemorrhoidal Medications
Laxatives
Lice and Scabies Treatments
Menstrual Cycle Products (for pain and cramp relief)
Motion Sickness Pills
Muscle/Joint Pain Relievers
Nasal Sinus Sprays
Nicotine Gum/Patches
Pain Relievers
Pedialyte
Pregnancy Tests
Pre-Natal Vitamins
Reading Glasses
Retin A (non-cosmetic)
Rubbing Alcohol
Sinus Medications
Sleeping Aids
Smoking Cessation Products
Sore Throat Sprays
Special Ointments/Burn Ointments
Throat Lozenges
Vapor Rubs
Weight Loss Drugs (to treat a specific disease)
Yeast Infection Treatments

OTHER MEDICAL TREATMENTS/PROCEDURES

Acupuncture
Alcoholism (inpatient treatment)
Chiropractor Services
Drug Addiction (inpatient treatment)

Hearing Exams
Hospital Services
Infertility
In-vitro Fertilization
Norplant Insertion or Removal
Patterning Exercises
Physical Examination (not employment related)
Physical Therapy
Speech Therapy
Sterilization
Vaccinations and Immunizations
Vasectomy and Vasectomy Reversals
Well Baby Care

OTHER MEDICAL SUPPLIES AND SERVICES

Abdominal/Back Supports
Ambulance Services
Arches (requires a doctor's prescription)
Orthopedic Shoes
Contraceptives
Counseling (except for Marriage and Family)
Crutches
Guide Dog (for visually/hearing impaired person)
Hearing Aids & Batteries
Hospital Bed
Insulin Supplies
Learning Disability (special school/teacher)
Lead Paint Removal (if not capital expense and incurred for a child poisoned)
Medic Alert Bracelet or Necklace
Medical Miles, Tolls, and Parking
Oxygen Equipment

The
BESTflexSM
Plan

Section 125 Administration

Health Care FSA Grace Period

Your Employer may provide you with a 2-1/2 month "grace period," which applies to the use of your Health Care Flexible Spending Account (Health Care FSA). This benefit takes advantage of a change in the Internal Revenue Service's position.

Previously, you were required to forfeit unused amounts in your Health Care FSA at the end of the plan year (the "use-it-or-lose-it" rule). Because of the new IRS position, however, you may now have 2-1/2 months after the plan year ends to spend the amounts remaining in your Health Care FSA. The "use-it-or-lose it" rule still applies, but not until the

end of the grace period. This gives you a total of 14-1/2 months (the 12-month plan year plus the 2-1/2 month grace period) to use the amounts in your Health Care FSA. The grace period will always end on the 15th day of the month.

You don't need to do anything to gain the benefit of the 2-1/2 month grace period. If you incur expenses and submit timely claims for them during the grace period, the claims will first be reimbursed from any amount that remains in your current Health Care FSA. Once that account is exhausted or the grace period ends, you will be reimbursed for health care

expenses from the amount that you elected to place in your Health Care FSA for the following year.

Caution: This Health Care FSA grace period does not change the 90-day runout period for submitting claims for reimbursement. You still have only 90 days after the end of the plan year to be reimbursed for health care expenses incurred during that plan year, including the related 2-1/2 month grace period. This change does not affect the Dependent Care FSA.

Dependent Care FSA amounts not used during the 12-month plan year will be forfeited. But the 90-day runout period for submitting claims still applies.

Please refer to your copy of My Company Plan to see if this amendment applies to you.

Note: The Health Care FSA Grace period does not apply to participants who terminate or lose eligibility before the end of the plan year.

Dependent Definitions Health Plans

A "dependent," someone who can have tax-favorable coverage under a health plan (including a Health Care FSA), is defined as either a "qualifying child" or a "qualifying relative" as described below.

A "qualifying child" is someone who:

- Is a child, stepchild, brother, sister, stepbrother, stepsister, a grandchild, an adopted child or an eligible foster child of the taxpayer;
 - Is not yet 19 or is a student who is not yet 24 by the end of that year or is permanently and totally disabled at any time during the year;
- Note: a student for this purpose must be a full-time student for at least 5 calendar months during the year*
- Has not provided more than half of his/her own support in that year; and
 - Has the same principal place of abode as the taxpayer for more than half of the relevant calendar year.

Note: A child who is supported by his/her parent but lives with another relative, such as an aunt or uncle, would no longer be a dependent of the taxpayer (but could be a dependent of the relative)

BESTflexSM Plan Eligible Expenses

Prosthesis
Splints/Casts
Support Hose (if medically necessary)
Syringes
Transportation Expenses (essential to medical care)
Wheelchair
Wigs (hair loss due to disease)

VISION EXPENSES

Contact Lenses
Contact Lens Solution
Eye Examinations
Eyeglasses
Laser Eye Surgeries
Prescription Sunglasses
Radial Keratotomy/LASIK

This list is not meant to be all inclusive. Other expenses not listed may also qualify. Please refer to Section 213 of the Internal Revenue Code or call our toll free Customer Service line at 800 346 2126.

Examples of ineligible Health Care FSA expenses:

Baby-Sitting
Breast Pumps
Canceled Appointment Fees
Chapstick
Contact Lens Insurance
Cosmetics

Cosmetic Surgery/Procedures
Dance/Exercise/Fitness Programs
Diaper Service
Electrolysis
Exercise Equipment
Eyeglass Insurance
Face Cream
Feminine Hygiene Products
Hair Loss Medications
Hair Transplant
Health Club Dues
Illegal Operation or Treatments
Insurance Premiums
Long Term Care Premiums
Marriage or Family Counseling
Massage Therapy*
Mastectomy Bras
Maternity Clothes
Meals that are not part of inpatient care
Moisturizers
Nutritional Supplements
Personal Trainer
Prescription Drug Discount Programs
Prescription Drugs for Hair Loss
Provider Discounts
Rogaine
Shampoos/Soaps
Special Foods
Suntan Lotion/Sunscreen
Supplements* (for general health)
Teeth Whitening/Bleaching
Toiletries
Toothbrushes (including battery operated)
Toothpaste
Vision Discount Program Premiums
Vitamins (for general health)
Weight Loss Programs* (for general health)

*Some medically necessary items may be covered by the Health Care FSA if prescribed by a physician for a specific medical condition. The prescription should contain the specific medical condition and timeframe for treatment. This list is not meant to be all inclusive.

Our **web site** is convenient – you can view your account information and download Reimbursement and Direct Deposit Forms 24 hours a day, 7 days a week from any computer that offers Internet access.
www.ebcflex.com



You can also use our **Telephone Account Assistant** to listen to your account information using a touch-tone phone. Dial 800 346 2126 or 608 831 8445, choose the Customer Service option then follow the simple voice-prompts.

Employee
Benefits
Corporation

Web Address:
www.ebcflex.com

U.S. Mail:
Employee Benefits Corporation
PO Box 44347
Madison WI 53744-4347

Phone:
Monday - Friday, 8:00 - 5:00 CST
608 831 8445
800 346 2126

Fax:
608 831 4790

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Note: Temporary absences due to illness, education, military service, and similar factors will not result in loss of residency with the taxpayer. A child who attends college away from home could still have the same principal place of abode as the taxpayer.

A “qualifying relative” is someone who:

- A. Is a child, stepchild, grandchild, brother, sister, stepbrother, stepsister, father, mother (or ancestor), stepmother, stepfather, niece, nephew, aunt, uncle, in-law (father-in-law, mother-in-law, sister-in-law, brother-in-law, son-in-law, or daughter-in-law) or who (other than a spouse) has the same principal place of abode as the taxpayer and is a member of his/her household (unless the relationship violates local law);
- B. Receives more than half of his or her support in the year from the taxpayer; and
- C. Is not a “qualifying child” of any taxpayer in the year.

Dependent Care FSA

The definition of a “qualifying individual” for purposes of a Dependent Care FSA is described below.

A “qualifying individual” is someone who:

- A. Has not attained age 13 and is a “qualifying child,” as defined above, for purposes of health plans
 1. Does not have his/her own dependents
 2. Is not a “qualifying child” of any taxpayer during the year
- B. Is a dependent who is physically or mentally incapable of caring for himself or herself and who has the same principal place of abode as the taxpayer for more than half the year (unless the relationship violates local law); or
- C. Is the spouse, is physically or mentally incapable of caring for himself or herself and has the same principal place of abode as the taxpayer for more than half the year (unless the relationship violates local law).

Citizens or Nationals of Other Countries

An individual can be a dependent only if he or she is a U.S. citizen, a U.S. national, a U.S. resident or a resident of a country contiguous with the U.S. That rule does not apply to an adopted child of a U.S. citizen or U.S. national, if the child has the same principal place of abode as the taxpayer and is a member of the taxpayer's household.

Dependents in Cases of Divorce

Special rules apply to determine what parent has a dependent child in the case of divorce. In general, it is the parent with whom the child resided for the longest period of time during the year (the custodial parent). The custodial parent is the parent with whom the child resides for the greatest number of nights during the calendar year. If the child resided with both parents for the same amount of time during the year, it is the parent with the highest adjusted gross income. However, it can be the non-custodial parent if three requirements are met.

The three requirements are:

1. More than half of the child's support during the year comes from one or both parents
2. The child is in the custody of one or both parents for more than half of the year
3. The custodial parent signs a written declaration, which the noncustodial parent attaches to his or her tax return, that he or she will not claim the child as a dependent.

For purposes of tax-favorable coverage under a health plan (including a Health Care FSA), if divorced or legally-separated parents together provide more than half of the support of their child and have custody of him or her for more than half the year, the child is considered to be a dependent of both parents. As a result, either parent can pay a medical expense of the child and receive tax-free reimbursements.

Events for Which You May Change Your Enrollment Elections

The IRS may allow you to change the amounts you set aside in your FSAs during the year, but only in the case of certain events. If one of the following events applies to you, inform Employee Benefits Corporation or your employer as soon as possible.

Changes must be made within 30 days of the event and can only be made prospectively.

In determining whether or not a change is permissible, a two-step approach is used. **First, a qualifying event must occur. Second, there must be a gain or loss of eligibility under the plan due to the event.**

- A. **Qualifying Event** results in you, your spouse, or your dependent gaining or losing coverage under the BESTflex Plan or a plan of your spouse's employer, and leads to an election

change that corresponds with that gain or loss of coverage. This category of events applies to all types of coverage under the plan. The following events are changes in status:

1. **Marital status** - events that change your legal marital status, including marriage, death of a spouse, divorce, legal separation or annulment
2. **Number of dependents** - events that change the number of your dependent(s) for tax purposes, including birth, death or adoption
3. **Employment status** - events that include a termination or commencement of employment, a change in the number of hours worked, a strike or lockout, a switch between part-time and full-time or vice versa, a work site change, or the beginning or end of an unpaid leave of absence by you, your spouse, or your dependent(s)
 - a. Employees who terminate and are rehired within 30 days are not considered to have experienced a qualifying event; therefore, any employee rehired within 30 days is reinstated at their prior annual elections
 - b. Employees who terminate and are rehired after 30 days are not allowed to participate in the Reimbursement Accounts until the next plan year
 - c. Employees who begin or end an unpaid leave may only make election changes if the leave causes a gain or loss of eligibility for the plan
4. **Dependent eligibility** - events that cause your dependent to satisfy or cease to satisfy the requirements for coverage due to attainment of age, student status, or any similar circumstance as provided in the plan covering you
5. **Residence** - events that cause a change in your, your spouse's, or your dependent's place of residence and result in the gain or loss of eligibility under the plan; does not apply to the Health Care FSA
- B. **HIPAA Special Enrollment Event** results in an election change corresponding with the special enrollment rights provided under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) to individuals who lose other health insurance coverage or become the spouse or dependent of an employee through birth, marriage or adoptions.

How does the BESTflex Plan affect your tax return?

When you receive your W-2 form at the end of the year, the gross amount of your income shown on the form is your gross income minus the amount withheld by your employer under the BESTflex Plan. This is the amount you use for gross income when you fill out your tax return. Your income tax is lower because it is based on a smaller gross income.

- C. **Court Order Event** results in your election change corresponding to a court order regarding health coverage of your child. This event only applies to health, dental, and vision insurance or the Health Care FSA. You must be able to show that other coverage exists before you can drop coverage.
- D. **Entitlement to Medicare or Medicaid Event** results in enrollment by you, your spouse, or your dependent and allows a decrease or cancellation of health coverage under the plan. Losing entitlement of Medicare or Medicaid may allow you, your spouse, or your dependent to increase or enroll in health coverage under the plan. This applies only to health plans that are subject to HIPAA.
- E. **Change in Cost Event** results when a provider under Group Insurance Premiums or the Dependent Care FSA increases or decreases the cost of coverage. Your premium payments for insurance may automatically increase or decrease by the corresponding amount as a result. If you are enrolled in the Dependent Care FSA, you must submit a Qualifying Event Election Change Form. If the service provider changes their rates but is a relative, election changes can not be made during the plan year. This event does not apply to the Health Care FSA.
- F. **Addition or Elimination of a Benefit Option** results if the employer offers or ceases to offer a benefit package option. Participants may elect to add or revoke their election with respect to only that benefit. If there is a curtailment of coverage, a participant may elect alternative coverage but may not revoke their election. This event does not apply to the Health Care FSA.
- G. **Change in Coverage Under Any Employer's Plan** results when the employee's, spouse's, or the dependent's employer increases coverage, decreases coverage, or ceases

coverage. This event allows participants to make or revoke an election change under the plan. Changes corresponding to new or waived elections can also be made during open enrollment under the other employer's plan. This event does not apply to the Health Care FSA.

- H. **COBRA Events:** Participants may increase their pre-tax contributions under the employer's plan for coverage if a COBRA event occurs with respect to the employee, the employee's spouse, or the employee's dependent. Plans must be covered by COBRA or similar state continuation rules for these events to apply. The individual covered by COBRA must still qualify as a tax dependent of the employee to allow for pre-tax treatment of contributions.
- I. **Loss of Other Coverage Under A Governmental or Educational Institution Plan:** Participants may make new elections under a health plan when you, your spouse, or your dependent lose coverage under a governmental or institutional plan. This event does not apply to the Health Care FSA.

Contributions During Unpaid Family, Medical or Military Leave

If you are on unpaid leave under the federal Family and Medical Leave Act of 1993, but you elect to continue participation in Group Insurance premiums or the Health Care FSA of the BESTflex Plan, your employer may obtain your plan contributions for the leave period by having you either:

- A. Prepay them, with your permission, from your last paychecks before the leave (on a pre-tax basis)
- B. Pay as you go from your other financial resources (on an after-tax basis)
- C. Pay them when you return from leave (on a pre-tax basis)

Your employer automatically deducts missed payments when you return from leave.

Military Leave

If you leave work for military duty in the Uniformed Services, you have certain rights under this plan. Generally, you may be allowed to revoke or continue to participate in the Plan (assuming you make your share of the contributions). Also, you have the right to be reinstated in the Plan when you return from your service. If you go on military duty, please see the Employer for more information regarding your

rights under the Uniformed Services Employment and Reemployment Rights Act (USERRA).

Please contact your Human Resource Department if you have questions.

How the BESTflex Plan Affects Taxes and Insurance

How the Plan affects Social Security benefits

The BESTflex Plan generally reduces the amount of your wages used by the Social Security Administration to calculate your social security benefit. Consequently, your social security retirement or disability income may be less than it would have been had you not participated in the BESTflex Plan. For this reason, you may want to increase your retirement savings to offset the potential loss of social security benefits. If you are concerned, discuss it with your local Social Security Administration office or your tax advisor.

How the BESTflex Plan affects your tax return

When you receive your W-2 form at the end of the year, the gross amount of your income shown on the form is your gross income minus the amount withheld by your employer under the BESTflex Plan. This is the amount you use for gross income when you fill out your tax return. Your income tax is lower because it is based on a smaller gross income.

How the BESTflex Plan affects insurance payments or benefits

Any payments or benefits that you are entitled to receive from an insurance Company, HMO or other provider of benefits are governed by the provider and not by this plan.

Operation of the BESTflex Plan

The BESTflex Plan Administrator is your employer. Your employer has full and complete authority, responsibility, discretion, and control over the management, administration, and operation of the BESTflex plan. This includes, but is not limited to:

1. Formulating, adopting, issuing, and applying procedures, rules and changes
2. Altering or amending such procedures and rules in accordance with the law
3. Construing and applying the provisions of the plan
4. Making appropriate determinations concerning eligibility for benefits

Subject to your rights, explained in the Statement of ERISA Rights on this page of the booklet, your employer's determinations shall be final, conclusive and binding on all parties.

Notice of Denials and Appeals

All claims and required documentation must be submitted no later than 90 days after the end of the plan year or your termination from employment. Initial claims will be decided no later than 30 days from receipt of the claim.

If, for reasons beyond the control of Employee Benefits Corporation, the claim cannot be decided within this 30-day period, Employee Benefits Corporation has an additional 15 days to review the claim, as long as you are notified of the delay within the original 30-day window.

If your claim is denied, you will receive a written notice citing the specific reasons for the denial and the plan provisions on which it is based. You are also provided with a description of any additional documents or material you might need to complete an incomplete claim.

If your claim has been denied for any reason, you have 180 days to submit a written appeal, detailing why you feel your claim should have been paid, to Employee Benefits Corporation. You may also provide any additional documentation you feel is relevant. Your appeal is decided by someone other than the individual, or a subordinate of the individual, who made the initial determination of your claim.

Employee Benefits Corporation provides you with notice of any information and documents that may be relevant to the appeal of your claim. Your appeal is decided no later than 60 days from the receipt of the appeal.

If your appeal is denied, you will receive a written notification of the "adverse benefit determination on review" with the reason(s) for the denial and the plan provisions on which it is based.

If the appeal denial is based on any internal rule, guideline, protocol or other criterion, this rule, guideline, etc. is provided to you, free of charge, upon your request. You may obtain from Employee Benefits Corporation any relevant information

COBRA continuation coverage is a continuation of Health Care FSA coverage when coverage would otherwise end because of a life event known as a "qualifying event."

regarding your claim. You also have the right to sue in federal court under ERISA (Employee Retirement Income Security Act of 1974).

If you have any questions about your rights under ERISA, you should contact the nearest office of the Employee Benefits Security Information, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Information, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210.

Assignment of Benefits

You cannot assign your plan benefits to anyone else. The plan will not reimburse anyone other than you or your estate for covered expenses.

Continuation of Coverage Pursuant to COBRA

If your employer normally has at least 20 employees and is not a governmental entity or a church-controlled entity, COBRA may apply to your Health Care FSA. If COBRA applies and you, your spouse, or your dependent lose coverage due to a qualifying event, then you, your spouse, or your dependent may elect to continue coverage, subject to the limitations described in the section entitled "COBRA continuation coverage is a temporary continuation of coverage."

COBRA Continuation Coverage

COBRA continuation coverage is a continuation of Health Care FSA coverage when coverage would otherwise end because of a life event known as a "qualifying event." Specific qualifying events are listed later in this notice. COBRA continuation coverage must be offered to each person who is a "qualified beneficiary." Qualified Beneficiaries (QBs) are individuals who have the same rights as active employees on the group health plan. QBs are generally employees, employees' spouses and employees' dependents, who were covered by the group health plan on the day prior to a COBRA qualifying event. QBs are also children who are

born or adopted by the covered employee during the COBRA continuation period. These children must be added to the plan within 30 days of their birth or adoption. The newborn or adopted child will remain covered only for the period of time the other family members continue to be covered.

If you are an employee covered by your employer's Health Care FSA, you will become a qualified beneficiary if you lose coverage under the FSA due to one of the following qualifying events and were covered the day prior to the event:

- A. Your hours of employment are reduced, causing you to no longer be eligible for the Health Care FSA or your premium to increase for the same plan;
- or
- B. Your employment ends for any reason other than your gross misconduct.

If you are the spouse of an employee who is covered by his or her employer's Health Care FSA, you will become a qualified beneficiary if you lose your coverage under the FSA because of any of the following qualifying events and were covered the day prior to the event:

- A. Your spouse dies;
- B. Your spouse's hours of employment are reduced, causing you to no longer be eligible for the same group health plan(s) or your premium to increase for the same group health plan(s);
- C. Your spouse's employment ends for any reason other than his/her gross misconduct;
- D. Your spouse becomes enrolled on Medicare Part A, Part B or both;
- or
- E. You become divorced or legally separated from your spouse.

If an employee drops his/her spouse from coverage in anticipation of divorce or other qualifying event before it actually happens, the ex-spouse must still be provided with COBRA notification. When the divorce or other qualifying event becomes final, the employer must be notified so the notification can be sent.

Your dependent children will become qualified beneficiaries if they will lose coverage under the plan as a result of any of the following qualifying events and were covered under the plan the day prior to the event:

- A. The parent-employee dies

- B. The parent-employee's hours are reduced, causing the child to longer be eligible for the same group health plan(s) or the child's premium to increase for the same group health plan(s)
- C. The parent-employee's employment ends for any reason other than his/her gross misconduct
- D. The parent-employee becomes enrolled in Medicare Part A, Part B or both
- E. The parents become divorced or legally separated;
or
- F. The child stops being eligible for the coverage under the plan as a "dependent child."

COBRA continuation coverage is a temporary continuation of coverage.

Generally, COBRA continuation coverage under your employer's Health Care FSA will only be available, if at all, until the end of the Plan Year in which a qualifying event occurs. This is because of an exception under federal law that limits COBRA continuation coverage for most Health Care FSA. If this exception applies and you have overspent your FSA account when a qualifying event occurs, your employer is not required to offer you COBRA continuation coverage.

You have "overspent" your Health Care FSA if the amount that remains in your FSA is less than the COBRA premium amount that your employer can charge you for your continued Health Care FSA coverage.

You will only be offered COBRA continuation coverage that lasts through the end of the Plan Year if you have not overspent your Health Care FSA on the date the qualifying event occurs.

Generally, if COBRA continuation coverage is available to you, it will only be available until the end of the Plan Year in which a qualifying event occurs.

COBRA continuation rules regarding maximum continuation coverage periods of 18 months or 36 months (depending on the qualifying event) will not be applicable. COBRA continuation rules regarding second qualifying events, which can extend those coverage periods, will also generally not be applicable.

Notification of qualifying events and paying for COBRA continuation coverage

COBRA continuation coverage will be offered to qualified beneficiaries only after your employer has been notified that a qualifying event has occurred. When the qualifying event is the end of employment or reduction in hours of employment, the death of the employee, or enrollment of Medicare (Part A, Part B or both), your employer must notify you, your spouse, and dependent(s) of the qualifying event

- A. Within 30 days of any of these events;
or
- B. Within 30 days following the date on which coverage ends

For all other listed qualifying events, you must notify your employer within 60 days after the qualifying event occurs. Failure to notify your employer may result in Health Care FSA continuation coverage being unavailable.

Once your employer receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to the qualified beneficiaries. For each qualified beneficiary who elects COBRA continuation coverage, COBRA continuation coverage will begin:

- A. On the date of the qualifying event;
or
- B. On the date the group health plan coverage would otherwise have been lost.

COBRA notices will be sent to the employee's last known address. Under the law, you have 60 days from the later of:

- A. The date you would lose coverage due to one of the above listed qualifying events;
or
- B. The date the COBRA election notice is provided to notify your employer that you want to continue coverage.

Qualified beneficiaries that are incapacitated or die may have the legal representative, the estate or spouse make the election. Elections are considered received on the date that they are mailed. The postmark on the envelope will be used as verification. If you do not choose continuation coverage on a timely basis (within 60 days), you will not be able to enroll in the Health Care FSA continuation plan.

If you choose continuation coverage, your employer is required to give you coverage that, at the time it is being provided, is identical to the coverage period under the plan to similarly situated employees or family members. If your employer were to change its Health Care FSA in any way, your continuation coverage would also reflect the new changes.

Each qualified beneficiary in a family may make separate, independent elections. A separate election simply means that family members can pick and choose coverage they wish to continue. COBRA regulations do not allow multiple plans to be continued under the same coverage. An example of what is not allowed would be taking two single health policies instead of the QB & Spouse or Family health plan. The covered employee or spouse may elect for all dependents.

Under the law, you may have to pay all or part of the premium for your continuation coverage. The initial premium payment has a grace period of 45 days from the date of the COBRA continuation coverage election. Coverage will not be reinstated until payment has been made. Premiums are normally due on the first of the month and will be stated in your COBRA notification. There is a grace period of at least 30 days for payment of the regularly scheduled premium. Payment is considered made on the day it was mailed. Verification will be the postmark date on the envelope.

Under federal regulations, the employer can charge the COBRA continuation participants up to 102% of the premium to help offset the administration costs. Participants who have made separate elections during the disability extension can only be charged up to 102% of the premium.

Keep Your Plan Informed of Changes

In order to protect you and your family's rights, you should keep your employer informed of any changes in address, marital status, or a child's status as a dependent under the group health plan's policy.

Statement of ERISA Rights

As a Participant in the BESTflex Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Participants are entitled to:

- A. Examine, without charge, all documents of the BESTflex Plan and copies of all documents filed

by the BESTflex Plan with the U.S. Department of Labor, such as annual reports and Plan descriptions

- B. Obtain copies of all documents of the BESTflex Plan and other information regarding the BESTflex Plan upon written request; there is a reasonable charge for copies
- C. Receive a summary of the BESTflex Plan's annual financial report

In addition to creating certain rights for participants, ERISA imposes duties upon the people who are responsible for the operation of the BESTflex Plan. The people who operate your BESTflex Plan, called fiduciaries of the BESTflex Plan, have a duty to do so prudently and in the interest of you and other BESTflex Plan participants and beneficiaries. No one may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA. If your claim for a benefit under the BESTflex Plan is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have your employer review and reconsider your claim.

Under ERISA, there are steps you can take to enforce the above rights:

- A. If you request materials from the BESTflex Plan and do not receive them within 30 days, you may file suit in federal court. In such case, the court may require your employer to provide the materials and pay you up to \$100 a day until you receive the materials, unless the materials were not sent because of reasons beyond the employer's control
- B. If you have a claim of benefits that is denied or ignored in whole or in part, you may file suit in a state or federal court
- C. If you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or you may file suit in federal court. The court will decide who should pay costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose (for example, if your claim is found frivolous) the court may order you to pay these costs and fees.

If you have any questions about the BESTflex Plan, you should contact your employer or Employee Benefits Corporation. If you have any questions about this Summary Plan Description or about your rights under ERISA, you should contact the nearest office of the Employee Benefits Security

Information, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Information, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210.

If your plan is not subject to ERISA, the statement of ERISA Rights is not applicable.

Summary of Privacy Practices

Please refer to the complete Privacy Notice provided by your employer for a complete description of privacy practices.

What Is Protected Health Information?

Whenever a health provider treats you, protected health information (PHI) is created. Health information may be written (medical billings), spoken (physicians discussing x-rays), or electronic (bills saved on computer discs).

How does Employee Benefits Corporation use PHI?

The most common use of PHI by Employee Benefits Corporation is for the payment of claims. Information received with your reimbursement request includes a third-party provider statement. The information on the statement is used to verify the date the service was provided, the type of service provided, the name of the provider, and the charges for the service. This information is used only for claims payment purposes.

Protecting your PHI is very important to Employee Benefits Corporation. As a participant in our benefit plans, you are trusting us with your private information. Be assured that this information will be kept confidential.

Questions or Concerns

Please contact your employer's privacy officer. You may also contact Employee Benefits Corporation's Director of Compliance 800 346 2126.

Termination of the BESTflex Plan

Your employer reserves the right to modify or terminate the BESTflex Plan any time. You will be advised of any such change.

The Complete Plan Document

This is a summary of the BESTflex Plan. The complete Plan Document is available from your employer. (If there is any inconsistency between this summary and the complete Plan Document, the Plan Document is the most accurate resource.)

For More Information

Contact Employee Benefits Corporation if you have any questions about your BESTflex Plan.

How to contact Employee Benefits Corporation

There are several different ways you can contact Employee Benefits Corporation:

By Phone:

Monday - Friday, 8:00 - 5:00 CST
Local: 608 831 8445
Toll Free: 800 346 2126

By Fax:

608 831 4790

By US Mail:

Employee Benefits Corporation
P.O. Box 44347
Madison, WI 53744-4347

By E-mail:

ebconline@ebcflex.com

On the web:

www.ebcflex.com

What can I do on Employee Benefits Corporation's web site?

1. Access your account balance
2. Find out when your reimbursement check was issued
3. Download forms
4. Update your personal information
5. Obtain a detailed account history

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Employee
Benefits
Corporation

The
BESTflexSM
Plan

Section 125 Administration

Employee Worksheet

1

This list is not meant to be all inclusive. Other expenses not listed may also qualify. Please refer to Section 213 of the Internal Revenue Code or call our toll free customer service line 800 346 2126.

Some medically necessary items may be covered by the Health Care FSA if prescribed by a physician for a specific medical condition. The prescription should contain the specific medical condition and timeframe for treatment.

Web Address:
www.ebcflex.com

U.S. Mail:
Employee Benefits Corporation
PO Box 44347
Madison WI 53744-4347

Phone:
Monday - Friday, 8:00 - 5:00 CST
608 831 8445
800 346 2126

Fax:
608 831 4790

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This worksheet will help you estimate the expenses for you, your spouse, and eligible dependents. Transfer the plan year total for each section to the **Enrollment Form** in order to participate.

Group Insurance Premiums

If you participate in your employer's insurance plan(s), your premiums are deducted from your pay pre-tax unless you notify your employer otherwise.

My BESTflex Plan Accounts

Your annual amount will be rounded down if it isn't evenly divisible by the number of paychecks. (\$1000 ÷ 50 = \$20.00: no rounding down; \$1000 ÷ 52 = \$19.23: rounded down to the nearest penny)

If you establish a Health Savings Account (HSA), **you may only enroll in the Limited Health Care FSA**, which can only reimburse you for eligible dental, vision and preventative expenses **and the Dependent Care FSA**

My Plan Dates (Refer to "My Company Plan" Eligibility section)

/ /	/ - /	# Payroll Deductions From My Effective Start Date to End Of Plan Year
My Effective Start Date	My Plan Year (from mm/yyyy to mm/yyyy)	

Examples of eligible Health Care FSA expenses:

DENTAL SERVICES

\$ ___ Crowns/Bridges
\$ ___ Dental X-Rays
\$ ___ Dentures
\$ ___ Exams/Teeth Cleanings
\$ ___ Extractions
\$ ___ Fillings
\$ ___ Gum Treatments
\$ ___ Oral Surgery
\$ ___ Orthodontia/Braces

INSURANCE-RELATED ITEMS

\$ ___ Copays
\$ ___ Coinsurance
\$ ___ Deductibles

LAB EXAMS / TESTS

\$ ___ Blood Tests
\$ ___ Cardiographs
\$ ___ Diagnostic Fees
\$ ___ Laboratory Fees
\$ ___ Spinal Fluid Tests
\$ ___ Urine/Stool Analyses
\$ ___ X-Rays

MEDICATION

\$ ___ Insulin
\$ ___ Prescribed Birth Control
\$ ___ Prescribed Vitamins*
\$ ___ Prescription Drugs (including co-pays)*

OVER-THE-COUNTER MEDICINE

Over-the-counter medicines, drugs, or dietary supplements to treat a specific medical condition:

\$ ___ Allergy Medicines
\$ ___ Antihistamines
\$ ___ Analgesics
\$ ___ Antacids
\$ ___ Anti-Diarrhea Medications
\$ ___ Anti-Itch Medications
\$ ___ Anti-Nausea Medications
\$ ___ Aspirin
\$ ___ Athletes Foot Creams and Powders
\$ ___ Cold Sore Remedies

\$ _____ Subtotal

\$ ___ Cough Drops
\$ ___ Cough Syrups
\$ ___ Decongestants
\$ ___ Eye Drops
\$ ___ Fever Reducers
\$ ___ First Aid Cream (Bactine, special diaper rash ointments, calamine lotion, bug bite medication, wart remover treatments)
\$ ___ Digestive Tract Relief Medications
\$ ___ Flu and Cold Medications
\$ ___ Hemorrhoidal Medications
\$ ___ Laxatives
\$ ___ Lice and Scabies Treatments
\$ ___ Menstrual Cycle Products (for pain and cramp relief)
\$ ___ Motion Sickness Pills
\$ ___ Muscle / Joint Pain Relievers
\$ ___ Nasal Sinus Sprays
\$ ___ Nicotine Gum / Patches
\$ ___ Pain Relievers
\$ ___ Pedialyte
\$ ___ Retin A (non-cosmetic)
\$ ___ Rubbing Alcohol
\$ ___ Sinus Medications
\$ ___ Sleeping Aids
\$ ___ Smoking Cessation Products
\$ ___ Sore Throat Sprays
\$ ___ Special Ointments / Cream for Sunburns
\$ ___ Throat Lozenges
\$ ___ Vapor Rubs
\$ ___ Weight Loss Drugs (only to treat a specific disease)
\$ ___ Yeast Infection Treatments

OTHER MEDICAL TREATMENTS/ PROCEDURES

\$ ___ Acupuncture
\$ ___ Alcoholism (inpatient treatment)
\$ ___ Chiropractor Services
\$ ___ Drug Addiction (inpatient treatment)
\$ ___ Hearing Exams
\$ ___ Hospital Services
\$ ___ Infertility
\$ ___ In-vitro Fertilization
\$ ___ Norplant Insertion or Removal
\$ ___ Patterning Exercises
\$ ___ Physical Examination (not employment related)
\$ ___ Physical Therapy

\$ _____ Subtotal

\$ ___ Speech Therapy
\$ ___ Sterilization
\$ ___ Vaccinations and Immunizations
\$ ___ Vasectomy and Vasectomy Reversals
\$ ___ Well Baby Care

OTHER MEDICAL SUPPLIES AND SERVICES

\$ ___ Abdominal/Back Supports
\$ ___ Ambulance Services
\$ ___ Arches (requires doctor's prescription)
\$ ___ Contraceptives
\$ ___ Counseling (except for Marriage and Family)
\$ ___ Crutches
\$ ___ Guide Dog (and other animal aides)
\$ ___ Hearing Aids & Batteries
\$ ___ Hospital Bed
\$ ___ Insulin Supplies
\$ ___ Learning Disability (special school/teacher)
\$ ___ Lead Paint Removal (if not capital expense and incurred for a poisoned child)
\$ ___ Medic Alert Bracelet or Necklace
\$ ___ Medical Miles, Tolls, and Parking
\$ ___ Orthopedic Shoes (cost above regular shoes)
\$ ___ Oxygen Equipment
\$ ___ Pregnancy Tests
\$ ___ Pre-Natal Vitamins
\$ ___ Prosthesis
\$ ___ Reading Glasses
\$ ___ Splints/Casts
\$ ___ Support Hose (if medically necessary)
\$ ___ Syringes
\$ ___ Transportation Expenses (essential to medical care)
\$ ___ Wheelchair
\$ ___ Wigs (hair loss due to disease)

VISION EXPENSES

\$ ___ Contact Lenses
\$ ___ Contact Lens Solution
\$ ___ Eye Examinations
\$ ___ Eyeglasses
\$ ___ Laser Eye Surgeries
\$ ___ Prescription Sunglasses
\$ ___ Radial Keratotomy/LASIK

\$ _____ Subtotal

\$ _____ **Total Health or Limited Health FSA Election**
(sum of subtotals)

\$ _____ **Total Dependent Care FSA Election**

\$ _____ **Total Payroll Deduction**
(sum of FSA Elections / # payroll deductions)

*Excludes drugs imported from Canada and other countries



Section 125 Administration

Tax Savings Calculation Worksheet

1

EBC Only

EBC Group ID Number

EBC Specialist

Processed Date

Web Address:
www.ebcflex.com

U.S. Mail:
Employee Benefits Corporation
PO Box 44347
Madison WI 53744-4347

Phone:
Monday - Friday, 8:00 - 5:00 CST
608 831 8445
800 346 2126

Fax:
608 831 4790

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1. Plan Year Expenses:

Group Insurance Premiums	\$	
Health Care FSA	\$	
Dependent Care FSA	\$	
TOTAL	\$	(A)

2. Marginal Tax Bracket:

(% paid in Federal, FICA, State taxes, as applicable):

Consult your tax advisor if unsure of the correct amounts

\$ (B)

3. Plan Year Tax Savings Using BESTflex Plan*:

A x B = \$ (C)

Electing \$ (A)

to pay for eligible medical expenses would only cost you \$ (A - C)

because you would save* \$ (C)

by participating in the BESTflex Plan

4. Per Paycheck Tax Savings Using the BESTflex Plan:

(C) / number of pay periods in Plan Year = \$

Let's say you make \$3000 a month. Taxes take at least 30% right off the top, leaving you \$2100 in take-home pay. If your medical expenses are \$100 a month and your daycare expenses are \$400, that leaves you \$1600 a month.

With the BESTflex Plan, you set aside the \$100 for medical expenses and \$400 for daycare, leaving you \$2500 as your taxable, monthly income.

After taxes, that leaves you with \$1750 in take home pay, a net gain of \$150 a month or \$1800 a year.

That's how the BESTflex Plan works.

Note: The salary and tax example shown is a broad approximation of tax liability. You should consult a tax advisor for help with your own situation. Current IRS tax laws control all BESTflex Plan matters

Without the BESTflex Plan:	
\$ 3,000.00	Gross Pay
- 900.00	Taxes
\$ 2,100.00	
- 100.00	Medical Expenses
- 400.00	Day Care Expenses
\$ 1,600.00	Monthly Take-Home
\$ 19,200.00	Annual Take-Home
With the BESTflex Plan:	
\$ 3,000.00	Gross Pay
- 100.00	Medical Expenses
- 400.00	Day Care Expenses
\$ 2,500.00	
- 750.00	Taxes
\$ 1,750.00	Monthly Take-Home
\$ 21,000.00	Annual Take-Home
\$ 1,800.00	Annual Savings

*Note plan year tax savings is an illustration only.

Employee
Benefits
Corporation

The
BESTflex™
Plan

Section 125 Administration

Direct Deposit Authorization Form

1

EBC Only

EBC Group ID Number

EBC Specialist

Processed Date

Web Address:
www.ebcflx.com

U.S. Mail:
Employee Benefits Corporation
PO Box 44347
Madison WI 53744-4347

Phone:
Monday - Friday, 8:00 - 5:00 CST
608 831 8445
800 346 2126

Fax:
608 831 4790

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Employee Benefits Corporation

105-8 02/06

Please Complete When Faxing:

Return Fax Number

Date (mm/dd/yyyy)

No. of Pages

To enroll in Direct Deposit, **please read the Conditions of Participation below** and fill in the information requested in Sections A & B. Sign Section C.

Type of Transaction:

☐

New

☐

Change

☐

Cancel

Section A:

Please Print

First Name

Middle Initial

Last Name

Home Address

City

State

Zip

Social Security Number

Home Telephone Number

Work Telephone Number

Section B:

Name of Financial Institution

Branch

City

State

Zip

Bank Account Number (from check; see illustration, right)

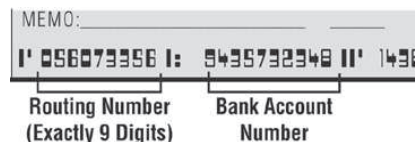
☐

Checking

☐

Savings

Routing Number (from check; see illustration, right)



Section C: Depositor Certification

I certify that I have read and understand this form. In signing this form, I authorize my BESTflex Plan reimbursements to be sent to the financial institution named above to be deposited in the designated account.

X

Signature

Date (mm/dd/yyyy)

Conditions of Participation:

Participants in the BESTflex Plan have the option to have their authorized reimbursements deposited directly into their personal checking or savings account. It is an optional convenience called Direct Deposit. If you have any questions regarding your electronic transfers, call Client Services at 800-346-2126 (long distance) or 831-8445 (local).

- If you decide to enroll in Direct Deposit, you must complete this authorization form.
- The agreement represented by this authorization will remain in effect from one plan year to the next until you cancel it. To cancel, you must complete a new Direct Deposit Authorization Form as a cancel transaction. Once you cancel, you may not re-enroll in Direct Deposit until the open enrollment period of the next plan year. This rule may be waived in unusual situations.
- It is your responsibility to notify us immediately of any changes in your financial institution (i.e. change of account number, closure of account, etc.).
- To notify us of the change, use the Direct Deposit Authorization Form. Mark the "Change" box in the Type of Transaction entry above. We will process these

changes immediately upon receipt of the form. Since changes of this type usually take 2-3 weeks to complete, please plan accordingly.

- Your electronic transfer will be made directly into your account. If this transfer cannot be made within three business days of receipt by your financial institution, we will investigate, then issue and mail a reimbursement check to you. Pending resolution of the electronic transfer problem, you will continue to receive reimbursement checks in the mail. Reinstatement in Direct Deposit will be determined on a case-by-case basis and you will be notified.
- Your financial institution may also cancel this agreement. In such cases, you will receive reimbursement checks in the mail.

- **Please print.**

- Fill out **completely** and mail to:

Employee Benefits Corporation
PO Box 44347
Madison WI 53744-4347

- Or Fax to: **608 831 4790**

**Employee
Benefits
Corporation**

P.O. Box 44347
Madison, WI 53744-4347