

NueSynergy FSA Script

Slide 2

NueSynergy is excited to once again provide administration of your Flexible Spending Account or FSA Plan for the 2016 Plan year. As in years past, you will have three FSA plans to choose from

- Health Care FSA
- Dependent Care FSA
- Limited Purpose FSA

Slide 3

If you choose to enroll in Plan A then the Health Care FSA is a great way to pay for your co-pays, prescriptions, or any other deductible/co-insurance that you may incur. You can also use the Health Care FSA on dental and vision expenses such as orthodontia and eye glasses. This account allows you to contribute up to \$2,550 and provides you access to 100% of your annual election on January 1.

Regardless of whether you choose to enroll in Plan A or C, if you have a dependent child under the age of 13 or an adult dependent living with you that is unable to care for themselves then the Dependent Care FSA may be a great option for you. This account enables you to contribute up to \$5,000 per household to pay for items such as daycare, nursery or preschool, as well as before or after school programs all tax free.

If you choose to enroll in Plan C, then the Limited Purpose FSA may be also be a great option for you. The Limited Purpose FSA allows you contribute up \$2,550 to pay for dental and vision items only. You will have immediate access to your annual election on January 1 so contributing to this account may help you pay for those dental and vision related expenses the first of the year while you build a balance in your HSA.

Slide 4

The Contribution minimums and maximums are dependent on which plan you choose to enroll.

For the Health Care and Limited Purpose FSA, the minimum annual election is \$192 while the maximum amount you can contribute annually is \$2,550

If you enroll in the Dependent Care FSA, then your minimum annual election is \$384 while the maximum amount you can contribute annually is \$5,000

Slide 5

All of the Flexible Spending Accounts benefit accounts that you have to choose from provide the same level of tax free benefit. In our example, if on your taxes you file as single and make between \$32k and \$78k a year then contributing up to \$1,200 to your FSA could result in as much as a \$300 tax savings.

Having a Flexible Spending Account is like having a 25% off coupon every time you pay for that prescription or co-pay.

Slide 6

For an example of how the tax free aspect of the FSA works,

Take Joe Smart, who earns \$33,000 annually, which is \$1,375.00 per paycheck over 24 pay periods. Joe elects to contribute \$1,200 annually or \$50 per pay period (pre-tax) into his Health Care FSA.

Before Joe enrolled in the FSA he was spending \$100 (or \$50 every pay period) on items such as prescriptions or doctor visits. This meant he paid for the items after tax and each pay period was left with a net earnings of \$981.25.

Now that Joe has enrolled in the FSA and is paying for his prescriptions and doctor visits with pre-tax dollars he actually increased his net earnings by \$12.50 per pay period or \$25 a month. That is a \$300 savings each year.

Slide 7

Planning calculators are available at www.kansasfsa.com to help you in the determining how the FSA will benefit you and the amount you might contribute. The calculator designed to help you in planning how much you should contribute has been loaded with the State's health plan details to make the process of calculating your potential savings even easier.

Slide 8

- The State Employee Health Plan is excited to provide members with an improved Flexible Spending Account Plan that helps you avoid the "USE or Lose It" part of the plan by allowing you to carry over up to \$500 of unused Healthcare or Limited Purpose FSA funds into a new FSA plan year.
- The Carryover will replace the 75 day Grace Period beginning with the 2015 plan year.
- The carryover will not count against your annual election and your cumulative carryover balance from year to year cannot exceed \$500.
- The availability of carryover funds differs when carrying over to the same type of FSA (Healthcare to Healthcare) or rolling to a different type of FSA (Healthcare to Limited Purpose).

Slide 9

When carrying over funds from your 2015 Healthcare FSA to your 2016 Healthcare FSA there are a few things you should be sure to remember.

- Your carryover funds are available the first day of the 2016 plan year to reimburse claims incurred in both the 2015 and 2016 plan years.
- Claims with dates of service from the 2015 plan year can still be submitted for reimbursement during the run-out period, which is 120 days after the end of the plan year.

- Claims incurred during the 2016 plan year will first be paid from any 2016 plan year elections (if any) before being paid from any available Carryover funds.

Slide 10

To help explain how you will access your FSA when carrying over from a healthcare to healthcare FSA we have provided the following example.

If on December 31 you have \$600 in your 2015 Health Care FSA, then On January 1, 2016 \$500 will move to your Health Care FSA carryover account while \$100 remains in the 2015 Health Care FSA. This \$100 must be spent using claims with dates of service in 2015 by April 30, 2016 or else it will be forfeited.

Any funds that move to the FSA Health Care Carryover account will reimburse claims both for 2015 and 2016 dates of service.

If you were to submit a claim for \$300 on January 6, 2016, with a 2015 date of service. Then \$100 of that claim would be paid from the remaining balance in the 2015 Healthcare FSA. With the remaining \$200 to be reimbursed from the 2016 Healthcare FSA Carryover account.

Slide 11

If you enrolled the Plan C and your Healthcare FSA is going to carryover to a Limited Purpose FSA then there are a few things that you need to remember.

- Funds in the Healthcare FSA as of December 31, 2015, can reimburse expenses for 2015 plan year expenses until the end of the plan run-out period (April 30, 2016).
- Remaining 2015 Healthcare FSA funds will not carryover to the 2016 plan year until the end of the 2015 run-out period, April 30, 2016.
- Any dental or vision expenses incurred during the 2016 plan year can be reimbursed immediately from the 2016 Limited Purpose FSA or from the carryover when funds are available.

Slide 12

To help explain how you will access your FSA when you enroll in plan C and your Healthcare FSA must carry over to a Limited Purpose FSA we have provided the following example.

As a reminder, any balance as of December 31 will remain in the Health Care FSA to reimburse expenses for 2015 Plan year Dates of Service until the end of the Run-out period on April 30, 2016.

Any funds remaining up to \$500 at the end of the Run-out period will carryover into a Limited Purpose FSA. These funds will reimburse any dental or vision expense incurred during the 2016 Plan year.

In our example, if you submitted a claim on January 6, 2016 for the \$400 with dates of service in 2015, the entire \$400 would be paid from the remaining funds in the 2015 Health care FSA.

If you later submitted a vision claim for \$1,100 that was incurred on February 1, 2016, the first \$1,000 would be paid from your 2016 Limited Purpose FSA with the remaining \$100 being reimbursed from the Limited Purpose Carryover account on May 1, 2016.

Slide 13

Accessing your Health Care FSA, Dependent Care FSA, and Limited Purpose FSA is easy with a number of convenient options available.

When you enroll, you will have the option to receive a NueSynergy Benefits debit card at no cost to you. If you would like additional cards for dependents you can request one by calling our customer service team. This debit card will access all 3 FSA accounts. As in years past, when using the debit card please make sure to keep copies of your receipts in the event NueSynergy or the IRS requests them.

You will also be able to access your account by signing on to either NueSynergy Mobile or the online participant portal at www.KansasFSA.com.

When requesting reimbursement or wanting to make a payment you have both low and hi-tech options available. If paper is your preferred method, then you can mail or fax your claim to NueSynergy. If you prefer using your computer or mobile device then you are able to download NueSynergy Mobile or sign in to your participant portal to submit a claim.

Slide 14

When enrolling in your Flexible Spending Account, you are able to request that you receive a debit card to provide easy access to your account at no charge to you. The NueSynergy debit card can be used to access any of the

3 FSA accounts available to you.

It is important to remember that the FSA debit card is simply another method of claim reimbursement. It is not a paperless alternative to submitting a manual claim.

On occasion, NueSynergy may request additional documentation to confirm that the FSA debit card is being used correctly.

Slide 15

After enrolling in one your Flexible Spending Account you will be able to access one or all of your accounts by going online to www.KansasFSA.com and logging into your account.

Once signed in you will be able to access a number of resources from

- Submitting FSA claims
- Accessing all of your account transaction history
- Viewing your plan communications including monthly statements
- Access informational resources such as videos and planning calculators

- Print debit card, direct deposit and claims forms

Slide 16

Managing your Flexible Spending Account with NueSynergy mobile is easy.

You can download “NueSynergy Mobile” free of charge on either Apple’s app store or Google Play. Once downloaded the username and password for the online participant portal is same for the mobile app.

With NueSynergy Mobile, you will be able to view your account balance and transaction history along with all of your plan communications such as monthly statements or request for additional documentation.

Another convenient toll available with the mobile app is the ability to submit claims and attach documentation by using the camera feature on your phone.

Slide 17

Registering your FSA account online is easy.

First you will need to go to www.kansasfsa.com and click register in the top right hand corner of the page.

This will bring up a registration page on which you will provide your demographic information and create a username and password.

Please note the requested Employee ID is your State of Kansas Employee ID and the Employer ID is NUESOK.

Once registration is complete you will be able to immediately access your FSA online.

Slide 18

Reimbursement for manual claims is required to be made through direct deposit. Setting up direct deposit is easy. After registering your account online, you simply select “Direct Deposit Information” in the Navigation box on the left hand side of your screen.

From there you will choose “Reimbursement Method” and selected “Direct Deposit”. After providing your account and routing number click save to complete the setup.

Slide 19

NueSynergy is excited to provide you with several opportunities to earn an incentive during our LEARN AND WIN campaign for 2016 open enrollment.

From September 21 to October 22, NueSynergy will be attending an Open Enrollment meeting in your area! Simply visit KansasFSA.com to register and you will be entered to win one of the many incentives.

Can’t attend an Open Enrollment meeting? No problem, NueSynergy will be holding a number of educational webinars that you can register for at www.KansasFSA.com.

