

Flexible spending accounts

A benefit that saves you money!



Did you know there's a way to pay your health care expenses and save money at the same time? By enrolling in the flexible spending account (FSA) plan offered by your employer, you can set aside pretax dollars to pay for health care expenses not covered by your other employee benefit plans. That means more money for you and your family!

Enrolling in an FSA

You can enroll in an FSA by submitting an election form to your employer at the beginning of each benefit plan year. On the form, you will list the amount of money you want to contribute to your account. Your deductions are taken in equal installments from your paycheck each pay period.

These deductions will then be used to reimburse you for your health care expenses according to the terms of your employer's FSA plan. Since the deductions are taken before taxes, your taxable income is reduced, meaning you pay less in federal income and Social Security taxes.

Automatic reimbursement of qualified expenses

The UMR FSA program offers advantages such as automatic reimbursement, which can save you time and the hassle of filing claims. If your employer offers this feature, medical and dental claims administered by UMR or an approved pharmacy benefits manager can be automatically processed.

This means when you visit your physician, dentist, or pharmacy, your claim is automatically filed for the medical and dental claims administered by UMR or for a prescription purchased through an approved pharmacy benefits manager. If you are responsible for any amount on these claims, it will be automatically deducted from your FSA and paid directly to you. As a result, you will not need to submit a claim for reimbursement!



Good news!

With automatic reimbursement, when you visit your doctor, dentist or pharmacy, your claim is automatically filed.



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Submitting claims manually

If you do not elect the automatic reimbursement option or you have qualified medical expenses purchased at non-provider locations, such as discount or grocery stores, you must submit a claim form to be reimbursed from your FSA. To find a claim form, login or register at the UMR member Web site. You may either mail or fax the form to the address/fax number provided on the form.

When submitting claims to UMR for qualified expenses, you must include either:

- A written statement/bill(s) from providers of the service stating that the eligible medical expense(s) have been incurred and the amount of such expenses, or

- An explanation of benefits (EOB) form from any primary medical and/or dental coverage indicating the amount(s) which you are obligated to pay

UMR processes reimbursement requests each business day. We take pride in our standard of turning 95 percent of claims around in five business days. Payments will be automatically reimbursed to the same account you have designated when you elect the option of direct deposit.

You will receive an FSA EOB with each reimbursement. The EOB provides a year-to-date summary of the status of your account.



Here's how it works...

Here's an example of how you can reduce your taxes and increase your take-home pay by enrolling in a UMR flexible spending account.

You deposit	\$1,000 in your FSA
You save	\$200 in federal income tax*
You save	\$76 in FICA taxes**
You take home	\$276 in yearly tax savings

*Assumes federal income tax rate of 20%

**Includes Social Security tax rate of 6.2% and Medicare tax rate of 1.45%

What expenses does an FSA cover?

The health care spending account can be used for such expenses as:

- Health coverage deductibles and copayments
- Eye exams, glasses, contacts and corrective laser eye surgery
- Dental care, including braces
- Routine physicals, X-rays and lab fees
- Prescription medication
- Prescribed over-the-counter medications and over-the-counter supplies, if allowed by the plan

Important note: Your eligible expenses are listed in your plan document.

Plan carefully!

To maximize the advantages of participating in the FSA program, consider your health care expenses carefully and estimate your future expenses as closely as possible. You can do this by completing the helpful worksheet included in this flyer. You can also visit our UMR member Web site and use the online FSA calculator to help you determine how much money to allocate for the upcoming year.

All expenses reimbursed by the FSA must be health care services received during the plan year. Most plans allow members 120 days after the plan year ends to submit expenses for services received within the plan year. Funds not requested within those 120 days may be forfeited unless your plan allows a carryover or grace period.

The UMR FSA program is a benefit so valuable, you can't afford to pass it up!

If your plan allows carryover, the funds will be rolled over to the new plan year once your plan's runout period has been completed.*

If your plan has a grace period, you may still incur claims for up to 75 days after the end of the plan year and be reimbursed from your prior year FSA. Plans with this feature typically allow members to submit expenses for a period of 45 days after the end of the grace period.*

**Note: Not all plans have this feature. Please refer to your plan document for specifics on your plan.*

Once you've selected the amount you want deducted from your pay, you cannot change that amount during the plan year unless you have a qualified change in status that's permissible under your benefit plan and IRS regulations, such as a change in:

- Marital status
- Dependent status
- Employment status
- Benefits coverage

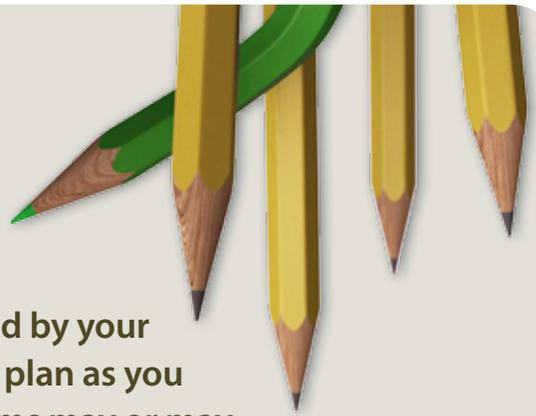
Determining your spending account expenses

Take time to plan your expected expenses during the coming year. It could save you money. The worksheet on the following page gives you a tool to determine how much to contribute to your FSA. Please refer to your plan document for details on your particular benefit plan.

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Health Care Spending Account Worksheet



This account covers health-related expenses not paid by your medical or dental plans. Please refer to your benefit plan as you complete this worksheet. The following expense items may or may not be covered by your plan:

Expense	Cost estimate
Medical and dental care plan deductible(s)	\$
Your share of medical and dental plan expenses above the deductible amount (co-payments)	\$
Amounts over the customary allowances	\$
Medical, dental, vision and hearing care expenses not covered by the plan	\$
Eye glasses and contacts	\$
Hearing aids	\$
Prescription medications	\$
Prescribed over-the-counter medications and over-the-counter supplies, if allowed by the plan	\$
Routine physical exams	\$
Other health-related expenses, such as travel	\$
Total estimated annual health care expenses	\$
Total estimated annual health care expenses divided by the number of pay periods during the plan year	\$ <i>(Per payday contribution)</i>

Health care FSA contribution amounts are limited due to Health Care Reform Law. Please refer to your plan document for the specific contribution limits allowed by your plan.



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