



Enroll in a Flexible Spending Plan

Pay your eligible medical and dependent daycare expenses with pre-tax dollars and the swipe of the MGIS Benefits Purchasing Card

WHAT ARE FLEXIBLE SPENDING ACCOUNTS?

Flexible Spending Accounts (FSAs) are IRS-regulated plans that allow you to put a portion of your income — on a pre-tax basis — into an account to pay for certain medical, dental, and other healthcare expenses not otherwise covered by your health insurance. Depending on your tax bracket, you can save up to 45% on every plan dollar spent.

WHAT IS A HEALTHCARE REIMBURSEMENT ACCOUNT (HCRA)?

A HCRA plan allows you to set aside pre-tax dollars from your salary to pay for qualifying medical expenses not normally covered by your insurance. Examples of eligible expenses include the cost for a co-pays, prescriptions, or certain over-the-counter medications.

HOW YOUR HCRA WORKS

You will have access to your entire elected amount once your plan is activated, allowing you to pay for services even before money is deducted from your pay. For example, if your annual election is \$1,200, you would have \$100 deducted from your pay each month and deposited in your HCRA. If in March, you decide to have Lasik eye surgery at cost of \$1000, you can pay for the procedure with your HCRA funds, even though only \$300 has been deducted from your pay.

Please note: IRS guidelines state that any funds left in your account at the end of the plan year will be forfeited to the plan sponsor.

WHAT IS A DEPENDENT CARE REIMBURSEMENT ACCOUNT (DCRA)?

A DCRA plan allows you to set aside pre-tax dollars from your salary to pay for qualifying child and dependent care expenses. Examples of eligible expenses include the cost for a baby-sitter, a licensed daycare center, or nursery school. Participating in a DCRA plan will typically save you more money than taking the dependent care tax credit on your tax return.

HOW YOUR DCRA WORKS

After estimating your yearly dependent care expenses you decide how much to set aside for your DCRA. Your employer will deduct these funds from each paycheck (before taxes) and put them in a DCRA. You may set aside up to \$5,000 per year (if single, or married and filing jointly) or \$2,500 per year if married and filing a separate tax return. You will only have access to the amount of money you have deposited in your account year-to-date.

THE MGIS BENEFITS PURCHASING CARD SAVES YOU TIME AND MONEY

Instead of an out-of-pocket payment for an eligible expense at the point of service, you can use this MGIS Benefits Purchasing Card the same way you would use a credit card, except the money is debited from your pre-tax spending or savings account. Eligible expenses will be deducted automatically from your account. There are no out-of-pocket expenses at the point of service, and no need to file a claim or wait weeks for reimbursement.

If your service provider does not accept Visa® or MasterCard®, you have the option of paying for the service and then submitting a manual Medical Reimbursement Request Form and/or a Dependent Daycare Reimbursement Request Form to MGIS. These forms are available at www.We-R-CDH.com.

Great Tax Savings.	Without a Flex Plan	With a Flex Plan
Annual Income	\$40,000	\$40,000
Contribution to Account (before taxes)	\$0	\$2,000
Taxes Paid (estimated at 35%)	\$14,000	\$13,300
After-Tax Income	\$26,000	\$26,700
Increase in Annual After-Tax Income		\$700
Estimate your possible tax savings with an HCRA or DCRA. Log on to www.We-R-CDH.com and use the MGIS Employee Flex Calculator (see FAQ section).		



WHAT ARE COMMON ELIGIBLE EXPENSES?

Eligible expenses in an HCRA may include co-payments, deductibles, prescription drugs, certain over-the-counter medications, eyeglasses/contacts, and more. The general requirement established by the IRS is that the expense must be necessary to alleviate a physical defect or prevent an illness. Services performed solely for cosmetic reasons are generally not eligible. Expenses beneficial to one's general health (i.e., various vitamins or supplements) are not eligible, and expenses paid by insurance are not eligible. Review your plan for details.

CHANGE IN FEDERAL LAW: Over-the-counter medications and medicated items now require a prescription in order to be reimbursable.

Eligible expenses in a DCRA may include care for a qualifying dependent (someone under age 13, a spouse, or dependents over age 13 who are physically or mentally incapable of caring for themselves and for which you are eligible to take an exemption); pre-school or nursery school, etc. For details on your company's plan, refer to your specific plan document. For a list of common eligible expenses, visit our website at www.We-R-CDH.com.

HOW DO YOU PARTICIPATE?

HCRA. During your annual open enrollment period, you should estimate your medical, dental, and vision expenses you and your dependent(s) may incur during the Plan Year. The worksheet available on our website can help you estimate your expenses. Enter the amount you want to set aside before taxes on the Election Form. You will have access to the full election amount on the effective date of the Plan Year, regardless of the amount you have contributed at the time of claim.

DCRA. Determine the amount you will pay for care of your dependent(s) for the Plan Year and elect that amount. You will have access only to the amount contributed into the account at time of reimbursement request. Each pay period, your employer will deduct your elected amount from your paycheck and credit your account.

HELPFUL HINTS

Be conservative. Estimate your elections conservatively because the IRS guidelines state that any funds left in your account at the end of the plan year will be forfeited to the plan sponsor.

Save receipts. Keep all of your receipts because you may be required to submit them to substantiate your claim. If you are unable to submit a receipt upon request, your claim may be deemed ineligible.

Submit a claim. If you need to submit a claim manually, complete the claim form, attach the itemized receipt(s) with your name on it, and submit it to MGIS at P.O. Box 16110, Salt Lake City, Utah 84116-0110, or fax it to 801-990-0212. Keep a copy for your records.

Incur expenses during your plan year. Expenses must be incurred during the plan year. If you are billed after the close of the plan year for expenses incurred during the year, you may still be reimbursed for that service. Your plan may have a 30-day run-out period and a 75-day grace period for services incurred during that plan year.

Report a missing card. When you notify MGIS that your card has been lost or stolen, it will be deactivated. Make sure you do not attempt to use your old card once you have reported it missing because it will not work.

Watch your balance. Your card can only be swiped for the amount available in your account. The amount available in your HCRA is the total allotted for the year, minus any expenses you've already incurred. The amount available in your DCRA plan is the total you have deposited in your account year to date, minus any expenses you've already incurred. If you try to use your card for more than the available amount, your transaction will be denied. However, you can instruct your provider to swipe the card for the balance in your account, and then you can pay the remaining balance.

Call MGIS. If your card doesn't work, it may be because your provider is not using a correct Merchant Category Code for the card. If your transaction fails more than twice, please call MGIS at 1-866-937-3539.

MGIS TAKES CARE OF ALL THE DETAILS

Behind the scenes, MGIS monitors your transactions to ensure compliance and provides accurate, periodic on-demand reporting to your employer. You may also monitor your accounts at any time by using convenient online access to your HCRA or DCRA accounts.

Additionally, MGIS service representatives are available toll-free to help during regular business hours. Please call MGIS at 1-866-937-3539. To check your account balance 24/7, visit our website at www.We-R-CDH.com or call 1-866-937-3539.