This summary plan description (benefits handbook), or SPD, outlines the major provisions of DMBA’s Flexible Spending program as of January 1, 2020.

KEY POINTS OF THE PLAN

- An average family could potentially save hundreds of dollars on taxes annually by using a Flexible Spending Account (FSA) to pay for eligible healthcare and dependent-care expenses.

- Eligible expenses include medical and dental copayments, coinsurance, and deductibles. For a list of FSA-eligible items go to www.dmba.com.

- Calculate your FSA withholding carefully and conservatively. Up to $500 of money remaining in your FSA at the end of the year may be eligible to roll over into the next year; however, you may lose money not used in the plan year it was withheld.

WHAT IS FLEXIBLE SPENDING?

Flexible Spending is a provision of the Internal Revenue Code that allows participants the opportunity to pay for certain benefits—such as healthcare and dependent care—using tax-free money.

The IRS regulates the Flexible Spending program, but DMBA administers it.
How it works

- Estimate your eligible out-of-pocket healthcare and dependent-care expenses for the coming year—copayments, prescriptions, etc.
- During open enrollment, choose how much money you will withhold from your paycheck each pay period. Annually, you can withhold up to $2,750 for healthcare expenses and up to $5,000 for dependent-care expenses in two separate accounts.
- Flexible Spending money is taken from your paycheck and placed into your flexible spending account(s) before taxes are withheld.
- When you have eligible expenses, submit your claims and receive reimbursement for those expenses using money from your FSA.
- Up to $500 of your unused healthcare FSA money will automatically roll over to the next year. After end-of-year reconciliation of your account, unused rollover funds will be available to you on April 1. To view your available FSA balances, log into www.dmba.com and click on FSA Account Detail on the Flexible Spending tile.
- There is no rollover allowance for your dependent-care FSA.

How it saves you money

- Say, for example, you have $2,820 a year in out-of-pocket medical expenses such as doctor visits, prescription copayments, dental work, new glasses, or an unexpected hospital stay.
- If $2,500 of that $2,820 goes into an FSA, you can save more than $600 in taxes (for a 25% tax bracket).
- Here’s an example*:

<table>
<thead>
<tr>
<th>OUT-OF-POCKET EXPENSES</th>
<th>ANNUAL EXAMPLE</th>
<th>TAXES SAVED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physician</td>
<td>$485</td>
<td>$121.25</td>
</tr>
<tr>
<td>Inpatient Hospital</td>
<td>$1,125</td>
<td>$281.25</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>$350</td>
<td>$87.50</td>
</tr>
<tr>
<td>Outpatient Hospital</td>
<td>$345</td>
<td>$86.25</td>
</tr>
<tr>
<td>Other</td>
<td>$195</td>
<td>$48.75</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,500</strong></td>
<td><strong>$625</strong></td>
</tr>
</tbody>
</table>

* The amount you save in taxes will vary depending on the healthcare amount you set aside, your annual earnings, whether you pay Social Security taxes, the number of exemptions and deductions you claim on your tax return, your tax bracket, and your state and local tax regulations. Check with your tax adviser for information about how participation will affect your tax savings and Social Security benefit.

ELIGIBLE EXPENSES

Healthcare expenses
To see a list of FSA-eligible expenses go to the My Health drop-down menu after logging into www.dmba.com and under the Flexible Spending section open FSA eligibility list. Examples of healthcare expenses that may be eligible include:
- Medical/dental copayments, coinsurance, deductibles, and amounts that exceed allowable amounts for healthcare services
- Over-the-counter medications with a prescription
- Vision services, including prescription glasses, contact lenses, contact lens supplies, and corrective surgery

Some examples of excluded services include:
- Cosmetic dentistry such as teeth whitening
- Cosmetic procedures such as liposuction or a “tummy tuck”
- Health club dues or gym memberships
- Over-the-counter medications without a prescription
- Future expenses and expenses that occurred in a year different from the FSA plan year

All plan exclusions are in addition to other items and/or services excluded by federal law. DMBA will not make any exceptions to this policy on exclusions.

Please be aware, according to the U.S. Food and Drug Administration and IRS regulations, medications and drugs imported by or for the purpose of personal or household use are generally not eligible for reimbursement through an FSA.

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individual consumers from other countries, such as Canada, violate the Federal Food, Drug, and Cosmetic Act and thus federal law. If a medication or drug is obtained in violation of federal law, you cannot be reimbursed from your FSA.

Dependent-care expenses

To qualify for this account, both you and your spouse must be gainfully employed (unless you are a single parent). If your spouse is a full-time student, actively looking for full-time employment, or disabled, you may also qualify if you meet strict IRS eligibility guidelines.

The dependent-care (daycare) account covers expenses if you claim the person being cared for as a dependent on your income tax return and the person is either:

- Younger than 13
- Physically or mentally incapable of self-care and regularly spends at least eight hours a day in your household. (Regularly doesn't mean daily, but frequently, on a regular basis.)

Persons providing the dependent care (daycare) cannot be:

- Claimed as a dependent on your income tax return
- Claimed as a dependent on your spouse's income tax return
- Your child or stepchild younger than 19
- Your spouse

Examples of excluded services include baby-sitting services, unless such services allow both you and your spouse to be gainfully employed, if you are married.

ACCESSING YOUR FSA MONEY

The Healthcare FSA Benefit Card

When you enroll in Flexible Spending, you can choose whether to use a prepaid healthcare FSA benefit card so you have fast and convenient access to the money you’ve set aside in your healthcare account.

Using your FSA card will help you keep cash in your wallet. Here’s how it works:

- You use your FSA card like a credit card. It contains the value of your annual FSA election for medical, dental, and vision expenses. (You cannot use it for dependent-care expenses.) Simply present your card at the pharmacy, doctor’s office, or most other locations where you’re incurring eligible Flexible Spending expenses.
- The amount for eligible expenses is automatically deducted from your account. Be sure to run your healthcare FSA benefit card as a credit transaction rather than a debit transaction.
- When you use your FSA card, you won’t have to complete any claim forms or wait to be reimbursed.
- To get up-to-date information about your FSA, go to My.WEXHealthCard.com. This tool can help you manage your account. If you’re a first-time user, you’ll need to register. Then click on View All Activity in the left-hand column. You can check your current account balance, view all transactions and details, as well as see if a claim needs additional information for substantiation. (See Verifying eligible expenses, which follows.)

Verifying eligible expenses

- When you use your healthcare FSA benefit card you should always save all your receipts so you can verify, or “substantiate,” your eligible expenses. You may be required to submit your receipts to verify eligible expenses.
- Your receipt must show the patient’s name, the provider or merchant name, the service received or item purchased, and the date and amount of the expense.
- If you plan on using your FSA card to pay your coinsurance, it’s very important to wait for DMBA to process the claim first and then pay the balance to your healthcare provider. That way DMBA’s discounts can be calculated and
applied before you pay the remaining balance. This will protect you from overpaying for the care received.

- Normally, you don’t need to document routine expenses such as your office visit copayments or prescription medications because they’ll automatically substantiate—the amount should perfectly match the date of service, itemized bill, and your Explanation of Benefits (EOB). Remember that finance charges are not eligible routine expenses.

- When DMBA reconciles flexible spending accounts at the end of the year, we look for unclaimed coinsurance or copayment expenses and, if available, use them to offset unsubstantiated claims. If you are married and your spouse has a separate FSA or another health plan that is reimbursing coinsurance and copayment expenses, please let us know so the unsubstantiated claims are not automatically offset.

**Online claims**

In the absence of a healthcare FSA benefit card, you can conveniently and easily submit all copayments, deductibles, and coinsurance balances from DMBA’s medical/dental plans on our website. Claim information from these sources is on record with DMBA.

To submit claims online choose the My Health drop-down menu at the top of the page on www.dmba.com and Submit Claims under the Flexible Spending header.

Be aware that claim expenses ineligible for benefits from DMBA, such as eyewear, do not appear here. Also, information from plans other than Deseret Premier, Deseret Select, Deseret Value, Deseret Protect, Deseret Choice Hawaii, or MetLife is not submitted to DMBA and, therefore, does not appear here.

**Paper claims**

Complete and sign a Flexible Spending Account claim form, available in the Forms Library on www.dmba.com. Submit it to DMBA for all other expenses, including medical expenses processed by HMOs (where your claim payments are made by someone other than DMBA), dependent-care expenses, and other eligible expenses not covered by your health plan.

Remember, eligible expenses can only be claimed one time on a Flexible Spending Account. If your spouse also has a Flexible Spending Account through another employer, the expenses can only be claimed on one account.

In addition to the signed claim form, include your EOB and other appropriate documentation, such as itemized bills. (See Healthcare claims documentation, which follows.)

Do not submit a cancelled check, a bank statement, or a credit card statement as proof of payment.

**Healthcare claims documentation**

According to IRS rules, you must properly document your medical/dental/vision expenses to receive reimbursement. Provide a completed Flexible Spending Claim Form for Healthcare Expenses available in the Forms Library on www.dmba.com with supporting documentation.

The required documents include:

- The EOB provided to you from DMBA, or another health plan, showing expenses for which you are responsible. EOBS show your medical/dental/vision benefit has considered the expense and it tells what part of the bill is your responsibility. It also provides the patient’s name, service date, and charges. You can also print this information from your account on our website at www.dmba.com.

- An itemized bill (including name, service date, procedure, etc.) from a medical/dental provider, for expenses not covered by your medical or dental plan.

- Dated, detailed receipts including the name of the item(s), such as contact lens supplies and over-the-counter medications (as long as you have a current prescription).

- Payment receipts for orthodontic services.
For prescription drug claims, you may submit a dated, detailed receipt from your pharmacy. Do not submit bank or credit card statements or cash register receipts; we cannot accept them.

**Dependent-care claims documentation**

According to IRS rules, you must properly document your dependent-care expenses to receive reimbursement. Documents include itemized bills, receipts, or contracts. Provide a completed *Flexible Spending Claim Form for Dependent Care Expenses* available in the **Forms Library** on www.dmba.com with supporting documentation.

This documentation must be on an invoice or receipt from your provider and must include the following information:

- Dependent's name
- Service date
- Name, address, and tax identification number (or Social Security number) of the organization or individual providing services. If a provider will not give you the Social Security number (either because of privacy concerns or because they don’t have one), you must state this on your claim form and also on *IRS Form 2441* when you file your personal taxes.
- Description of the services provided

**Reimbursement of healthcare expenses**

For healthcare expenses, you can be reimbursed as soon as you have incurred the expenses, regardless of how much money is in your account. For example, if your annual FSA withholding is $1,200, and if in January you have $600 in dental expenses, you can be reimbursed $600 once you submit your claim, even though you haven’t deposited $600 in your account yet. (Healthcare expenses must be incurred before you can be reimbursed.)

In contrast, you can only be reimbursed from existing money in your account for dependent-care expenses. If your claim exceeds the existing funds in your account, you cannot be reimbursed for the claim until more funds are withheld from your paycheck and deposited into your dependent-care account.

You can also choose to have your Flexible Spending reimbursement checks deposited directly into your financial institution by completing the *Flexible Spending Direct Deposit Authorization* form in the **Forms Library** on www.dmba.com.

Please note, all expenses are subject to review by DMBA. As the plan administrator, DMBA must take reasonable measures to ensure Flexible Spending claims meet IRS guidelines.

**PLANNING YOUR ELECTION**

Calculate your total annual withholding carefully and conservatively because except for the $500 rollover allowance for your healthcare FSA, you forfeit (lose) all money in your Flexible Spending Account not used for services received within the plan year. Any unspent money returns to your employer to cover their risk and administrative expenses.

If you’ve enrolled in DMBA’s Flexible Spending program in the past, use the information on our website as a resource for your personal FSA history and activity to plan your election. To access your personal information, you need your DMBA ID number.

- To see a summary of your year-to-date approved expenses, select the *My Health* drop-down menu at the top of the page and then choose *FSA Estimator* under *Flexible Spending* in the middle of the drop-down menu. This history may help you determine what expenses are likely to be approved going forward. This page also has an estimation worksheet for healthcare expenses and/or for dependent-care expenses to help you estimate the amount of FSA you need for the year.

- To see your current and past annual elections and claims, select the *My Health* drop-down menu at the top of the page and then choose *Account Detail*. You can also review your DMBA copayments, coinsurance, and deductibles that could have been reimbursed.
HOW TO PARTICIPATE

You’re eligible to enroll in Flexible Spending if you’re a full-time employee and you meet the eligibility requirements of your employer. **Enrollment doesn’t carry over from year to year. If you want to participate, you must re-enroll every year.**

**Step 1: Enroll**

Eligible employees can enroll in Flexible Spending during open enrollment for the following year. If you’re a newly hired employee, you can enroll within 30 days of your eligibility date.

During open enrollment, visit our website and enroll online. Use the individual *Flexible Spending Worksheet* to carefully and conservatively estimate these amounts, especially for your first year of participation.

After you enroll and the plan year begins, you cannot stop or change the amount you elected for that year, unless you have a qualified change in family status. (See [Making Midyear Changes](#).)

**Step 2: Manage your account(s)**

At the beginning of the plan year, the tax-free money begins to accrue in your FSA. By the end of the calendar year, your total election has been withheld from your paychecks and deposited into your account.

It is your responsibility to make sure your election is being withheld from your paycheck. If you notice that money is not being withheld for Flexible Spending, contact your human resource department or your payroll office immediately.

You can get up-to-date information about your Flexible Spending Account at any time at [www.dmba.com](http://www.dmba.com) under the *My Health* drop-down menu and also at [My.WEXHealthCard.com](http://My.WEXHealthCard.com).

**Step 3: File claims**

When you have eligible healthcare expenses, not reimbursed with your healthcare FSA benefit card, and/or dependent-care expenses, you can be reimbursed by submitting a completed Flexible Spending Account claim form along with proper supporting documentation to DMBA.

DMBA processes your claim and sends you an explanation of what has been reimbursed. DMBA will either send your reimbursement to the financial institution you authorized for direct deposit or send you a check. If your claim is denied, we send you a written explanation of the denial.

You must submit all FSA claims and necessary documentation to DMBA no later than March 15 for services received during the prior FSA plan year. Expenses and documentation received after March 15 will not be eligible for reimbursement.

Please note, because you are paying for eligible expenses with tax-free money, do not claim expenses as itemized deductions on your individual tax return that are reimbursed through your FSA.

Also, IRS regulations do not allow you to claim the same eligible expenses on more than one flexible spending account that you or your spouse may have.

MAKING MIDYEAR CHANGES

You may stop participating or change elections after the plan year begins only if you have a qualified change in family status and you notify DMBA within 60 days of the change. The *Flexible Spending Enrollment Form* is available in the *Forms Library* on our website. Changes that may qualify include:

- Marriage, divorce, or legal separation
- Birth or adoption of a dependent
- Death of a dependent
- Your spouse beginning or ending employment
- You or your spouse going from full-time to part-time work, or vice versa
- Beginning or ending an unpaid leave of absence
- Beginning or ending disability benefits

The change in your annual election must be consistent with the change in your family status. For example, the birth of a child is consistent
with increasing your annual healthcare account election, not decreasing it.
The newly elected funds will only be available for reimbursing expenses incurred after the date of the qualifying event.

ENDING EMPLOYMENT MIDYEAR

If you end employment during the plan year for any reason, your Flexible Spending contributions stop. But you can submit claims for services received on or before the end of your last month of employment.

A second option if you end employment is to continue participating in Flexible Spending through the end of the year by enrolling in COBRA Flexible Spending continuation coverage, unless the account has a zero balance or there are other eligibility restrictions. With a COBRA plan, your Flexible Spending contributions are made with after-tax money.

If you transfer employment to another DMBA participating employer and you are eligible to participate in the benefit plans, your FSA funds transfer with you. Generally, you continue participating with your new employer until the end of the plan year.

If you become disabled or go on an unpaid leave of absence, please call DMBA.

If you are no longer employed with a participating employer and you do not elect COBRA or are ineligible to elect COBRA, you forfeit all your FSA money that is not used for services received on or before the end of your last month of employment. You will have until March 15 of the following year to submit eligible services for reimbursement.

Please note, claims for services you receive after the end of the month your employment ends are not eligible for reimbursement. If you are re-employed by the same employer or another participating employer before the end of the plan year, you may be eligible to enroll in a new Flexible Spending Account.

CLAIMS REVIEW AND APPEALS PROCEDURES

If your claim is denied and you feel that your claim was denied in error, you have the right to file an appeal by writing a letter with any supporting documentation that explains why you believe the claim should be approved. You must submit your appeals within 60 days from the date of your benefit decision notification. For more information about how to appeal a non-health claim, please refer to your General Information SPD.

HOW FLEXIBLE SPENDING AFFECTS OTHER BENEFITS

If you file a claim for workers’ compensation benefits, the benefits are based on your taxable income. Special rules apply to workers’ compensation benefits; contact your employer regarding the specifics of the calculation of your benefit.

Other employee benefits—any benefits based on your income—are calculated on your gross income. So Flexible Spending amounts are included in these calculations:

- Deseret Healthcare Disability Income Plan benefits
- Income increases
- Life plan benefits
- Master Retirement Plan benefits
- Deseret 401(k) Plan contributions

HOW FLEXIBLE SPENDING AFFECTS SOCIAL SECURITY

Because you do not pay taxes on the money that goes into an FSA, a lower salary is reported and both you and your employer contribute less in FICA taxes toward your Social Security retirement benefits. This may slightly reduce your Social Security benefits after you retire. But most experts agree the tax savings more than offset a minor reduction in future Social Security benefits.
NOTIFICATION OF DISCRETIONARY AUTHORITY

DMBA has full discretionary authority and the sole right to interpret the plan and to determine eligibility. All DMBA decisions relating to plan terms or eligibility are binding and conclusive.

NOTIFICATION OF BENEFIT CHANGES

DMBA reserves the right to amend or terminate the plan at any time. If benefits change, we will notify you at least 30 days before the effective date of change.

Legal Notice

We have made every effort to accurately describe the benefits and ensure that information given to you is consistent with other benefit-related communications. However, if there is any discrepancy or conflict between information in this document and other plan materials, the terms outlined in the Legal Plan Document will govern.