

## CAFETERIA PLAN ADMINISTRATION



- ✓ Flexible Spending Account (FSA)
- ✓ Dependent Care Account (DCA)
  - ✓ Premium Only Plan (POP)





## HOW TO GET A PAY RAISE!

### WITHOUT AN FSA

Monthly Gross Earnings	\$3500
Taxable Income	\$3500
Payroll Taxes @ 25%	-\$875
Net Income	\$2625
Medical Expenses	-\$100
Prescriptions Expenses	-\$200
Day Care Expenses	-\$400
<b>Take Home Pay</b>	<b>\$1925</b>

### WITH AN FSA

Medical Gross Earnings	\$3500
Medical Expenses	-\$100
Prescriptions Expenses	-\$200
Day Care Expenses	-\$400
Taxable Income	\$2800
Payroll Taxes @ 25%	-\$700
<b>Take Home Pay</b>	<b>\$2100</b>

This example represents \$175 of monthly additional take home pay or \$2,100 per year for expenses that you already pay for!



**Cafeteria Plans** (including FSA, DCA, TRN and POP) are a tax-advantaged way for you to pay for expenses with "Pre-Tax" dollars.

This means you may elect a reduction from your paychecks to pay for eligible expenses that are either medical in nature (including prescription) or related to dependent care. The pre-tax benefit creates a savings around 20-40% (based on your tax bracket) and to take advantage of this opportunity all you would need to do is create an election for the items that you already pay for out of your pocket.



## Benefit Analysis Worksheet

### Section A: Anticipated Medical Costs Per Year for You and Your Family

Health insurance deductibles, co-pays, etc	\$
Vision care (eye exams, contacts, eye glasses, etc)	\$
OTC or Prescription drugs (including birth control)	\$
Dental expenses (exams, orthodontia, etc)	\$
<b>ANNUAL ELECTION</b>	<b>\$</b>

### Section B: Expected Dependent Care Expenses

How much do you pay for childcare?	\$
How much do you pay for eldercare?	\$
<b>ANNUAL ELECTION</b>	<b>\$</b>

If the amounts you have identified here is what you wish to be your Annual Election amounts, please add them to the Enrollment Form on the next page.



## EXAMPLE OF ELIGIBLE EXPENSES

- Abdominal supports
- Acupuncture
- Alcoholism treatment
- Ambulance
- Anesthetist
- Arch supports
- Artificial limbs
- Birth Control (by prescription)
- Blood tests
- Blood transfusions
- Braces
- Cardiographs
- Chiropractor
- Contact Lenses
- Convalescent home (for medical treatment only)
- Crutches
- Dental Treatment
- Dental X-rays
- Dentures
- Dermatologist
- Diagnostic fees
- Drug addiction therapy
- Drugs (prescription)
- Eyeglasses
- Gynecologist
- Healing services
- Hearing aids and batteries
- Hospital bills
- Insulin treatment
- Lab tests
- Metabolism tests
- Neurologist
- Nursing (+ board and meals)
- Obstetrician
- Operating room costs
- Ophthalmologist
- Optometrist
- Oral surgery
- Orthopedist
- Osteopath
- Oxygen and oxygen equipment
- Pediatrician
- Physician
- Physiotherapist
- Podiatrist
- Postnatal treatments
- Practical nurse for medical services
- Prenatal care
- Prescription medicines
- Psychologist
- Radium Therapy
- Registered nurse
- Surgeon
- Therapy equipment
- Transportation expenses (relative to health care)
- Ultra-violet ray treatment



## Q: How do I fill out the reimbursement form?

A: Select HRA, FSA, or Dependent Care on the matching line. Place subtotals in corresponding rows.

## Q: What are these emails I keep getting from Polestar Benefits about "Pending Transactions"?

A: Most transactions made with your Benefits Card must be confirmed, due to federal guidelines. Emails are sent every 15 days to request the proof of expense(s), up to 45 days after the transaction. If we have not received the requested information, the Benefits Card will be temporarily inactivated and any manual claims will be offset by the pending amount. Your Benefits Card can be reactivated with 1 business day after receipt of the requested information.

## Q: Did you get my claim request/fax?

A: If you have not received a reimbursement within 15 business days from when you submitted your claim, please contact us and we will provide information of any pending status and when you should expect to receive your reimbursement.

## Q: Why do I have to submit proof or validation of why I used my Benefits Card?

A: The IRS' federal guidelines mandate that all expenses must be adjudicated. We are the responsible party to confirm service dates, services provided, merchant and dollar amount are eligible for the pre-tax dollars being spent in accordance with the rules of the Plan(s).

## Q: What is an Explanation of Benefits (EOB)?

A: EOB's are supplied from your medical insurance company stating deductible, co-pay, coinsurance & YTD expenses. It is sent to your mailing address and it generally states at the top "THIS IS NOT A BILL."

## Q: I submitted a claim, where is my money/check?

A: If you have not received reimbursement within 15 business days from when you submitted your claim, please contact us and we will provide information of any pending status and when you should expect to receive your reimbursement.

## Q: How do I submit a claim?

A: Send in the Polestar Benefits "Request for Reimbursement" form and your proof of expense to 412 Jefferson Parkway, Suite 202 · Lake Oswego, OR 97035 or Fax to (888) 539-9565, or by email to [claims@polesstarbenefits.com](mailto:claims@polesstarbenefits.com).

The proof of service/product(s) covering can either be a bill or invoice that illustrates service date, service provided, expense to the member and provider.

## Q: How do I log into my account?

A: Your HR manager will have user guide to provide directions of how to create your online benefits account. Your Employee ID# is your Social Security Number (no dashes).

### Reimbursement Flow Chart

1. Member goes to the doctor and has the service. They receive a bill or EOB\*. Eligible documentation for reimbursement must include the service date, service provided, cost of the service and the provider & member name.
2. Member sends the bill or EOB with a Request for Reimbursement form to Polestar Benefits.
3. Member receives reimbursement.



# POLESTAR BENEFITS, INC. - REQUEST FOR REIMBURSEMENT

SUBMIT FORMS TO: 412 Jefferson Parkway, Suite 202 - Lake Oswego, OR 97035 OR Fax (888) 539-9565 OR Email [info@polestarbenefits.com](mailto:info@polestarbenefits.com)

## MEMBER INFORMATION

## SEND CLAIMS TO

Company Name		Comments	Fax	(888) 539-9565
Employee Name			Email	<a href="mailto:claims@polestarbenefits.com">claims@polestarbenefits.com</a>
Employee Phone #			Mailing Address	412 Jefferson Parkway, Suite 202
Employee Email				Lake Oswego, OR 97035

Please visit [www.polestarbenefits.com](http://www.polestarbenefits.com) for additional forms and information.

## REIMBURSEMENT REQUEST

Please list eligible medical, dental, vision services and/or expenses for you and your family that you have not already claimed through Polestar Benefits, Inc. in the appropriate boxes below. Only list the amount of the expense you are eligible for and is not being reimbursed through another Plan, by another Administrator/Carrier.

Services for Reimbursement	Reimburse from HRA, FSA or DCA	Estimated Amount to Reimburse
	<input type="radio"/> HRA <input type="radio"/> FSA <input type="radio"/> DCA	\$
	<input type="radio"/> HRA <input type="radio"/> FSA <input type="radio"/> DCA	\$
	<input type="radio"/> HRA <input type="radio"/> FSA <input type="radio"/> DCA	\$
	<input type="radio"/> HRA <input type="radio"/> FSA <input type="radio"/> DCA	\$
	<input type="radio"/> HRA <input type="radio"/> FSA <input type="radio"/> DCA	\$
	<input type="radio"/> HRA <input type="radio"/> FSA <input type="radio"/> DCA	\$
<b>IF ANY EXPENSES WERE COVERED BY INSURANCE, PLEASE SEND THE EXPLANATION OF BENEFITS (EOB)</b>	<b>EXPLANATION OF BENEFITS</b> THIS IS NOT A BILL	

## 4 KEYS TO A QUICK REIMBURSEMENT

- Service Date
- Service Provider
- Cost of Service
- Provider/Member Name

YOU MUST SUBMIT INDEPENDENT, 3RD-PARTY DOCUMENTATION OF YOUR EXPENSES WITH THIS FORM. IF ANY OF THESE EXPENSES WERE COVERED BY INSURANCE, ATTACH A COPY OF THE "EXPLANATION OF BENEFITS" FROM YOUR INSURANCE COMPANY AS DOCUMENTATION. FOR EXPENSES NOT COVERED BY INSURANCE, SEND A COPY OF A BILL OR INVOICE IDENTIFYING THE SERVICE, SERVICE DATE, TOTAL CHARGES AND ANY DISCOUNTS. **IF THE REQUIRED DOCUMENTATION IS NOT ATTACHED (see above), YOUR REIMBURSEMENT WILL BE DELAYED.**

I certify that these statements are true and that the claimed expenses were incurred to diagnose, cure, treat, mitigate, and/or prevent a disease and cover only myself, my tax dependents, and/or spouse (if filing taxes jointly). I understand that items purchased merely to promote general health are not reimbursable. I further understand that expenses reimbursed by Polestar Benefits, Inc. may not be claimed on my individual tax return at the end of the year.

Employee Signature	Date		
<b>IF YOUR ADDRESS HAS CHANGED, PLEASE LIST BELOW.</b>			
Street/PO Box			
City	State	Zip	

If you have questions about filing claim please contact us!

**Toll Free:** (855) 222-3358

**Email:** [claims@polestarbenefits.com](mailto:claims@polestarbenefits.com)

## Employee FAQ: Flexible Spending Accounts

### What is an FSA?

A healthcare flexible spending account (FSA) is an employer-sponsored benefit that allows you to set aside pre-tax dollars into an account to be used for eligible medical expenses.

### Why should I participate in an FSA?

Contributions to the FSA are deducted from your paycheck on a pre-tax basis, reducing your taxable income. You can increase your spendable income by an average of 30% of your annual contribution with the tax savings.

### How do I contribute money to my FSA?

Your annual election will be divided by the number of pay periods in your plan year. This amount will be deducted from your paycheck before taxes are assessed.

### Who is eligible under an FSA?

An FSA covers eligible expenses for you and all of your dependents, even if they are not covered under your primary health plan.

### What expenses are eligible for reimbursement?

Health plan co-pays, deductibles, co-insurance, eyeglasses, dental care, and certain medical supplies are covered. The IRS provides specific guidance regarding eligible expenses. (See IRS Publication 502).

### How do I determine the date my expenses were incurred?

Expenses are incurred at the time the medical care was provided, not when you are invoiced or pay the bill.

### How do I get the funds out of my FSA?

If you have a benefits debit card, simply swipe it at the register. Otherwise, just file a claim including the receipt documenting the type, amount and date. Once approved, your reimbursement check will be mailed or deposited into your bank account.

### What happens if I don't spend all of my FSA by the end of the plan year?

Be sure to only allocate dollars for predictable medical expenses. Any unused funds at the end of the plan year are forfeited, also called the use-it-or-lose-it rule.

### How soon can I start spending my FSA funds?

With a healthcare FSA, your entire annual election amount is available on the first day of the plan year even though you have not yet contributed that amount.

### Can I change my election amount mid-year?

Elections can only be altered if you experience a change in status as defined by IRS regulations, such as marriage, divorce, birth, or death in your immediate family.

### What happens to my FSA if my employment is terminated?

Participation in your FSA is also terminated. This means that only expenses that were incurred prior to your termination date are eligible for reimbursement.

### What is the deadline for submitting claims?

You can submit claims for reimbursement at any time during the same plan year that you incur the expense. You may also have a grace period at the end of the plan year. Check the summary plan document your employer provided.

### Can I still deduct healthcare expenses on my tax return?

Yes, but not the same expenses for which you have already been reimbursed from your FSA.

### Are over-the-counter (OTC) medications eligible for reimbursement?

Yes. OTC medications are eligible with a doctor's prescription. You will need to submit a claim with the receipt for the OTC medicine along with the prescription from your doctor that includes the diagnosis and course of treatment to receive reimbursement.

### What is a Letter of Medical Necessity?

The IRS mandates that eligible expenses be primarily for the diagnosis, treatment or prevention of disease or for treatment of conditions affecting any functional part of the body. For example, vitamins are not typically covered because they are used for general wellness, but your doctor may prescribe a vitamin to treat your medical condition. The vitamin would then be eligible if your doctor verified the necessity in treatment.

## Employee FAQ: Dependent Care FSA

### What is a dependent care FSA (DCA)?

A DCA is a flexible spending account that allows you to contribute a portion of your paycheck before taxes are taken out to pay for qualified dependent care expenses so that you can work or look for work.

### Why should I participate?

Since contributions to the account are deducted from your paycheck before income taxes are assessed, your taxable income is reduced. Participants enjoy a 30% average tax savings on the total amount they contribute to the account.

### How do I contribute money to my DCA?

Once you make your annual election during open enrollment, your employer will deduct this amount from your paycheck before taxes are assessed in equal amounts throughout the year.

### How much can I contribute?

The IRS limits annual contributions to \$5,000 on income tax returns for single or married filing jointly, and \$2,500 for married filing separately.

### Who qualifies as a dependent?

You can use your DCA to pay for care for children under age 13 that you claim as dependents, as well as adults or other relatives that are incapable of caring for themselves (if you provide more than 50% of their support).

### What type of care is eligible?

Eligible expenses must be for the purpose of allowing you to work or look for work. Services may be provided at a child or adult care center, nursery, preschool, after-school, summer day camp, or a nanny in your home.

### What type of care is not eligible?

Care expenses that are not eligible to be paid with DCA funds include care for a child over age 13, overnight camp, babysitting that is not work related, school fees for kindergarten and higher grades, and long-term care services.

### Do I have access to my entire DCA election amount at the beginning of the year?

No, you will only have access to DCA funds that have already been deducted from your paycheck.

### Are there any rules about who can care for my dependents?

Yes. You can not use funds to pay for care provided by a spouse, a person you list as a dependent for income tax purposes, or one of your children under the age of 19.

### How do I use the funds in my account?

If you have a benefits debit card and your care provider accepts credit cards, you may pay directly from your account. Otherwise, pay out-of-pocket and then file a reimbursement claim with your expense documentation.

### What happens if I don't spend all of my DCA funds by the end of the plan year?

It is essential to estimate conservatively during elections. Any unused funds at the end of the plan year are forfeited, also called the use-it-or-lose-it rule.

### Can I change my election amount mid-year?

Typically, you cannot change your contribution mid-year. However, if you experience a qualifying event, such as the birth of a new child, or if your child care provider significantly increases their rates, you may be eligible to adjust your contribution.

### What happens to my account if my employment is terminated?

Participation in the plan is also terminated. This means that only expenses that were incurred prior to your termination date are eligible for reimbursement.

### Can I still deduct dependent care expenses on my tax return?

Yes, but not the same expenses for which you have already been reimbursed. If your total expenses were \$7,000 and you were reimbursed \$5,000 from your DCA, you may only claim the \$2,000 difference.