

SelectAccount[®]

FLEXIBLE SPENDING ACCOUNT (FSA)

PLAN DESIGN GUIDE

For Office Use Only

SelectAccount Group Number _____

Enrollment Specialist _____

Please complete this form and return to SelectAccount 45 days before your effective date so we can properly administer your plan. If you have any questions, please call our Group Leader Line at 1-888-460-4013 or our Agent Service Line at 1-888-460-4015. When complete, either fax this form to (651) 662-1180 or toll-free at 1-866-231-0214, or mail it to SelectAccount, PO Box 64193, Saint Paul, MN 55164. **Incomplete forms will cause delays setting up your plan.**

I. EMPLOYER INFORMATION

Employer's Name _____

Employer's Street Address _____

City _____ State _____ Zip Code _____

Employer's Tax I.D. Number (required) _____ Nature of Business _____

Type of Corporation S Corporation* C Corporation Partnership* Sole Proprietor*
 Political Subdivision/Church LLC* Other _____

*2% or more shareholders of an S Corporation, along with partners in a partnership, sole proprietors and members of an LLC or PLLP do not have access to an FSA.

Number of Employees Eligible for Plan: _____

Person Responsible For Authorization of Plan Design:

Name _____ Title _____

Phone Number () _____ Fax Number () _____

Email Address _____

Main Contact Person _____ Title _____

Phone Number () _____ Fax Number () _____

Email Address _____

Additional Contact Person _____ Title _____

Phone Number () _____ Fax Number () _____

Email Address _____ To add more contacts, complete the Group Contact Change form.

II. AGENT INFORMATION

Agent Name (if applicable) _____ Email _____

Agent Code _____ Agent Phone _____

Agency Name (if applicable) _____ Email _____

Agency Code _____ Agency Phone _____

III. TRANSFER OF ADMINISTRATION

Is SelectAccount taking over administrative services from another FSA administrator?

- Yes No (If yes, continue below. If no, continue to section III.)

Please indicate the current plan year start date _____ end date _____

Please select one :

Note: If you have a grace period on your current FSA account, it is recommended that SelectAccount take over at the renewal date.

- Takeover at renewal date:

Will the prior administrator handle the runout period for the prior plan year? Yes (recommended) No (If the SelectAccount plan design is different than the previous administrator's plan design, attach the plan document.

- Takeover mid plan year:

Will the prior administrator continue processing claims? Yes No (recommended)

If SelectAccount is taking over administrative services, please provide us with enrollment data. This information should include the effective date, current available balance and any pending claim amount for each participant.

If the prior administrator is continuing to process claims, please provide us with the prior administrator's name, address and phone number below so we can forward any appropriate information to them.

Name _____

Address _____

Phone Number () _____

IV. HEALTH PLAN ADMINISTRATIVE INFORMATION (if applicable)

Health plan carrier _____

V. FLEXIBLE SPENDING ACCOUNT ADMINISTRATIVE INFORMATION

Plan Year

FSA start date _____ FSA end date _____

Plan Options (select all that apply)

- Premium Only Plan*
- Medical Flexible Spending Account
- Dependent Care Flexible Spending Account
- Vanpooling*
- Parking*

- Premium Reimbursement Account* (Employer sponsored group health plan)
- TaxSaver Health Options PRA* (Employers that do not sponsor a group health plan)

* These plan options are not flexible spending accounts but are covered under the IRS section 125 or 132. Refer to Fee Schedule for any additional charges with these Plans.

Note: The Premium Reimbursement Account allows employees to use pre-tax dollars to pay for their supplemental insurance policies. The TaxSaver Health Options PRA allows employees to use pre-tax dollars to pay for their supplemental insurance policies as well as their individual health insurance policies.

Eligibility - required for plan documents (generally matches that of the health plan)

Employees must work at least _____ hours per week to be eligible

Waiting period (select only one): None 30 days 60 days 90 days

Benefits will begin on:

- First of month following date of hire
- Date of hire (only available with a waiting period of "none")
- First day after completion of the waiting period (not available with "none")
- First of the month after completion of the waiting period (if this falls on the first of the month, benefits begin that month)
- Other _____

How long do employees have to make their election after they become eligible to participate? _____

(SelectAccount will assume 30 days if not indicated)

V. FLEXIBLE SPENDING ACCOUNT ADMINISTRATIVE INFORMATION (continued)

Terminations *(applies to Medical FSA only)*

Allowing continuation on an after-tax basis is mandatory.

Do you also wish to allow continuation on a pre-tax basis, taken from the employee's last paycheck, with the employee's written permission? Yes No

Minimum and Maximum Contribution Limits

	<u>Minimum</u>	<u>Maximum</u>	
Medical FSA \$ _____		\$ _____	<small>(Please note - as a result of Health Care Reform legislation, in the calendar year of 2013, the maximum is limited to \$2500)</small>
Dependent Care FSA \$ _____		\$ <u>Defined by IRS</u>	
Qualified Parking \$ _____		\$ <u>Defined by IRS</u>	
Vanpooling \$ _____		\$ <u>Defined by IRS</u>	

Does the Employer contribute to any account(s)? Yes No

If yes, indicate which accounts and amount of contribution: *(select all that apply)*

- Medical \$ _____ per participant at the start of the plan year.
- Dependent Care \$ _____ per participant at the start of the plan year.
- Vanpooling \$ _____ per participant at the start of the plan year.
- Parking \$ _____ per participant at the start of the plan year.

Grace Period

The grace period only applies to Medical and/or Dependent Care FSAs. It is the additional time period in which members can incur out-of-pocket expenses in the new plan year if money is left over from the previous plan year. Claims incurred during the grace period may be submitted until the end of the runout period. A grace period is not recommended for dependent care FSA.

The grace period can be up to two months and 15 days from the end of the plan year. The grace period cannot exceed the runout period end date for a Medical FSA. A grace period is not recommended if you currently offer an HSA or if you are considering adding one in the future.

Would you like to add a grace period to the end of the plan year for **Medical FSA**? Yes No

If yes, please indicate your grace period end date ____/____/_____

Would you like to add a grace period to the end of the plan year for **Dependent Care FSA**? Yes No

If yes, please indicate your grace period end date ____/____/_____

Runout Period

The runout period is the deadline for participants to submit claims for the previous plan year. All eligible claims must be received by the end of the runout period.

The suggested runout period selected for a Medical FSA is 3 months from the end of the plan year. A runout period always begins at the end of the plan year, and if a grace period is selected, it runs concurrently with the grace period.

If you selected **Medical FSA**:

Please indicate the length of the runout period for active Medical FSA employees: _____ (months)
(Length of runout period must be indicated in whole and/or half month increments. Half months equate to 15 days.)

Please indicate how you would like runout to apply to terminated employees *(select only one)*

- The runout period noted above begins at termination date *(recommended)*
- Same as active employees

If you selected **Dependent Care FSA** please indicate the length of the runout period: _____ (months)

(Length of runout period must be indicated in whole and/or half month increments. Half months equate to 15 days. Runout for terminated and active employees is the same for dependent care.)

VI. FLEXIBLE SPENDING ACCOUNT OPTIONAL FEATURES

You may select any of the features listed below that best meet your needs and those of your participants. **Additional fees apply.**

Crossover

Offering crossover eliminates the need for participants to complete and file a claim form to be reimbursed for eligible health plan expenses.

Medical Crossover

Eligible health plan expenses (i.e. deductible and/or coinsurance) as indicated on the Explanation of Benefits will be electronically transferred to SelectAccount. Claims will be processed and reimbursed according to the participant's available balance.

Please note: Crossover is not appropriate for participants who have secondary health coverage with Blue Cross or another carrier. *(This feature is only available if health plan is with Blue Cross and Blue Shield of Minnesota, Blue Cross and Blue Shield of Kansas, CCStpa, or BlueLink Tpa.)*

Along with medical crossover, any available spending account balance(s) are accessed when purchasing a prescription drug at the pharmacy at point of service. This feature is only applicable when Prime Therapeutics is the pharmacy benefit manager and prescription drug benefits are allowed with the spending account plan.

- Select one: Automatically enroll all participants in medical crossover. *(Participants may opt out by requesting online or completing the medical crossover form F7856.)*
- Offer medical crossover to participants. *(Participants may elect crossover by requesting online or completing the medical crossover form F7856. Highest participant fee applies. Please refer to the fee schedule)*
- Do not offer medical crossover to participants. *Highest participant fee applies. Please refer to the fee schedule.*

Dental Crossover

Do you offer dental coverage through Delta Dental of Minnesota?

- No (default) Yes - complete the dental crossover section below

Eligible dental plan expenses (i.e. deductible and/or coinsurance) as indicated on their dental Explanation of Benefits, plus other patient responsibility amounts will be electronically transferred from Delta Dental of Minnesota to SelectAccount. Claims will be processed and reimbursed according to the participant's available balance. Please note dental crossover is not appropriate for any participants who have secondary dental insurance coverage. Electing this feature does not impact the monthly participant fees.

- Select one: Automatically enroll all participants in dental crossover. *(Participants may opt out of dental crossover by requesting online or completing the dental crossover form F7854.)*
- Offer dental crossover to participants. *(Participants may elect crossover by requesting online or completing the dental crossover form F7854.)*
- Do not offer dental crossover to participant

Pay-the-provider *(This feature is only available if health plan is with Blue Cross Blue and Shield of Minnesota)*

This feature allows a participant to have their medical claim reimbursements sent directly to their provider rather than to their home address or directly deposited into their bank account. This is only available for participants who have elected crossover. **Additional fee applies to all FSA participants regardless of their pay-the-provider election. Please refer to the pricing sheet.**

- Select one: Automatically enroll all participants in pay the provider. Must also select Auto-enroll in medical crossover. *(Participants may opt out of pay the provider by requesting online or completing Pay-the-provider Election form F9089.)*
- Offer pay-the-provider to participants. *(Participants may elect pay the provider by requesting online or completing Pay-the-provider Election form F9089.)*
- Do not offer pay-the-provider to participants

Debit Card **(Members with an FSA and an HSA will automatically be issued a debit card)**

This optional feature allows a participant to use a debit card to access their FSA at point of service. If a participant elects the debit card option, crossover and pay the provider are no longer available. If more than one product, the debit card applies across all spending accounts. Substantiation requirements apply.

- Offer debit card to participants. Participants may elect the debit card by requesting online or completing the Debit Card request form F8936
- Do not offer debit card to participants

VII. ENROLLMENT DATA

Initial Enrollment Data will be sent via:

- Group Online Service Center. Employer will enroll participants online using the Group Online Service Center at **www.selectaccount.com**
- Electronic file
(Electronic enrollment file format requirements will be provided via email following the approval of the plan design guide.)

VIII. FSA PAYROLL INFORMATION

SelectAccount is required to post payroll deduction information throughout the year for all employees choosing to participate in the plan. Funds should **not** be sent with any deduction information.

We offer two options for sending us your payroll deduction data:

- Electronic File** *(recommended)*: This option requires employers to create a file using SelectAccount format requirements. This option is required for employers with 50 or more employees and is recommended for all employers. (Contact the group leader line for file format requirements.)
- Paper Report**: This option is a report that the employer creates each payroll date and sends to SelectAccount via fax or mail. This option may only be used for employers with fewer than 50 participants. **Additional fees apply. Please refer to the pricing sheet.**

IX. REIMBURSEMENT PROCESSING

Please indicate the contact person for reimbursement payments, if different from main contact person:

Name _____ Title _____
 Phone Number () _____ Email Address _____

Please indicate your preferred claim reimbursement report format: *(select **only one**)*

- Standard Report (lists each employee, by location)
- Total Only Report (lists totals only, by location)

Automated Clearinghouse Information *(completion of this section is mandatory)*

I hereby authorize SelectAccount to charge our bank account through Automated Clearinghouse for **claim reimbursements** made to our employees. The following bank account information is provided to SelectAccount for initiation of this procedure.

Bank Name _____

Type of Account: Checking Savings

Bank ABA Number _____

(The ABA number is the nine-digit number located in the lower left corner of your check or savings deposit slip)

Bank Account Number _____

X. PLAN DOCUMENTS

Will SelectAccount be preparing your Plan Document and Summary Plan Description (SPD)?

- Yes (Plan Documents and SPDs will be sent to the group contact within 60 days of receipt of the completed Plan Design Guide.)
- No (If no, please forward copy of your plan documents to us.)

XI. ADMINISTRATIVE TIPS

ONLINE ACCESS: www.selectaccount.com

With SelectAccount, your employees have access to a powerful tool for managing their FSA. By registering with selectaccount.com, your employees can:

- Enroll in direct deposit
- Create and view a customized statement
- View recent claims or reimbursement requests
- Manage their personal profile

You can also access forms and enrollment materials at **www.selectaccount.com**.

LOCATIONS: Multiple SelectAccount locations are available for 51+ groups only. If you want multiple SelectAccount locations, please complete and attach the Locations Addendum (F8928). Locations must be the same across all products administered by SelectAccount. If you wish to have different ACH accounts by location, please complete the Group ACH Authorization Agreement Form (X9055).

COORDINATING WITH AN HSA: For participants that have a FSA and a HSA, the FSA provides reimbursement for permitted benefits such as vision and dental care benefits until the health plan deductible is met. Once the health plan deductible is met, all Section 213(d) expenses, excluding deductible expenses, are eligible for reimbursement.

This affects only those participants who are eligible to contribute to their HSA. Participants who are not eligible to contribute to an HSA will have a general purpose (Full) FSA.

Please note: If the HSA is not administered by SelectAccount or the health plan is not with Blue Cross and Blue Shield of Minnesota, the group is required to manually notify SelectAccount which employees are contributing to the HSA. Participants are accountable for submitting the Deductible Verification Form (F8978) to SelectAccount to indicate that the deductible has been satisfied prior to receiving reimbursement for 213(d) eligible expenses.

COORDINATING WITH AN HRA:

- * If the HRA allows reimbursement for health plan eligible expenses only, the HRA is primary and the FSA is secondary.
- * If the HRA allows all 213(d) expenses to be reimbursed, the FSA is primary and the HRA is secondary because unused FSA funds are forfeited if not used for the applicable plan year.

ACCOUNT FEES: For participants who have an HRA stacked with a SelectAccount FSA, only one monthly participant fee will apply. Participant fees are billed monthly via mail and are payable by check only. You will receive one bill for the entire group including the billed amount for each location (if applicable).

PLAN DOCUMENTS: SelectAccount will be preparing your Plan Document and Summary Plan Descriptions (SPD). The documents will be sent to the group contact within 60 days of receipt of the completed Plan Design Guide.

XII. SIGNATURES

It is agreed that necessary information concerning current and future employees or employees and/or their dependents who participate in this Plan and employees whose participation is to be changed or discontinued, shall be provided to SelectAccount on a timely basis.

I HAVE READ AND UNDERSTAND THE CHOICES WITHIN THIS PLAN DESIGN GUIDE. INFORMATION ON THE PLAN DESIGN GUIDE AND ANY ANCILLARY INFORMATION PROVIDED FOR THE PURPOSE OF ENROLLING IN THIS PLAN ARE, TO THE BEST OF MY KNOWLEDGE, CORRECT AND COMPLETE.

Signature _____ Date _____

Printed Name _____ Title _____