

**City & County of
San Francisco Employees**

Healthcare and Dependent Care Flexible Spending Accounts



Resource Guide

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Contact FBMC

Fringe Benefits Management Company

FBMC Customer Service

Mon - Fri, 4 a.m. - 7 p.m. PT

1-800-342-8017

Flexible Spending Accounts

Automated Services

24 hours a day

1-800-865-FBMC (3262)

www.myFBMC.com

Flexible Spending Accounts

If you anticipate spending money on regular healthcare or dependent care expenses that are not covered by your insurance plan, you should consider a Flexible Spending Account (FSA).

How an FSA Works

You designate an annual amount to be set aside at the beginning of each plan year. This amount is deducted pre-tax from your paycheck throughout the year and deposited in your individual FSA account. When you incur a qualified expense, you submit the required documentation to FBMC. Once your request is approved, the expense is reimbursed to you. Be aware that any unused dollars remaining in your FSA at year-end cannot be rolled forward, reimbursed or refunded.

Types of FSAs

Eligible employees may enroll in a Healthcare FSA as well as a Dependent Care FSA. If you incur both types of expenses during a plan year, you can establish both types of FSAs.

Is an FSA Right for Me?

If you anticipate incurring regular healthcare or dependent care expenses that are not covered by your insurance plan, an FSA may be a good choice for you. An FSA can offer you the advantage of setting aside funds pre-tax to cover these anticipated expenses.

Determine your potential savings with a Tax Savings Analysis by visiting the "Tax Calculators" link at www.myFBMC.com.

HSA

Healthcare FSA

A Healthcare FSA is an IRS-approved tax favored account you can use to pay for eligible medical expenses not covered by insurance. These funds are set aside from your salary pre-tax, allowing you to pay your eligible healthcare expenses tax-free.

Contributions

To participate, you must designate your annual Healthcare Flexible Spending Account contribution on your HSS enrollment application form. The minimum annual contribution for 2008 - 2009 Plan Year is \$120. The maximum annual contribution is \$5,000. The annual amount you designate divided by 24 equals your twice monthly payroll deduction.

Budget conservatively. No reimbursement or refund of FSA funds is available for services that do not occur within the plan year. When it comes to your annual FSA contributions, if you don't use it, you lose it.

Availability of Funds

When you sign up for a Healthcare FSA the total annual amount you designate becomes available for eligible healthcare expenses at the start of the plan year. You don't have to wait for your contributions to accumulate in your account.

General Eligibility

You may use your Healthcare FSA to receive reimbursement for eligible expenses incurred by:

- Yourself
- Your spouse
- Your qualifying child
- Your qualifying relative

A qualified child of divorced parents is treated as a dependent of both, so either or both parents can establish a Healthcare FSA.

Qualifying Children

An individual is a qualifying child for a Healthcare FSA expense if he or she is not someone else's qualifying child and:

- is a U.S. citizen, national or a resident of the U.S., Mexico or Canada
- has a specified family-type relationship to you
- lives in your household for more than half of the taxable year
- is 18 years old or younger (23 years, if a full-time student) at the end of the taxable year and
- has not provided more than one-half of their own support during the taxable year

Qualifying Child Age Exception

If a qualifying child is physically and/or mentally incapable of self-care there is no age requirement.

Qualifying Relatives

An individual is a qualifying relative for a Healthcare FSA expense if he or she meets one of the following sets of criteria:

- has a specified family-type relationship to you, is not someone else's qualifying child and receives more than one-half of their support from you during the taxable year **or**
- if no specified family-type relationship to you exists, is a member of and lives in your household (without violating local law) for the entire taxable year and receives more than one-half of their support from you during the taxable year.

Documentation for Reimbursements

All documentation must have name of the patient, name of the service provider, date of service, type of service, prescription and/or Over-the-Counter (OTC) name and total dollar amount of service.

Healthcare FSA Eligible Expenses

The following is a list of eligible expenses for reimbursement under your Healthcare Flexible Spending Account (FSA). Eligible expenses must be primarily for medical care and not for personal, general health or cosmetic purposes. If you have additional questions, please contact FBMC Customer Service at 1-800-342-8017 or visit www.myFBMC.com.

NOTE: This following is a table of eligible expenses only. For more information please visit www.myFBMC.com.

Documentation Key

The following types of documentation may also be required. Use the table on the following pages as a guide when submitting your claim.



= completed claim form



= invoice, statement or bill












































= letter of medical need



= personal use statement

Eligible Healthcare Expenses









































HEALTHCARE EXPENSE	DOCUMENTATION
Acupuncture	 
Addiction treatment (alcohol & drug only)	   
Allergy treatment	 
Ambulance	 
Analgesics Antacids Antibiotic ointments Antihistamines Anti-itch creams	 
Artificial limbs (prosthesis)	 
Asthma treatments	 
Bandages Elastic & band-aids	 
Birth control	 
Body scans	 
Braille reading material	 
Carpal tunnel wrist supports	 
Dental	 
Diabetic supplies	 
Eye care	 
Expectorants Eye drops	 
Fertility treatments	  
Guide dog (animal aide)	 
Hearing aids	 



= completed claim form



= invoice, statement or bill















HEALTHCARE EXPENSE	DOCUMENTATION
Hospital services	 
Immunizations	 
Laxatives Liquid adhesive for small cuts	 
Learning disability treatment/ Instructional fees	  
Medical alert bracelet/ necklace	 
Medical monitoring/testing devices	 
Medical records charge	 
Obstetrical expenses	 
Orthodontia treatment	 
Physical exams	 
Physical therapy	  
Reading glasses Rubbing alcohol	 
Screening tests	 
Smoking cessation medications/treatments	 
Sterilization	 
Sunburn creams and ointments Sunscreen with high SPF	 
Surgery	 
Thermometers Throat lozenges Toothache and teething pain relievers	 
Therapy/counseling (psychiatric/psychological)	 



= letter of medical need



= personal use statement

HEALTHCARE EXPENSE	DOCUMENTATION
Transportation expenses for person to receive medical care	 
Transplants	 
Viagra	 
Wheelchair Walkers	 
X-ray fees	 
 = completed claim form	 = invoice, statement or bill
 = letter of medical need	 = personal use statement

DCFSA

Dependent Care FSA

A Dependent Care FSA is an IRS-approved tax favored account you can use to pay for eligible dependent care expenses. These funds are set aside from your salary pre-tax.

Overview

A Dependent Care FSA is an IRS tax-favored account you can use to pay for your eligible dependent care expenses to ensure your dependents (child or elder) are taken care of while you and your spouse (if married) are working. These funds are set aside from your salary before taxes are deducted, allowing you to pay your eligible expenses tax-free.

Contributions

To participate, you must designate your annual Dependent Care Flexible Spending Account contribution on your HSS enrollment application form. The minimum annual contribution for 2008 - 2009 Plan Year is \$120. The maximum annual contribution is \$5,000. The annual amount you designate divided by 24 equals your twice monthly payroll deduction.

Availability of Funds

Once you sign up for a Dependent Care FSA and decide how much to contribute, the funds available to you depend on the actual funds in your account. Unlike a Healthcare FSA, the entire annual amount you designate is not available at the start of the plan year.

General Eligibility

You may use your Dependent Care FSA for eligible expenses related to:

- A qualifying child
- A qualifying spouse
- A qualifying relative.

Tax Return Considerations

Be aware of the following:

- You cannot claim a qualifying individual if they have filed a joint tax return with a spouse.
- If you are claimed as a dependent on the tax return of another person you cannot claim qualifying individuals for yourself.

Qualifying Children

An individual is a qualifying child for a Dependent Care FSA expense if he or she:

- is a U.S. citizen, national or a resident of the U.S., Mexico or Canada
- has a specified family-type relationship to you
- lives in your household for more than half of the taxable year
- is 12 years old or younger and
- has not provided more than one-half of their own support during the taxable year.

If you are legally-separated or divorced you must be the custodial parent to claim Dependent Care FSA expenses for a child.

Qualifying Spouse

An individual is a qualifying spouse for a Dependent Care FSA expense if he or she:

- is physically and/or mentally incapable of self-care
- lives in your household for more than half of the taxable year and
- spends at least eight hours per day in your home.

Qualifying Relatives

An individual is a qualifying relative for a Dependent Care FSA expense if he or she:

- is a U.S. citizen, national or a resident of the U.S., Mexico or Canada
- is physically and/or mentally incapable of self-care
- is not someone else's qualifying child
- lives in your household for more than half of the taxable year
- spends at least eight hours per day in your home and
- receives more than one-half of their support from you during the taxable year.

FSA Versus Tax Credits and Exclusions

Since money set aside in your Dependent Care FSA is always tax-free, you guarantee savings by paying for eligible expenses through your tax-favored FSA account.

Depending on the amount of income taxes you're required to pay, participation in a Dependent Care FSA may produce a greater tax benefit than claiming tax credits or exclusions alone. Remember, you can't use the dependent care tax credit if you are married and filing separately. Further, any dependent care expenses reimbursed through your Dependent Care FSA can't be filed for the dependent care tax credit, and vice versa. To help you choose between the available taxable and tax-free benefits, or a combination of both, consult your tax advisor and/or the IRS for additional information.

Dependent Care FSA Reimbursements

Requesting reimbursement from your Dependent Care FSA is easy. Simply fax or mail a correctly completed FSA Reimbursement Request Form to FBMC along with documentation showing the following:

- the name, age and grade of the dependent receiving the service
- the cost of the service
- the name and address of the provider and
- the beginning and ending dates of the service.

Be certain you obtain and submit the above information when requesting reimbursement from your Dependent Care FSA. This information is required with each request for reimbursement. Cancelled checks or credit card receipts (or copies) listing the cost of eligible expenses are **not** valid documentation for Dependent Care FSA reimbursement.

Eligible Dependent Care Expenses

Dependent Care FSA Eligible Expenses

The following table is designed to help verify whether an expense is eligible for reimbursement under your Dependent Care Flexible Spending Account (FSA). Eligible expenses must be primarily for eligible dependent care expenses. If you have additional questions, please contact FBMC Customer Service at 1-800-342-8017 or visit www.myFBMC.com.

NOTE: This following is a table of eligible expenses only. For more information please visit www.myFBMC.com.

Documentation Key























The following types of documentation may also be required. Use the table below as a guide when submitting your claim.



= completed claim form



= invoice, statement or bill

DEPENDENT CARE EXPENSE	DOCUMENTATION
After school care	 
Baby-sitting fees	 
Care for physically or mentally impaired spouse	 
Child day care	 
Day camp (including Summer day camp) Daycare services	 
Dependent care service with a qualified provider	 
Education services included with dependent care (for pre-Kindergarten)	 
Household services for qualified dependent	 
In-home care/au pair services	 
Meals/lodging for an in-home provider	 
Nursery and preschool	 

Ineligible Expenses

Expenses that are not eligible for FSA Dependent Care reimbursement include, but are not limited to:

- Child support payments
- Childcare costs incurred by a non-custodial parent
- Food, clothing and entertainment
- Healthcare costs
- School tuition, books and supplies
- Services provided by your dependent, spouse's dependent or your child who is under age 19.

Reimbursements

All documentation must have name of the patient, name of the service provider, date of service, type of service and total dollar amount of service.

Fax toll-free: (866) 440-7145

Mail to: Contract Administrator
Fringe Benefits Management Company
P.O. Box 1800
Tallahassee, FL 32302-1800

Important Information About FSAs

Annual Re-enrollment Required

You must re-enroll in your Flexible Spending Accounts (FSAs) every Open Enrollment period.

No Transferring Between Accounts

You cannot transfer money between Healthcare and Dependent Care FSAs and vice versa.

Changing Contribution Amounts

You cannot change the amounts you contribute to your FSA(s) during the plan year unless the change is because of and consistent with a qualifying Change in Status.

Pre-Retirement Planning

If you plan to retire and have money in these accounts, you should file claims for reimbursement prior to your retirement date. Retirees are not eligible to participate in an FSA.

Leave of Absence

During an unpaid leave of absence, no contributions are being made toward these accounts, unless otherwise provided by law. Accounts that remain unpaid for three consecutive pay periods will be terminated, and you may only reinstate your FSA upon your return to work by contacting HSS and requesting a reinstatement.

Eligibility Time Period

Expenses for services incurred before or after the period for which you enroll aren't eligible for reimbursement. For example, a medical expense incurred in June is not eligible for reimbursement from a Healthcare FSA because your account is not open until July 1.

IRS Eligibility Criteria

Your expenses must meet the Internal Revenue Service (IRS) eligibility criteria. Please refer to IRS Publications 502 and 503 for details.

Reimbursement Information

Reimbursements

Fax toll-free: (866) 440-7145

Mail to: Contract Administrator
Fringe Benefits Management Company
P.O. Box 1800
Tallahassee, FL 32302-1800

Direct Deposit Reimbursement

To apply, complete the Direct Deposit Enrollment Form on www.myFBMC.com or contact FBMC Customer Service by at 1-800-342-8017. Processing your Direct Deposit enrollment may take 4-6 weeks.

- FSA reimbursement funds are automatically deposited into your checking or savings account.
- There is no fee for this service.
- You don't have to wait for postal service delivery of your reimbursement. (However, you will receive notification that the claim has been processed).

FBMC Web site and Interactive Voice Response (IVR)

Visit www.myFBMC.com or call 1-800-865-(FBMC) 3262 on Monday – Friday (4 a.m. - 7 p.m. PT) to get detailed information about your FSA. You can use the Web site or IVR to:

- Review the status of your reimbursement requests
- Review your account balance and available funds
- Download forms
- Review frequently asked questions.

FBMC

Premier Benefits Solutions

Contract Administrator
Fringe Benefits Management Company
P.O. Box 1878
Tallahassee, Florida 32302-1878
Customer Service 1-800-342-8017
1-800-955-8771 (TDD)
www.myFBMC.com

Information contained herein does not constitute an insurance certificate or policy. Certificates will be provided to participants following the start of the plan year, if applicable.