



## PRE-TAX BENEFIT PLAN

Your employer offers tax-free benefit plan(s) that provide you with ways to save up to thousands of dollars per year by offering the option to pay for certain types of expenses with pre-tax payroll deductions. If you choose to participate, you will reduce your taxable income which ultimately results in you having more money to spend!

For more details about the plan, please refer to your Summary Plan Description (SPD).

## MEDICAL FLEXIBLE SPENDING ACCOUNT (FSA)

### WHAT IS THE MAXIMUM I CAN ELECT?

The maximum you may elect is released annually by the IRS. The current maximum is **\$2,650**.

### HOW DO I USE THE MEDICAL FSA?

The Medical Expense FSA allows you to set aside tax-free dollars that will reimburse you for “qualified” medical, dental and vision expenses “incurred” during the plan year. “Incurred” means the service must be performed during the plan year. “Qualified” expenses include most medically necessary (meaning not cosmetic) out-of-pocket medical, dental, and vision related expenses. Insurance premiums of any kind, including Medicare, individual health insurance, long-term care, warranties, or membership fees that are not directly related to care are not eligible for reimbursement through the Medical FSA.

IRS Publication 502 offers helpful information as a guide to what qualifies as a medical expense. Please be advised Publication 502 addresses all expenses that can be deducted on your individual tax return, not just the expenses that are eligible for reimbursement through a Medical FSA.

IRS Publication 969 is another good source of information for medical FSAs.

### FOLLOWING IS A SAMPLE OF PERMITTED EXPENSES:

ACUPUNCTURE	LABORATORY FEES
ALLERGY TREATMENTS	LASER EYE SURGERY
CHIROPRACTIC	MEDICAL MILEAGE
CONTACT LENSES & SUPPLIES	ORTHODONTIA (CHILD & ADULT)
DENTAL (NO TEETH WHITENING)	OVER-THE-COUNTER MEDICAL ITEMS & SUPPLIES (RESTRICTIONS MAY APPLY)
DOCTOR OFFICE VISITS & EXAMS	PRESCRIPTIONS (MEDICALLY NECESSARY)
GLASSES (PRESCRIPTION)	PSYCHIATRIC CARE
HEARING AIDS	STERILIZATION
HOSPITAL SERVICES & SURGERY	THERAPY (NO MARRIAGE/FAMILY COUNSELING)
INSULIN & INSULIN SUPPLIES	VACCINES (INCLUDING FLU SHOTS)
INSURANCE CO-PAYS & DEDUCTIBLES	VISION EXAMS

## **CAN I BE REIMBURSED THROUGH AN FSA FOR HEALTH EXPENSES INCURRED BY MY FAMILY MEMBERS?**

**Yes!** You may save taxes on all qualified medical expenses incurred by you, your spouse, and your dependent children. You may NOT be reimbursed for expenses incurred by a domestic partner unless your domestic partner is your federal tax dependent. Your plan also allows reimbursement for qualified expenses that you incur for an eligible adult child up to age 26.

## **WHAT IS THE LAST DATE I CAN SUBMIT FSA CLAIMS FOR THE PLAN YEAR?**

If you are an active participant on the last day of the plan year, you are allowed an additional time to submit reimbursement requests of expenses incurred throughout the plan year. This extended time period is referred to as the claim run out (or final claim filing period). Your final filing date is posted online for each benefit you are enrolled in. Please keep in mind that any unused amount left in your account following the final filing date is forfeited at the end of the plan year. This rule is commonly known as “use it or lose it.”

## **DOES THE MEDICAL FSA HAVE A CARRYOVER?**

**Yes!** With this new special feature, if you are an active participant on the last day of the plan year, any unused amount left in your account **up to \$500** will automatically rollover for use in the new plan year. However, amounts over \$500 would be forfeited after the final filing date, if left unclaimed. **Please note that the Carryover is replacing the old 2 1/2 month Grace Period, which has been eliminated.**

## **FSA DEBIT CARD?**

For plans that offer a debit card, new participants will receive two debit cards at no cost. You may provide the second debit card to your spouse or adult dependent, or keep the second card as an alternate card to use, just in case.

If you order additional cards or replacements for lost/stolen cards, a small fee may be required. Replacement cards can be requested online.

**DO NOT** throw away your debit cards after you exhaust your account(s). The debit cards are valid for up to 3 years at a time and are reloadable. If you throw away your debit card before it expires, a fee will be charged when you order a new card.

Your debit card can be used to pay for qualified services at providers that accept VISA or by using your PIN (Personal Identification Number). To obtain a personal PIN for your debit card, call 1-866-898-9795 and the automated system will walk you through the process.

## **HOW DO I ENROLL IN THE FSA PLAN?**

The appropriate enrollment instructions and/or forms are included or may be provided to you separately by your employer, if applicable. Be sure to elect prior to the close of your designated enrollment period.

## **CAN I PARTICIPATE IN A FSA AND HSA (HEALTH SAVINGS ACCOUNT) AT THE SAME TIME?**

If you participate in the Medical FSA, neither you nor your spouse (if applicable) is permitted to make contributions to a HSA at any time during the plan year. However, **if** your Flexible Benefit Plan offers a special Limited Use FSA (this is a FSA that will only reimburse dental and vision related expenses) you may elect to participate in the Limited Use FSA and your HSA or your spouse’s HSA at the same time.

## **CAN I BE REIMBURSED MORE THAN I’VE HAD DEDUCTED FROM MY PAYCHECK?**

The Medical FSA account is pre-funded, meaning your entire annual election amount is available for reimbursement at any time during the plan year, regardless of the amount you have contributed from your paycheck.

## **WHAT HAPPENS IF MY EMPLOYMENT TERMINATES OR I LOSE ELIGIBILITY TO PARTICIPATE IN THE PLAN(S)?**

Medical FSA: For most plans, benefits will not be payable for services rendered after the day on which you lost your eligibility to participate. (Refer to your SPD for specific details and information about COBRA for the Medical FSA, if it is available).

BASIC pacific must receive your Medical FSA claims for reimbursement no later than the designated final filing date for expenses that were incurred prior to the date your participation ended. Note the final filing period for terminated employees may be limited so submit any qualifying expenses right away should loss of coverage occur midyear.

## **HOW DO I DETERMINE HOW MUCH MY FAMILY WILL SPEND ON HEALTH SERVICES?**

The worksheet on the following page will help you calculate how much your entire family will spend on medical services during the course of the plan year.

- Only include services or expenses you will incur during the plan year based on the date of service (not the date you pay for a service).
- While determining the amount you would like to contribute on an annual basis, please keep in mind that any unused amount left in your account is forfeited at the end of the plan year. This rule is commonly known as “use it or lose it.”

DO NOT include expenses for the following services:

- “Boutique” Medical Access Fees (Membership fees paid for access to a particular doctor)
- Capital expenses (including operating & maintenance costs)
- Cosmetic services
- Electrolysis
- Expenses for your general health
- Expenses paid by another plan
- Food (of any type)
- Health club membership dues
- Insurance premiums
- Massage & massage therapy (unless prescribed to treat a specific medical condition)
- Marriage & family counseling
- Vitamins, supplements & herbal remedies (unless prescribed by a physician)
- OTC Drugs & Medicines (without a written prescription)

If you have individual questions prior to enrollment, you may contact **BASIC pacific** directly for assistance.

EMAIL

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WEBSITE

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# ANNUAL HEALTH EXPENSE CALCULATOR WORKSHEET

## OFFICE VISITS & CO-PAYMENTS

MEDICAL OFFICE VISITS	\$
ACUPUNCTURE OFFICE VISITS	\$
CHIROPRACTIC OFFICE VISITS	\$
THERAPY (NO MARRIAGE OR FAMILY COUNSELING)	\$
HOMEOPATHIC OFFICE VISITS	\$

## PRESCRIPTION DRUGS (LEGAL)

ALLERGY TREATMENTS	\$
BIRTH CONTROL PILLS	\$
OTHER PRESCRIPTION DRUGS	\$

## VISION EXPENSES

EYE EXAMS	\$
CONTACT LENSES AND SUPPLIES	\$
PRESCRIPTION EYEGLASSES	\$
PRESCRIPTION SUNGLASSES	\$
LASER EYE SURGERY	\$

## DENTAL EXPENSES

DEDUCTIBLES	\$
EXAMINATIONS	\$
TEETH CLEANING	\$
CROWNS, BRIDGES, ROOT CANALS	\$
ORTHODONTIA	\$

## OVER-THE-COUNTER MEDICAL SUPPLIES

BAND AIDS, FIRST AID KITS, ETC.	\$
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## OTHER EXPENSES

IN VITRO FERTILIZATION	\$
INSULIN AND INSULIN SUPPLIES	\$
PSYCHIATRIC CARE	\$
MEDICAL MILEAGE	\$

<b>TOTAL</b>	<b>\$</b>
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## OVER-THE-COUNTER (OTC) DRUGS, MEDICINES, AND SUPPLIES

Saving taxes on your OTC drugs, medicine, and medical supply purchases is a great way to maximize the benefits of your Medical FSA. However, your OTC purchases may have some restrictions. OTC drugs and medicines require a prescription from a physician to be reimbursed through your Medical FSA. However, there are still 27,000 OTC medical products and supplies that can be reimbursed through your Medical FSA without requiring a prescription. The following is a sample list of OTC medical products that may be reimbursed through your Medical FSA.

NO PRESCRIPTION REQUIRED	PRESCRIPTION REQUIRED	NEVER ELIGIBLE
Alcohol Wipes Band Aids Blood Pressure Monitor Braces & Supports Breathe Right Strips Canes Catheters Colostomy Products Contact Lens Supplies & Solution Contraceptives Defibrillators Denture Adhesives First Aid Kits Glucose Meters Home Screening Tests (Cancer, Cholesterol, Fertility, Hepatitis C, HIV, Pregnancy, Prostate, Thyroid) Hot & Cold Packs Insulin & Diabetic Supplies Liquid Adhesive Medicated Bandages Reading Glasses Sleeping/Snoring Appliances Wheelchairs & Walkers	Acne Medications Anti-Inflammatory Treatments Anti-Itch Treatments Antifungal Treatments Antiseptics & Topical Antibiotics Allergy, Cold, Flu, and Cough Medications Asthma Medications Birth Control Bunion/Blister Treatments Cold Sore & Fever Blister Medications Corn & Callus Removal Medications Diaper Rash Ointment Digestion/Gas Aids Ear Drops Eye Drops Hydrogen Peroxide, Iodine Laxatives Lice Control Motion Sickness Tablets Nasal Sprays, Drops & Strips Nicotine Gum or Patches Oral Pain Remedies Pain Relievers Sinus Medications Sleeping Medicines Throat Pain Remedies Wart Removal Medications *Herbs *Herbal Remedies *Minerals *Other Natural Remedies *Supplements *Vitamins	Aromatherapy products Baby bottles, cups, oil, wipes Cosmetics Cotton swabs or pads Deodorants and antiperspirants Diapers Facial care Feminine care Food (of any type) Fragrances Hair re-growth Dietary foods Oral care (e.g. Sonicare) Shampoo and conditioner Skin care Spa salts Sun tanning products Toothbrushes

\* = Requires a Letter of Medical Necessity from your Doctor