

To All Hampden-Sydney College Employees:

LD&B Benefits Administrators is pleased to administer your Flexible Benefits Plan. Enclosed is the enrollment kit for the **January 1, 2017 to December 31, 2017** plan year.

FYI

Your employer offers a Rollover option of unused funds at the end of the plan year. Participants may carry over health care balances up to \$500 into the following plan year. See page 2 for filing deadlines.

The Health Care FSA is for out-of-pocket health care expenses such as medical, dental, prescription, vision, hearing, and some over-the-counter expenses (medications require a letter of medical necessity).

The Dependent Care FSA is for eligible dependent care expenses such as daycare, preschool or before and after school expenses for dependent children under age 13 or daycare for adult dependents.



Benny™ Cards for current participants will be reloaded with your new election. **Your card is good for five years; please do not destroy it.** There is a \$10 fee for two replacement or additional cards. If you are a new participant, you will need to activate your card to use it. Please save ALL your Benny™ Card receipts. Requests for documentation will be sent via email. If no email address is on file, you will receive the requests via mail.

Please complete the enrollment form and return to Debbie Herndon by Friday, November 11, 2016.

If you need assistance or have questions, please feel free to contact me at (540) 438-4113, (877) 532-5478 or kmiller@LDBbenefitsadmin.com. When we receive your completed enrollment form, you will receive a confirmation email and instructions to access the participant website. If we do not have an email address on file, you will receive instructions by mail.

Through our website, www.LDBbenefitsadmin.com, you can check your account, submit claims, download our smart phone mobile app, and find more information about flexible spending accounts (Frequently Asked Questions, additional worksheets, claim forms, etc.). Please feel free to contact me at any time if you have questions about your account. We are here to serve you.

Sincerely,

Kim Miller
Flexible Benefits Administrator

Kim Miller
Flexible Benefits Administrator

205-C South Liberty St., Harrisonburg, VA 22801
Phone: 540.438.4113 / Toll-free: 877.532.5478
Fax: 540.438.4133 / Toll-free fax: 866.292.8331
Email: kmiller@LDBbenefitsadmin.com



Flex Plan Reference Page
Hampden-Sydney College

Plan Year: 1/1/2017 to 12/31/2017
Dates of service must fall within the plan year dates.

The maximum contribution amount for Health Care reimbursement: \$2,550.00

Any monies remaining in your health care account at the end of the plan year – up to \$500 maximum – will rollover into the new plan year.

The maximum contribution amount for Dependent Care reimbursement: \$5,000.00

Run-Out Period to **turn in** expenses after the end of your plan year: 3 months

Your Run-Out Period to turn in claims will end March 31, 2018.

Processing frequency: weekly. Claims are due in LD&B's office on Tuesday by 5:00pm in order to be processed on Thursday.

GENERAL QUESTIONS

A1. *What expenses can I submit for reimbursement?*

In order to be considered for reimbursement, the expenses have to be incurred within the plan year and while you are an active participant in the plan (i.e. prior to your coverage termination date if you terminate mid-way through the year). Expenses are considered “incurred” at the time the services are provided, not when you are formally billed for or pay for the services.

A2. *What documentation is necessary to make a reimbursement claim?*

Health care claims must first be submitted to any available insurance plan for payment. After the insurance carrier has processed the charge, the participant’s portion of the charge can be submitted for reimbursement.

Third party documentation of the expense (e.g., an Explanation of Benefits from insurance or an itemized provider bill) must accompany the claim. The plan administrator must be able to determine:

- the date(s) the services were rendered;
- the patient name;
- the nature of the services; and
- the amount due minus any insurance adjustments or provider discounts.

For dependent care claims, the same information is necessary except that there is, of course, no insurance information. Your plan may require that the claim include the tax ID number of the dependent care provider. Again, there must be third-party documentation of the expense (e.g., an itemized bill or provider signature).

In addition, each claim for reimbursement (health or dependent care) must be accompanied by the participant’s signed statement that the expense is eligible for reimbursement and that the expense has not been, or is not reimbursable from, any other source.

A3. *Can elections be changed during the plan year?*

In general, once an election becomes effective, it can’t be changed until the next plan year. However, there are a few exceptions to this rule. The most common exception is called a “change in status.” When you have a change in status, you may revoke your election or submit a new election for the remainder of the plan year if the election is “consistent” with the change in status event. You have 30 days following a status change to submit a new election. Following are the allowable change in status events:

- Legal marital status (i.e., marriage, divorce, death of a spouse)
- Number of dependents (i.e., birth, adoption, death)
- Change in residence of yourself, your spouse, or dependent that affects eligibility for coverage
- Employment status of yourself, your spouse, or a dependent (i.e., termination or commencement of employment, leave of absence or other employment change that affects benefit eligibility)
- Dependent satisfies or fails to satisfy the eligibility requirements of a plan (i.e., the dependent reaches the limiting age for coverage).

A4. *Can I sign up for the plan at any time during the year?*

Generally, you can only sign up for the plan during the open enrollment period before the beginning of each plan year. However, if you have a change in status (see A3) you may be able to sign up for the plan during the plan year. New

employees or employees who were not eligible during the open enrollment period may sign up for the plan at the time they become eligible to participate. Refer to the Summary Plan Description for this information. Other than these instances, no mid-year enrollments are allowable.

A5. *What happens to my flex election if my employment terminates?*

Premium Conversion elections automatically stop with the last paycheck. You will have the right to continue health insurance (and in some states, group life insurance) on an after-tax basis through COBRA. For information on what COBRA laws apply to group health and life coverage, refer to the Summary Plan Descriptions for those benefits.

Dependent Care Reimbursement contributions automatically stop with the last paycheck. There is no COBRA continuation provision that applies to Dependent Care. If money remains in the account, you may continue to submit claims for reimbursement for services rendered through the end of the plan year.

For example: John Smith terminates employment on June 30. His dependent care account has a balance of \$175. Smith becomes employed by another company and incurs work-related dependent care expenses in August. He can submit claims for the August expenses against his \$175 available balance.

Health Care Reimbursement coverage automatically terminates on the date of the last paycheck (or in some plans, on the last day of the month), but you may have the right to continue coverage under COBRA (contact your Human Resources Department for more information). Unlike the rules that apply to dependent care spending accounts, claims incurred after termination of coverage are not reimbursable, unless you continue coverage. A claim is “incurred” on the date services are rendered. Claims incurred before termination of coverage are reimbursable regardless of whether you elect COBRA.

A6. *What happens to the money in the spending accounts if it is not used up by the end of the Plan Year?*

If your plan design allows for a rollover, health care funds remaining in the plan (up to \$500) will be rolled into the new plan year after the end of the run-out period. If your plan does not allow for a rollover, any funds remaining in your account at the end of the plan year will be forfeited. * ***Special Note Regarding the Carryover and HSA Eligibility:*** *If you participate in a High Deductible Health Plan and wish to maintain your eligibility to contribute to an HSA, you MAY NOT have your carryover amount applied to a general purpose Health FSA.*

Some plans that don’t allow the rollover may offer a grace period to incur services after the plan year ends and then a run-out period to turn in expenses for reimbursement. Remember that an expense is “incurred” on the date the service is provided, not when you are billed or pay for it.

See your benefit plan materials or contact your Administrator at LD&B for more information on your specific plan design.

HEALTH CARE SPENDING ACCOUNT

B1. *Can insurance premiums be reimbursed?*

No. Federal law prohibits reimbursement of premiums through a health care reimbursement plan. This includes COBRA premiums, individual insurance policy premiums, and any expense that functions as premium regardless of its label (e.g., vision service agreements).

B2. *Is massage therapy eligible?*

Massage therapy is eligible only if the massage is treating a diagnosed medical condition and you submit a letter of medical necessity from a physician. If the massage is for general health or well-being, it would not be eligible. Also, note that monthly membership fees to massage providers are not eligible – only the cost associated with the service itself is eligible.

B3. *Are my dependents’ and/or domestic partner’s health expenses reimbursable?*

You may be reimbursed for eligible health expenses incurred by yourself, your spouse, and your eligible dependents. Expenses for domestic partners are eligible only in *very limited* circumstances. The domestic partner must meet the definition of a “qualifying relative” under the regulations that govern the spending accounts.

B4. *Must the participant pay the provider before submitting for reimbursement?*

No. Claims must include proof that the expense was incurred and that the insurance company has processed the claim, but there is no legal requirement that you need to have paid the provider for the remaining balance on the bill prior to requesting reimbursement.

B5. Can the participant be reimbursed for an expense incurred before the plan began?

No. You may only be reimbursed for expenses incurred while a participant in the plan. Expenses incurred before the beginning of the plan year, before an election to participate in the plan, or after the end of the plan year are not eligible for reimbursement.

B6. Is a canceled check adequate documentation?

No. A canceled check does not contain adequate information to be considered third-party documentation of a claim.

B7. If there is money left over in a health care spending account, can it be used for daycare expenses?

No. Federal law prohibits moving money from one spending account to another.

B8. What happens to the employee's tax return at the end of the year?

For the Health Care account, you can't take expenses that are reimbursed under the Health FSA as itemized deductions on your Federal tax return.

B9. What is the difference between a Health Savings Account (HSA) and the Health Flexible Spending Account (FSA)?

HSA Contribution limits, eligibility requirements, and election change rules are all different than the traditional Health FSA, and are governed by the actual HSA contract and applicable IRS Regulations. You can only participate in an HSA if you are enrolled in a High Deductible Health Plan (HDHP). Also, the traditional Health FSA is considered "other disqualifying coverage" for the HSA, so you're not allowed to participate in both.

An HSA provides a tax break (either through pre-tax contributions under an employer-sponsored plan or on your income tax return if you contribute to an individual HSA) for certain eligible expenses. You may start or stop your HSA contribution, or increase or decrease your contribution, at any time as long as the change is effective prospectively (i.e., after the request for the change is received).

B10. How is a "Limited Purpose" Health FSA different than a traditional Health FSA?

The "Limited Purpose" Health FSA works just like a traditional FSA except that eligible expenses for reimbursement are limited to things that are not covered under a High Deductible Health Plan, such as dental and vision. You still get the pre-tax benefit, and the limited Health FSA won't disqualify you from participating in an HSA.

DEPENDENT CARE SPENDING ACCOUNT

C1. Can an employee use the dependent care tax credit and a dependent care spending account?

It is possible to use both a dependent care spending account and the dependent care tax credit. However, expenses reimbursed through a dependent care spending account offset dollar-for-dollar the maximum eligible expenses used to calculate the tax credit.

For example, if you have one child and if you are reimbursed \$5,000 for dependent care expenses through this plan, you cannot use the tax credit because you must reduce the \$3,000 tax credit maximum by your reimbursement, leaving a balance of zero. However, if you have two children, and incur \$6,000 for expenses, you may use the tax credit. The maximum eligible Tax Credit expense for two children is \$6,000, which you would then reduce by \$5,000, leaving a remaining balance of \$1,000. You would calculate your tax credit using an expense of \$1,000.

C2. Is there a greater tax advantage through a dependent care spending account?

In deciding whether the tax credit or a dependent care spending account will result in greater tax savings, you should consult a tax advisor. As a general rule of thumb, if you are married, filing a joint return and have two or more qualifying dependents, your family adjusted gross income will probably need to exceed \$39,000 before the dependent care FSA will yield greater tax savings than the tax credit.

If you have only one qualifying dependent and your eligible expenses exceed \$3,000, the Dependent Care FSA may yield greater tax savings, even at lower income levels. Eligible dependent care expenses for one dependent are limited to \$3,000 for purposes of the tax credit and \$5,000 for purposes of the Dependent Care FSA.

C3. What is the maximum that can be reimbursed each year for daycare expenses?

The maximum dependent care reimbursement is the lesser of:

- \$5,000 (or \$2,500 if married, filing separately); or
- The earned income of the lower earning spouse.

C4. Does a daycare provider have to be licensed?

No. The daycare provider does not have to be licensed unless he or she provides care for more than six non-resident persons.

C5. Can a daycare provider be a relative of the participant?

Yes, with some exceptions. The daycare provider can be a relative, but cannot be 1) your spouse; 2) your child under 19 years of age; 3) any person you can claim as a dependent on your income taxes.

C6. Are daycare expenses incurred during a maternity leave reimbursable?

No. Dependent care expenses incurred during maternity leave are not work-related, although they may be medically necessary. Only work-related dependent care expenses can be reimbursed through a dependent care spending account.

C7. Does the participant have to pay the provider first?

No. In order to be reimbursed, you must only provide a statement from the provider showing that the expense has been incurred. However, most providers will require payment at the time services are rendered.

C8. Can a canceled check be considered a receipt?

No. A canceled check does not contain adequate information to be considered a receipt. If the provider doesn't provide a bill or statement, they can complete a Verification of Expense on the back of the Dependent Care Claim Form.

C9. Must there be a claim submitted for every expense to be reimbursed?

Yes, a claim must be submitted for each expense for which you are requesting reimbursement. You may file a "recurring" claim one time at the beginning of the plan year that shows the date range for which services will be provided and the provider information. Once your recurring claim has been processed, LD&B will automatically reimburse you (via check or direct deposit) as funds in the account become available.

We will also accept claims throughout the plan year on any schedule (weekly, monthly, etc.) but they will only be reimbursed on your plan's specified reimbursement schedule. You cannot be reimbursed for future or projected expenses.

C10. How much will be reimbursed?

Dependent care claims will be reimbursed up to the amount of money accrued in your account as of the time the claim is processed. Reimbursement is limited to money already contributed to the account.

C11. Is preschool or latchkey an eligible expense?

Generally, both preschool and latchkey programs are eligible expenses. However, any educational expenses for education at the kindergarten level or above are not eligible.

C12. What happens to the employee's tax return at the end of the year?

The amount of the dependent care reimbursement will be shown on Form W-2 in Box 10 as non-taxable income. The amount of taxable income in Box 1 will not reflect any contributions made to the flexible benefit plan. You should file your tax return as normal. However, if you are taking the dependent care tax credit or participating in a dependent care spending account, you must file Form 2441 and get a Form W-10 (proof of tax payer identification numbers) from each daycare provider. Failure to comply with these reporting requirements may result in additional taxable income and interest.

C13. If the employee's spouse works part-time or is a student, can he or she participate in the plan?

Yes. If your spouse works part-time, you can still be reimbursed for work-related expenses incurred while both you and your spouse are working. If your spouse is a full-time student, and does not work, he or she will be deemed to have an income of \$200 per month if you have one child or \$400 per month if you have two or more children. The maximum election for dependent care reimbursement may be affected by the earned income of your spouse if he or she works part-time (see C3).

Please refer to our website, www.LDBbenefitsadmin.com, for a more extensive list of FAQs.



FLEX Worksheet

Health Care Reimbursement Account

Use this worksheet to estimate the health care expenses you expect to incur during the plan year which will not be paid by insurance.

Expense Categories	Sub-Category Amount	Category Total
Insurance Deductibles/Office Co-Pays		\$
Medical	\$	
Dental	\$	
Coinsurance Payments		\$
Medical	\$	
Dental	\$	
Vision Expenses		\$
Eye Exams	\$	
Prescription Glasses/Sunglasses	\$	
Contact Lenses and Solutions	\$	
Laser Surgery	\$	
Prescription Medications		\$
Over-the-Counter Medicines (require prescription)		\$
Over-the-Counter non-medicinal items		
Dental Expenses		\$
Preventative Care (cleaning, fluoride, etc.)	\$	
Restorative (fillings, crowns, root canal, etc.)	\$	
Orthodontia (Monthly payments x 12)	\$	
Hearing Aid and Batteries		\$
Chiropractic Fees		\$
Mental Health Counseling Fees (Family and marriage counseling are not eligible)		\$
Other		\$
Total		\$

See the following pages for a more complete list of eligible and ineligible expenses for the Health Care Reimbursement Account.

ELIGIBLE EXPENSES – Health Care Reimbursement Account

In general, eligible expenses are those expenses you incur for medical care. Medical care means diagnosis, care, treatment or prevention of disease. Expenses incurred by you, your spouse, or your other eligible dependents that are not reimbursed from another source (such as insurance) are eligible for reimbursement.

- Acupuncture
- Alcoholism - payment to treatment centers
- Ambulance
- Artificial limbs
- Braille - books or magazines (excess cost over Non-Braille materials)
- Breast Pump & Supplies
- Chemical Dependency treatment
- Chiropractor's fees
- Crutches
- Dental treatment (including dentures and orthodontia)
- Doctor's fees (licensed medical practitioner)
- Diagnostic fees
- Guide dog and its upkeep
- Hearing aids and batteries
- Hospital services
- Insulin
- Insurance deductibles/co-payments
- In-vitro fertilization fees
- Laboratory fees
- Laser Eye Surgery
- Naturopathic Services
- Nursing Services Orthotic devices (if custom molded)
- Osteopathic fees
- Osmotic supplies
- Over-the-counter items (*non-medicinal only...see next page*)
- Physical exams
- Pregnancy kits / Ovulation predictors
- Prescription drugs and medical supplies that are not otherwise excluded
- Psychologist fees
- Sterilization fees (or reversal)
- Surgical fees
- Therapy received as medical treatment
- Tuition at special school for handicapped
- Vision Expenses, including prescription glasses, contact lenses and cleaning supplies
- Weight-loss medications & programs (ONLY if to treat diagnosed medical condition)
- Wheelchair
- X-rays

INELIGIBLE EXPENSES – Health Care Reimbursement Account

- Activity Trackers (e.g. Fitbit, Garman)
- Birthing Classes/Lamaze/Doula services
- Chiropractic Service Agreements/Wellness Programs/Supplements
- Cosmetic prescriptions, procedures, supplies
- Court ordered exams/treatment
- Dental Bleaching & Veneers
- Diapers
- Expenses for which there is no diagnosis
- Family Counseling
- Frames w/out prescription eyeglass lenses
- Infant Formula
- Insurance Premiums
- Marriage Counseling
- **Over-the-counter medications & drugs (See next page)**
- Toiletries
- Toothbrush/Toothpaste/Floss
- Vision Service Agreements & Warranties
- Vitamins, one-a-day multiple
- Weight-loss medications & programs for general health
- **AND any other items that are primarily for personal use and/or general health**

Over-the-Counter Medicines and Drugs eligible ONLY with a prescription or letter of medical necessity.

If you have a prescription from a medical practitioner and the pharmacy enters it as a prescription, you may use your Benny™ Card to purchase these items if covered under your plan. Or, you may submit the prescription or letter with a manual claim and be reimbursed. (Please check your plan information to verify eligibility.)

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|--|---|---|
| <ul style="list-style-type: none"> ➤ Acid controllers ➤ Acne medications ➤ Allergy & sinus ➤ Antibiotic products ➤ Antifungal (Foot) ➤ Antiparasitic treatments ➤ Antiseptics & wound cleansers ➤ Anti-diarrheals ➤ Anti-gas ➤ Anti-itch & insect bite ➤ Baby rash ointments & creams ➤ Baby teething pain | <ul style="list-style-type: none"> ➤ Cold sore remedies ➤ Cough, cold & flu ➤ Denture pain relief ➤ Digestive aids ➤ Ear care ➤ Eye care ➤ Feminine antifungal & anti-itch ➤ Fiber laxatives (bulk forming) ➤ First aid burn remedies ➤ Hemorrhoidal preps ➤ Homeopathic remedies ➤ Laxatives (non-fiber) | <ul style="list-style-type: none"> ➤ Medicated nasal sprays, drops, & inhalers ➤ Medicated respiratory treatments & vapor products ➤ Motion sickness ➤ Oral remedies or treatments ➤ Pain relief (includes aspirin) ➤ Skin treatments ➤ Sleep aids & sedatives ➤ Smoking deterrents ➤ Stomach remedies ➤ Sunburn creams/ointments |
|--|---|---|

Eligible Over-the-Counter Items

OTC items that are not medicines or drugs remain eligible for purchase WITHOUT a prescription or letter of medical necessity through FSAs and HRAs. (Please check your plan information to verify eligibility.) You can use your benefits card for these items if they are covered under your plan.

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|---|---|--|
| <ul style="list-style-type: none"> ➤ Baby Electrolytes and Dehydration
Pedialyte, Enfalyte ➤ Contraceptives
Unmedicated condoms ➤ Denture Adhesives, Repair, and Cleansers
PoliGrip, Benzodent, Plate Weld, Efferdent ➤ Diabetes Testing and Aids
Ascencia, One Touch, Diabetic Tussin, insulin syringes; glucose products ➤ Diagnostic Products
Thermometers, blood pressure monitors, cholesterol testing ➤ Ear Care
Unmedicated ear drops, syringes, ear wax removal | <ul style="list-style-type: none"> ➤ Elastics/Athletic Treatments
ACE, Futuro, elastic bandages, braces, hot/cold therapy, orthopedic supports, rib belts ➤ Eye Care
Contact lens care ➤ Family Planning
Pregnancy and ovulation kits ➤ First Aid Dressings and Supplies
Band Aid, 3M Nexcare, non-sport tapes ➤ Foot Care Treatment
Unmedicated corn and callus treatments (e.g., callus cushions), devices, therapeutic insoles ➤ Glucosamine &/or Chondroitin
Osteo-Bi-Flex, Cosamin D, and Flex-a-min Supplements | <ul style="list-style-type: none"> ➤ Hearing Aid/Medical Batteries ➤ Home Health Care (limited segments)
Ostomy, walking aids, decubitis/pressure relief, enteral/parenteral feeding supplies, patient lifting aids, orthopedic braces/supports, splints & casts, hydrocollators, nebulizers, electrotherapy products, catheters, unmedicated wound care, wheel chairs ➤ Incontinence Products
Attends, Depend, GoodNites for juvenile incontinence, Prevail ➤ Prenatal Vitamins
Stuart Prenatal, Nature's Bounty Prenatal Vitamins ➤ Reading Glasses and Maintenance Accessories ➤ Sunscreen with SPF 30 or above |
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You may utilize the Dependent Care Tax Credit (DCTC) when you file your federal income tax return, or your qualifying dependent care expenses may be reimbursed from your contributions to the dependent care flexible spending account (DCFSA) on a before-tax basis. Both options will result in tax savings; however, the specific way in which taxes are reduced differs, and which option is better for you depends on your individual circumstances.

The DCTC applies to \$3,000 of dependent care expenses for one child, \$6,000 for two or more children. The DCFSA maximum remains at \$5,000. You may find through use of this worksheet that a blended approach will maximize your tax savings. For instance, two children in daycare costing \$7,000 would allow you to use DCFSA for \$5,000 of the expenses and DCTC for \$1,000 of the remaining expenses (\$6,000 is the maximum allowed when calculating tax savings).

This worksheet will help you compare options. The process described below involves comparing the total federal income tax savings (including Social Security) resulting from use of DCFSA with the tax savings resulting from the DCTC. Note that state income taxes and the Federal Earned Income Credit are not included in this analysis. Including state income taxes would increase the relative tax savings associated with the DCFSA. If you qualify for the Earned Income Credit, the DCRA may be more tax effective than the Tax Credit, even at lower incomes.

In general, eligible expenses are those that you incur for daycare that enables you (and your spouse, if you are married) to work. If you or your spouse are not employed, you must either be actively seeking employment or be a full-time student in order to claim dependent care expenses. Eligible Dependents are your children under age 13, or a spouse or other dependent who is incapable of caring for himself or herself and whose principal residence is your home. Preschool, latch-key programs, and day camps that substitute for your regular daycare are examples of eligible expenses. Registration fees and deposits are reimbursable, but only after the period for which the fee or deposit is paid begins. Educational expenses at the kindergarten level or higher, food, supply fees, overnight camp, special activity fees, and transportation fees are examples of ineligible expenses.

STEP 1. Estimate Federal Income Tax and Social Security Savings from the Dependent Care Spending Account.

	With Flex	Without Flex
A. Projected family Adjusted Gross Income (same in both columns)	\$	\$
B. Dependent Care Expenses Enter the lesser of: 1) your anticipated dependent care expenses, 2) \$5,000 (\$2,500 if married filing separately) or 3) the earned income of the lower earning spouse. Earned income means income from employment such as wages, salaries and tips. If your spouse is a full-time student or incapable of self-care, you can assume an earned income of \$250/month for one qualifying individual or \$500/month for two or more qualifying individuals.	\$	\$ 0
C. New Adjusted Gross Income (Subtract B from A)	\$	\$
D. Estimated itemized deductions or the standard deduction (\$12,600 for married filing jointly; \$9,300 for head-of-household; \$6,300 for married filing separately)	\$	\$
E. Multiply number of Personal Exemptions times \$4,050. (1 for yourself; 1 for your spouse; and one for each dependent)	\$	\$
F. Taxable Income (Subtract lines D and E from C)	\$	\$
G. Federal Tax (based on line F, determine amount from the table on the back)	\$	\$
H. Social Security Tax (Multiply the amount of your income shown on line C up to \$118,500 by .0765 plus the amount over \$118,500 by .0145 plus the amount over \$250,000 by .009)	\$	\$
I. Total Taxes (add lines G and H)	\$	\$
J. Tax Savings (Subtract line I, Column 1 from Line I, Column 2)	\$	

For Step 1, Line G

Filing Status and Taxable Income					
Married Joint		Head of Household		Married Separate	
Taxable Income	Tax	Taxable Income	Tax	Taxable Income	Tax
Not over 18,550	10% of taxable inc.	Not over 13,250	10% of taxable inc.	Not over 9,275	10% of taxable inc.
Over 18,550 but not over 75,300	1,865 plus 15% of the amount over 18,550	Over 13,250 but not over 50,400	1,325 plus 15% of the amount over 13,250	Over 9,275 but not over 37,650	927.50 plus 15% of the amount over 9,275
Over 75,300 but not over 151,900	10,367.50 plus 25% of the amount over 75,300	Over 50,400 but not over 130,150	6,897.50 plus 25% of the amount over 50,400	Over 37,650 but not over 75,950	5,183.75 plus 25% of the amount over 37,650
Over 151,900 but not over 231,450	29,517.50 plus 28% of the amount over 151,900	Over 130,150 but not over 210,800	26,835 plus 28% of the amount over 130,150	Over 75,950 but not over 115,725	14,758.75 plus 28% of the amount over 75,950
Over 231,450 but not over 413,350	51,791.50 plus 33% of the amount over 231,450	Over 210,800 but not over 413,350	49,417 plus 33% of the amount over 210,800	Over 115,725 but not over 206,675	25,895.75 plus 33% of the amount over 115,725
Over 413,350 but not over 466,950	111,818.50 plus 35% of the amount over 413,350	Over 413,350 but not over 441,000	116,258.50 plus 35% of the amount over 413,350	Over 206,675 but not over 233,475	55,909.25 plus 35% of the amount over 206,675
Over 466,950	130,578.50 plus 39.6% of the amount over 466,950	Over 441,000	125,936 plus 39.6% of the amount over 441,000	Over 233,475	65,289.25 plus 39.6% of the amount over 233,475

Step 2. Determine Dependent Care Tax Credit	Tax Credit Table	
	Adjusted Gross Income	% Credit
A. Based on your projected family adjusted gross income, select the appropriate tax credit % from the table at the right. _____ %	< \$15,000	35%
	\$15,001 – 17,000	34%
	\$17,001 – 19,000	33%
	\$19,001 – 21,000	32%
B. Qualifying Dependent Care Expenses: \$ _____	\$21,001 – 23,000	31%
Enter the lesser of:	\$23,001 – 25,000	30%
(1) your actual expenses,	\$25,001 – 27,000	29%
(2) \$3,000 for one child or \$6,000 for two or more children,	\$27,001 – 29,000	28%
(3) earned income of the lower earning spouse.	\$29,001 – 31,000	27%
(See Step 1, B3)	\$31,001 – 33,000	26%
C. Estimated Tax Credit (multiply line A times line B) \$ _____	\$33,001 – 35,000	25%
(Note: Cannot exceed Federal Tax calculated for Step 1, Line G, column 2 –“Without Flex”)	\$35,001 – 37,000	24%
	\$37,001 – 39,000	23%
	\$39,001 – 41,000	22%
	\$41,001 – 43,000	21%
	> \$43,000	20%

Step 3. Compare the Tax Savings Estimated in step 1, Line J with the Tax Credit Estimated in Step 2, Line C:

FSA Savings: \$ _____

Tax Credit Savings: \$ _____

This worksheet is intended to help you decide whether to participate in the Dependent Care account, but should be used with the understanding that it has limitations. Each individual's circumstances are unique, and the worksheet is not a substitute for competent tax advice. If you have questions, you should talk to your personal tax advisor.

Note: All tax brackets and dollar figures shown above are based on 2016 rates.



1. What is the Benny™ Card?

The Benny™ Card is a MasterCard® that gives you an easy, automatic way to pay for qualified health care expenses. The Benny™ Card lets you electronically access the pre-tax contributions you set aside in your Flexible Spending Accounts.

2. What should I do when I get my Benny™ Card?

Before using it for the first time, you should sign your Benny™ Card and activate it by calling the toll-free activation number provided on the front of the card. Once you activate your card, you will be given the option to set up a PIN number for your card. If you do this, you will need to select "Debit" when swiping the card and enter your PIN for authorization. If you do not setup a PIN, you will swipe the card as "Credit" and sign to authorize the charge. *By signing and activating your Benny™ Card, you are certifying that you'll use it only for eligible Health Care and Dependent Care Flexible Spending Account expenses.*

3. How does the Benny™ Card work?

It works like a MasterCard®, with the value of your account(s) contributions stored on it. When you have qualified eligible expenses at a business that accepts MasterCard®, simply use your Benny™ Card. The amount of your qualified purchases will be deducted from your account, and the pre-tax dollars will be electronically transferred to the provider/merchant for immediate payment.

4. Where can I use my Benny™ Card?

You can use your Benny™ Card at any health-related location (e.g., pharmacy, dentist, doctor, chiropractor) that accepts MasterCard®. The Benny™ Card will NOT be accepted at non-healthcare facilities (e.g., department stores, hardware stores, restaurants, bookstores, gas stations, convenience stores).

If enrolled in the Dependent Care spending account, you may use your Benny™ Card at your daycare provider if they accept MasterCard®. Eligible dependent care expenses are custodial in nature, NOT educational.

5. How will my Benny™ Card work at a daycare provider?

Your card is loaded each pay period with the amount of your payroll deduction. When you swipe your card, you will need to know your available balance. (You can check your account at www.LDBbenefitsadmin.com.) If you swipe your card for more than the available balance, it will decline.

6. Can I use my Benny™ Card to make online purchases?

Yes, you can use your Benny™ Card to make an online or mail-order purchase, as long as it is for an eligible expense and is obtained through an eligible health care provider.

7. Is this just like other MasterCard® cards?

The Benny™ Card is a special MasterCard® preloaded with your election. It is only for qualified expenses. There are no monthly bills and no finance charges.

8. How many Benny™ Cards will I receive?

You'll receive two Benny™ Cards.

9. Do I need a new Benny™ Card each year?

Your Benny™ Card is good for 5 consecutive years. As long as the same employee benefit account(s) remain(s) part of your benefit plan and you elect to participate each year, your Benny™ Card will be loaded with your new annual election amount at the start of each plan year.

10. What if I lose my Benny™ Card or need another one?

If you lose your Benny™ Card or need additional cards, you can order them through your LD&B Flexible Benefits Administrator at a fee of \$10 per two cards.

11. If asked, should I select "Debit" or "Credit"?

The Benny™ Card is automatically set up as a "Credit" card. With this option you simply swipe the card as "Credit" and sign. If you would like to use the card as a "Debit" card and enter a PIN, you will need to call (866) 898-9795 to set up your personalized PIN.

12. What are my responsibilities and obligations when using my Benny™ Card?

It's your responsibility to use your Benny™ Card properly. Each time your card is swiped, you are certifying that the transaction is for an eligible Health Care or Dependent Care expense (see question #13).

13. What are eligible Benny™ Card expenses?

You can use your Benny™ Card to pay for eligible Health Care or Dependent Care expenses only. An expense must meet the following conditions before it can be considered eligible:

- The expense must be eligible for reimbursement under your Health and Dependent Care FSA; and
- The expense has not been reimbursed (and you will not seek reimbursement for it) under any other health care benefit plan or insurance.

Each time you use your Benny™ Card, you are certifying that the transaction meets the above conditions.

14. Should I save my receipts and other documentation for Benny™ Card transactions?

Yes. Under IRS rules, you must save documentation for each Benny™ Card transaction. Benny™ Cards can be used in all major discount stores, supermarkets, and pharmacies only if the merchant utilizes an inventory information approval system or meets the 90% rule. A listing of both categories of merchants is available at www.LDBbenefitsadmin.com under Flexible Benefits Administration.

15. What happens if I use my Benny™ Card for an expense that is determined to be ineligible?

If you use your Benny™ Card to pay for an expense that is determined to be ineligible, you must reimburse the plan. This also applies if you don't return the required documentation for a Benny™ Card transaction. If you don't reimburse the plan, the plan will take action to recover the ineligible expense. This may include cancellation of your Benny™ Card, reduction of a subsequent eligible claim, or deduction from your pay.

16. What happens if my Benny™ Card balance won't cover a transaction?

If your Benny™ Card balance is less than the transaction amount, the transaction will be denied when the card is swiped. In this case, you can ask the clerk to charge the amount of your Benny™ Card balance, and pay the remainder in cash.

17. How do I know how much is in my account?

You can view your account balance and activity on the online Consumer Portal. Instructions and login information for the site are provided upon enrollment in the plan. We also have a Mobile App available for download; see pages 14 & 15 of the FSA Enrollment Kit or our website for information on the app. Balances may also be obtained by calling our toll-free number at (877) 532-5478.

18. Can my Benny™ Card balance carry over from year to year?

If your plan design allows for a rollover, up to \$500 of health care funds will be rolled into the new plan on the first day of the plan year. If your plan does not allow for a rollover, any monies remaining in the account at the end of the plan year (including any grace or run-out periods) will be forfeited.

Most Health Care and Dependent Care FSA plans allow some time after the end of the plan year to submit claims for eligible expenses incurred during that year. (Remember that an expense is "incurred" on the date the service is provided, not when you are billed or pay for it.) See your benefit plan materials or contact your Flexible Benefits Administrator at LD&B for more information on your plan design.

19. Whom do I call if I have questions about my Benny™ Card?

Call your Flexible Benefits Administrator at LD&B at the toll-free number shown on the back of the Benny™ Card.

20. How can I report a lost or stolen Benny™ Card?

You can report a lost or stolen Benny™ Card and request a replacement via the online Consumer Portal or by contacting your Flexible Benefits Administrator at LD&B.

21. Can a Benny™ Card transaction be declined when the provider swipes the card?

Yes. There are some situations in which a Benny™ Card transaction can be denied by a pharmacy or other location. This can happen if:

- You use your card before it is activated
- Your Benny™ Card account balance is less than the transaction amount
- The merchant is not a health-related facility (e.g., a gas station)
- AVS Decline: some online merchants use Address Verification Services and will enter all or part of a participant's address when processing the transaction. If the address does not match the information stored for your Benny™ Card, the transaction may be declined.
- The expiration date entered by the merchant does not match the expiration date stored for your Card
- The merchant machine is encoded improperly



Direct Deposit Authorization Form

Please complete this form and return to LD&B with a voided check to have your FSA reimbursement deposited directly into your bank account rather than receiving a check. If you are already signed up for direct deposit, you do not need to complete this form again unless your bank account information has changed.

PLEASE ATTACH A VOIDED CHECK / DEPOSIT SLIPS NOT ACCEPTED.

• INSTRUCTIONS

1. PLEASE PRINT ALL INFORMATION CLEARLY.
2. Attach a voided check if you designate a checking account. DO NOT SUBMIT A DEPOSIT SLIP. If you designate a savings account, attach a completed Savings Account Direct Deposit Form from your financial institution.
3. Please sign and date the form. Omission of signature will delay processing.
4. Mail completed form to the address indicated at the bottom of the page.
5. Notify LD&B Benefits Administrators of any account changes or account closings.

Direct Deposit authorization requires that all account and bank routing numbers be verified for accuracy before any funds are transferred. Claims submitted during the 10-day verification period will be reimbursed with a check. After the verification period, reimbursements will be posted to your bank account on the scheduled reimbursement date. You will receive an Explanation of Benefits and a new Claim Form through the mail.

• PARTICIPANT INFORMATION

First Name _____ Last Name _____ Social Security Number ____ - ____ - ____

Daytime Telephone (____) _____ - _____ Employer Name _____

• BANK INFORMATION

Check only one:

- | | |
|---|--|
| <input type="checkbox"/> Set-up Direct Deposit for: | <input type="checkbox"/> Change Account Information |
| <input type="checkbox"/> Checking (attach a voided check above) | |
| <input type="checkbox"/> Savings (attach a Savings Account Direct Deposit Form from your financial institution) | <input type="checkbox"/> Cancel Direct Deposit |

Full Bank Name _____ Telephone _____

Bank Routing Number (9-digit number on lower left of check) _____

Bank Account Number (to 17 digits) _____

IMPORTANT

- The designated account must be in your name.
- Processing of your Direct Deposit information will be delayed if you do not include both the bank account number **AND** the bank routing number. Call your bank if you are unsure of your bank account information.

• AUTHORIZATION

I hereby authorize LD&B Benefits Administrators to initiate credit entries for depositing my Flexible Spending Account reimbursements into my account designated above and, if necessary, make corrections for any entries made to my account in error. This authority is to remain in full force and effect until LD&B Benefits Administrators has received written notification from me of its termination in such time and in such manner as to afford LD&B Benefits Administrators a reasonable opportunity to act upon it.

Employee Signature _____ Date _____

Attach voided check and return to:

Mail to: **LD&B Benefits Administrators**
205-C South Liberty Street
Harrisonburg, VA 22801

Fax to: **540.438.4133 / 866.292.8331**
Phone support: **540.437.1425 / 877.532.5478** M – F 8:00 – 5:00 EST
Secure upload at: **www.LDBbenefitsadmin.com**

Flex Enrollment Form
Plan Year: 1/1/2017 to 12/31/2017

PLEASE PRINT

Name: _____ Employer: Hampden-Sydney College
Address: _____ Email: _____

(that you use on a regular basis)
Social Security #: _____
Date of Birth: _____

I authorize my employer to make the following salary reductions:

Health Care Reimbursement Account

I elect to have an annual amount of \$ _____, which equals \$ _____ per pay period, reduced from my salary before taxes to reimburse me for eligible healthcare expenses I incur during the plan year specified above. I further authorize my employer to reduce from my salary the amount of any improper or unsubstantiated expenses that are paid from my health care reimbursement account.

Dependent Care Reimbursement Account

I elect to have an annual amount of \$ _____, which equals \$ _____ per pay period, reduced from my salary before taxes to reimburse me for eligible dependent care expenses I incur during the plan year specified above.
Note: Reimbursement from this (and other dependent care plans for which you may be eligible) is limited to \$5,000 per year or \$2,500 per year if you are married filing separately. Reimbursement is further limited to earned income or your spouse's earned income, whichever is less.

I understand that:

- I cannot change this election during the plan year unless I have a change in family status.
- Any amounts remaining in my reimbursement accounts at the end of the year will be forfeited unless my employer has elected the carryover option (please check your plan design for specifics regarding how the carryover works).
- My Social Security benefits may be reduced by this election.
- This election replaces any previous elections and will terminate on the earlier of: 1) the end of the plan year, 2) when I am no longer a qualified employee eligible to participate in the plan, 3) termination of the plan.
- My employer may reduce or cancel this election if necessary to comply with provisions of the Internal Revenue Code.

I further understand, with regard to Benny™ Card transactions, that:

- Once I receive my Benny™ Card, I will only use it for payment of qualifying health and dependent care FSA expenses for myself or my eligible dependents.
- Any expense that I pay with the Benny™ Card will not have been reimbursed, nor will I be seeking reimbursement, under any other plan or program of benefit coverage.
- I must save all invoices and receipts for any expenses I pay with the Benny™ Card and upon request, will submit these documents for review by the plan.
- If I make an improper payment from my Benny™ Card or fail to provide documentation to my employer as required, the amount of such payments must be reimbursed to my employer. If I fail to reimburse my employer, my salary may be reduced by the employer in the amount of the improper payment.
- Each time I use or permit my Benny™ Card to be used for payment, I will renew and reaffirm the "My Use of Card Promises" that I will receive with the Benny™ Card.

Due to HIPAA regulations, LD&B is not allowed to discuss your account with your spouse or dependents (18 and older) unless you sign this form and list them below. To allow LD&B to release information to your spouse or dependents (18 and older) regarding processing claims, content of claims, account balances and any other information regarding your accounts, please list them below.

Signature: _____ Date: _____

Spouse's Name: _____

Dependent (18 and older): _____ Dependent (18 and older): _____

TO BE COMPLETED BY EMPLOYER

Eligibility Date: _____ Salary Reduction to Begin on Payroll Date: _____

Accepted By: _____ Date: _____

