



TO ALL HAMPDEN-SYDNEY COLLEGE EMPLOYEES:

LD&B Insurance Agency, Inc., Flexible Benefits Division, is pleased to administer your Flexible Benefits Plan. Enclosed is the enrollment kit for the **January 1, 2014 to December 31, 2014** plan year.

Benny Cards

- **If you are a current participant in the plan, your annual elections for the new plan year will be reloaded on your existing card. Your card is good for five years, please do not destroy it. There is a \$10 fee for two replacement/additional cards. If you've activated your card, you do not need to do so again for the new plan year.**
- **If you are a new participant or have never activated your card, you will need to activate your card to use it (see question 2 in the Benny Card information).**
- **Please save ALL your Benny Card receipts (see question 16 in the Benny Card information).**
- **Benny Cards can be used at major discount stores, supermarkets and pharmacies only if the merchant utilizes an inventory information approval system or meets the 90% rule. Listings for both categories are available at www.ldbinsurance.com under Flexible Benefits.**

You will receive Benny Card First Receipt Request letters via email. Please complete the email section on the enrollment form with an address that you check on a regular basis. If no email address is provided, you will receive the letters via mail.

If you are currently signed up for direct deposit of claims reimbursements, you do not need to fill out another direct deposit form. If you want to begin direct deposit or change your bank account information, please submit a completed form with your enrollment form.

Please complete the enrollment form and return to Debbie Herndon by 5:00 p.m., November 15, 2013. If you need assistance or have questions, please feel free to contact me at (800) 366-3846 or svanmeter@ldbinsurance.com.

Through our website, www.ldbinsurance.com you can check your account balance, activate your Benny Card, begin the claims process, and find more information about flexible spending accounts (Frequently Asked Questions, additional worksheets, claim forms, etc). We are here to serve you. Please feel free to utilize our services at any time or call with questions.

Sincerely,

Stephanie Van Meter
Flexible Benefits Administrator
Flexible Benefits Division

Stephanie Van Meter
Flexible Benefits Administrator
800-366-3846 / 540-438-4102
Fax 866-292-8331 / 540-434-9670
Email: svanmeter@ldbinsurance.com



**Flex Plan Reference Page
for
Hampden-Sydney College**

Plan Year 01/01/2014 to 12/31/2014

*****Dates of service *must* fall within the plan year dates**

The maximum contribution amount for Medical Care reimbursement: _____ \$2,500.00

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

***Processing frequency; weekly – claims are due in LD&B’s office on
Tuesday by 5pm in order to be processed on Thursday***

Run Out Period to **turn in** expenses after the end of your plan year: 90 days

Your Run-Out Period to turn in claims will end March 31, 2015



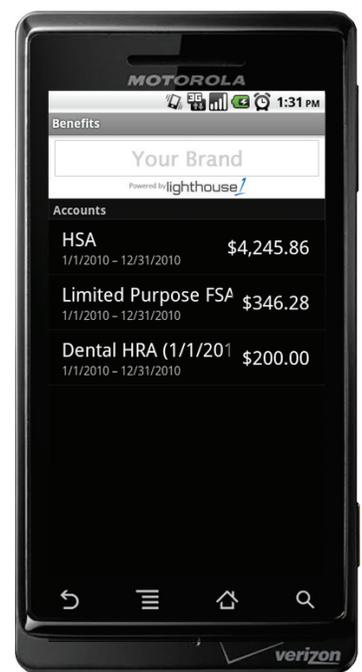
LD & B
Insurance and Financial Services

Now you can use your smartphone to check your health benefit account balances anywhere, anytime.

LD&B Insurance and Financial Services, powered by Evolution1, allows you to easily check your available balances using an iPhone, iPod Touch, iPad, or Android-powered device. The use of smartphones is rising rapidly. According to the Nielsen Company, the amount of mobile users with a smartphone is projected to increase to 49% by Q3 2011. If you're one of the millions who are riding the smartphone wave, you know how much the many apps available today can help you manage your everyday life.

Now, by using your smartphone to access your HRA, HSA and/or FSA account balances, you'll know how much money you have available to spend on qualified medical expenses at the time of purchase.

As a participant you can also submit claims for reimbursement and send receipts using your mobile device's camera. In addition, using any type of mobile device, you can receive account balances and configurable alerts via text message.



Your health benefit app was designed by Evolution1 to work just like other apps on your mobile device, making it easy to learn and use.

No sensitive account information is ever stored on your mobile device and the highest level of secure encryption is used to protect all transmissions.

LD&B Insurance and Financial Services and Evolution1 make it easy for you to install an app you can use on your smartphone to check your health benefit accounts' available balances and claim filing deadlines. When our app is available for download, you'll be notified via www.ldbinsurance.com. You'll be given a link for installing your health benefit mobile app from the iTunes App Store or Android Market.

Once you have installed your health benefit app, login is easy.

You'll use the same username and password you use to access www.ldbinsurance.com and the login process is identical.

If you exceed the maximum number of failed login attempts, your account will become locked. You'll see support contact information on your mobile device, so you can easily call to get your password reset. Or, you can reset it by clicking the Forget Password link on www.ldbinsurance.com.



At LD&B Insurance and Financial Services, we work hard every day to help you get the most benefit from your HRA, HSA, or FSA accounts. We hope you'll enjoy the convenience and added assurance that LD&B Insurance Mobile provides.

If you have questions, please contact your Flexible Benefits Administrator at 540.433.2796 or 800.366.3846.

LD & B
Insurance and Financial Services

Powered by:
evolution1
www.evolution1.com

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 & Associated Parts
- Chemical Dependency treatment
- Chiropractor's fees
- Crutches
- Dental treatment (inc. dentures, 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

- Birthing Classes/Lamaze/Doula services
- Breast pump accessories (i.e. special bottles, labeling lids, etc.)
- 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
- 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



Important Information about Your Benny Card

GUIDELINES FOR THE USE OF FSA, HRA, and HSA FUNDS TO PURCHASE OVER THE COUNTER PRODUCTS

**Not all FSA and HRA plans allow over the counter products to be reimbursed.
Please check your plan information to verify eligibility.*

The Patient Protection and Affordable Care Act of 2010 has changed the rules for the purchase of over-the-counter (OTC) products using your Flexible Spending Account (FSA), Health Reimbursement Arrangement (HRA), or Health Savings Account (HSA) pre-tax funds.

1. **If you have a prescription for an OTC medicine or drug, you can use your Benny Card for this purchase as long as the prescription is filled by the pharmacist with an Rx number assigned. CHECK WITH YOUR PHARMACIST FIRST TO MAKE SURE THEY CAN FILL AN OTC PRESCRIPTION.**
 - a. **Take your written prescription for the over-the-counter drug to the pharmacy.**
 - b. **The pharmacy will assign an RX number to the over-the-counter drug.**
 - c. **If these first two steps are completed, the Benny card can be used to purchase items that are listed in the above categories.**

If your OTC prescription is not filled by a pharmacist, but you do have a written Rx from a medical practitioner, you must pay out of pocket and submit a manual claim requesting reimbursement.

2. You can continue to use your FSA, HRA, or HSA funds to purchase eligible OTC items that are not considered a medicine or drug (e.g. bandages, splints, contact lens solution, etc.). **We have included a new listing of eligible over-the-counter items on the next page. Your Benny Card can continue to be used for these purchases.** Please note that **insulin remains an eligible expense** with or without a prescription.

*If you have questions about these guidelines or need more information, please contact **Stephanie Van Meter** your Flexible Benefits Administrator, at **540-438-4102 / 800-366-3846** or email **svanmeter@ldbinsurance.com***

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).*

- | | | |
|--|---|---|
| <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 ■ Cold sore remedies | <ul style="list-style-type: none"> ■ 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 with 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.*

- | | | |
|---|---|--|
| <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, Flex-a-min Nutritional 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 |
|---|---|--|

For additional information, please contact **Stephanie Van Meter** your Flexible Benefits Administrator, at 540-438-4102 / 800-366-3846 or email at svanmeter@ldbinsurance.com.

FLEX Worksheet

DEPENDENT CARE SPENDING ACCOUNT

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. Pre-School, latch-key programs, and day camps that substitute for your regular daycare are examples of eligible expenses. Registration fees & 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, 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 (\$12,200 for married filing jointly; \$8,950 for head-of-household; \$6,100 for married filing separately)	\$	\$
E. Multiply number of Personal Exemptions times \$3,900. (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 \$113,700 by .0765 plus the amount over \$113,700 by .0145 plus the amount over \$200,000 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 17,850	10% of taxable inc.	Not over 12,750	10% of taxable inc.	Not over 8,925	10% of taxable inc.
Over 17,850 but not over 72,500	1,785 plus 15% of the amount over 17,850	Over 12,750 but not over 48,600	1,275 plus 15% of the amount over 12,750	Over 8,925 but not over 36,250	892.50 plus 15% of the amount over 8,925
Over 72,500 but not over 146,400	9,982.50 plus 25% of the amount over 72,500	Over 48,600 but not over 125,450	6,652.50 plus 25% of the amount over 48,600	Over 36,250 but not over 73,200	4,991.25 plus 25% of the amount over 36,250
Over 146,400 but not over 223,050	28,457.50 plus 28% of the amount over 146,400	Over 125,450 but not over 203,150	25,865 plus 28% of the amount over 125,450	Over 73,200 but not over 111,525	14,228.75 plus 28% of the amount over 73,200
Over 223,050 but not over 398,350	49,919.50 plus 33% of the amount over 223,050	Over 203,150 but not over 398,350	47,621 plus 33% of the amount over 203,150	Over 111,525 but not over 199,175	24,959.75 plus 33% of the amount over 111,525
Over 398,350 but not over 450,000	107,768.50 plus 35% of the amount over 398,350	Over 398,350 but not over 425,000	112,037 plus 35% of the amount over 398,350	Over 199,175 but not over 225,000	53,884.25 plus 35% of the amount over 199,175
Over 450,000	125,846 plus 39.6% of the amount over 450,000	Over 425,000	121,364.50 plus 39.6% of the amount over 425,000	Over 225,000	62,923 plus 39.6% of the amount over 225,000

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

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.

The Benny™ Card

A MasterCard® for all Code 213 eligible health care expenses:



- Prescription Co-Pays
- Physician Services
- Dental Expenses
- Vision Expenses

Benny Card Information



Once again, Flexible Spending Accounts (FSAs) will be offered as part of our benefits program for this upcoming year. Your health care Flexible Spending Account (FSA) is easy to use thanks to **Benny, Your Card for Better Benefits™**. The Benny™ MasterCard® Card provides the most convenient way to access your health care FSA contributions.

The Benny™ Card is a special MasterCard® that draws on the value of your annual health care FSA election amount. Each time you incur a qualified health care expense not covered by your regular health insurance at a business that accepts MasterCard®, you can present the Benny™ Card. Your qualified expenses will be deducted from your FSA automatically. The Benny™ Card frees you from spending money out-of-pocket at the time of purchase, submitting burdensome paperwork, and waiting for reimbursement checks for the vast majority of expenses. (Don't forget you can't use the Card at non-health related MasterCard® locations, such as restaurants, gas stations, and bookstores.)

HERE'S A LOOK AT HOW BENNY™ SAVES THE DAY!		
Let's assume you...	Today you would...	With Benny™ you will...
Contribute \$1,000 in one year to your Health Care FSA Account		
Purchase a prescription (or several prescriptions) at the pharmacy, or pay a copay at the doctor's office.	<ol style="list-style-type: none"> 1. Pay what you owe. 2. Save the receipt. 3. Get a claim form. 4. Complete the claim form 5. Make a copy of your receipt and claim form for your records. 6. Submit the form and receipt for reimbursement (don't forget to add postage!). 7. Wait for reimbursement via mail. 8. Deposit/cash the reimbursement check. 	<ol style="list-style-type: none"> 1. Swipe your Benny™ MasterCard® 2. <u>Save the receipt.</u> <p>FUNDS ARE AUTOMATICALLY DEDUCTED FROM YOUR FSA ACCOUNT.</p> <p>THAT'S IT!</p>
VISIT WWW.LDBINSURANCE.COM FOR MORE INFORMATION		

Using the Benny™ MasterCard® Card is so simple . . .

- ◆ **It's automatic** – the funds are immediately transferred from your health care FSA at the time you incur the expense.
- ◆ **It improves your cash flow** – you don't have to lay out cash at the time of purchase.
- ◆ **It's simple to track** – your current balance is available around the clock at www.LDBINSURANCE.com.

If you are currently not participating in the health care FSA...this is a great time to try it! If you have participated in the past... perhaps now is the time to increase your contributions. With the Benny™ Card, much of the paperwork and unknowns have been virtually eliminated. Helpful planning tools are available for tracking your account activity online, greatly reducing the chance of leaving money in your account at the end of the year.

You will find additional information about the Benny™ Card in your enrollment materials. We encourage you to become familiar with this new concept and take advantage of an exciting new approach to managing your FSA.

Visit www.LDBINSURANCE.com for more information.

Frequently Asked Questions

For Flexible Spending Accounts and the Benny Card

- 1 What is the Benny Card?**

A. 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?**

A. 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 press Debit and enter your PIN number when you swipe the card. If you do not setup a PIN number you will press credit and swipe the card without having to enter a PIN.

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.

Note that there is a two-day waiting period after activation before you can use your card.

- 3 How does the Benny Card work?**

A. 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 - automatically- 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?**

A. You can use your Benny Card at any health-related location (pharmacy, dentist, doctor, chiropractor, etc.) that accepts MasterCard.

There are places the Benny Card will NOT be accepted. Examples include; Department stores, hardware stores, restaurants, bookstores, gas stations, convenience stores, etc.

You can also use your Benny Card for dependent care expenses at your daycare provider if they accept MasterCard. (As a reminder, eligible dependent care expenses are custodial in nature NOT educational)

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

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

6 Can I use my Benny Card to make on-line purchase?

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

7 How does the Benny Card change how I am reimbursed for expenses?

A. Before the Benny Card, you were required to pay for your eligible expense at the time of purchase, submit claim forms along with all receipts, and then wait for the reimbursement to be processed. A check was issued and mailed to you and then you cashed the check.

With the Benny Card, you swipe the Card and the funds are automatically deducted from your respective employee benefit account(s) for payment. The Benny Card eliminates most out-of-pocket cash outlays, paper work and the need to wait for reimbursement checks.

8 Is this just like other MasterCard cards?

A. The Benny Card is a special MasterCard. It is only for qualified expenses. There are no monthly bills and no finance charges.

9 How many Benny Cards will I receive?

A. You'll receive two Benny Cards.

10 Do I need a new Benny Card each year?

A. As long as the same employee benefit account(s) remain 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. Your Benny Card is good for 5 consecutive years.

11 What if I lose my Benny Card or need another one?

A. If you lose your Benny Card or need additional cards you can order them through your LD&B customer service representative at a fee of \$10 per two cards.

- 12 If asked, should I select "Debit" or "Credit"**
- A.** 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 have a PIN number you must call 1-866-898-9795 and set it up. If you set up a PIN number you will swipe the card as "Debit" and enter your PIN.
- 13 Can I use my Benny Card for prescriptions ordered, prior to activating my Benny Card?**
- A.** Your Benny Card must be activated prior to the purchase date of your prescriptions. You need to wait two business days after activating your card (it can be used on the third day) to purchase prescriptions at your pharmacy with the Benny Card.
- 14 What are my responsibilities and obligations when using my Benny Card?**
- A.** 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 #15 below.)
- 15 What are eligible Benny Card expenses?**
- A.** You can use your Benny Card to pay for eligible Health Care or Dependent Care expenses only. An expense must meet these 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.
- 16 Should I save my receipts and other documentation for Benny Card transactions?**
- A.** Yes. Under IRS rules, you must save documentation for each Benny Card transaction. Effective July 1, 2009, Benny Cards can be used in all major discount stores, supermarkets and pharmacies only if the merchandise utilizes an inventory information approval system or meets the 90% rule. The listing of both categories of merchants is available at www.ldbinsurance.com under Flexible Benefits.
- 17 What happens if I use my Benny Card for an expense that is determined to be ineligible?**
- A.** 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.

- 18 How can I avoid an ineligible expense?**
- A. You can avoid ineligible expenses by:
- Checking your benefit plan materials or calling your Customer Service Representative at LD&B to ensure that a given expense is eligible for reimbursement under your Health Care or Dependent Care FSA;
 - Using your Benny Card only at health-related locations; and
 - SAVING YOUR RECEIPTS and related documentation for each Benny Card transaction.
- 19 What happens if my Benny Card balance won't cover a transaction?**
- A. 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.
- 20 How is my Benny Card balance determined?**
- A. Your initial Benny Card balance is equal to your annual Health Care election for a given year. For example, suppose you elect to put \$1200 in your Health FSA for the 2012 plan year. In this case, your initial Benny Card balance for the 2012 plan year is \$1200. That \$1200 balance is then reduced by each Benny Card transaction you make or manual claim that you submit during the 2012 plan year.
- 21 How do I know how much is in my account?**
- A. You can visit your Account Summary page at www.ldbinsurance.com select "Flexible Benefits" then under Online Services and Printable Forms, select "Enrollment/Claims/Balances" and view your account activity and current balance. We also have a Mobile App available for download, more information is included on the website. Balances may also be obtained by calling our toll free number 800-366-3846.
- 22 Can my Benny Card balance carry over from year to year?**
- A. No. Your Benny Card account balance cannot carry over from year to year. This "use it or lose it" rule is required by IRS regulations. 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 Customer Service Representative at LD&B for more information on the "use it or lose it" rule, year-end claim filing, and your Health Care and Dependent Care FSA's plan year.

23 Whom do I call if I have questions about my Benny Card?

A. Call your Customer Service Representative at LDB at the number shown on the back of the Benny Card.

24 How can I report a lost or stolen Benny Card?

A. You can report a lost or stolen Benny Card and request a replacement by contacting your Customer Service Representative at LD&B.

25 Can a Benny Card transaction be declined when the provider swipes the card?

A. 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, or before completion of the two-day activation waiting period
- Your Benny Card account balance is less than the transaction amount
- The merchant is not a health-related facility (e.g., a gas station)
- Prescription is not picked up within 30 days
- AVS Decline; Some 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
- Merchant machine encoded improperly

The Benny™ Card outside the Pharmacy and Retrospective Substantiation

<u>Decline</u>	<u>Action Required</u>
<p><u>AVS Verification Decline:</u></p> <p>Some merchants, especially on-line merchants, will use Address Verification Services (AVS) at the Point of Sale. When using this service the merchant will request all or part of the participant’s address when processing the card transaction. If any part of the address provided or entered by the merchant does not match the information stored on the Benny™ Card system, the transaction will be declined with this reason code. (Typically the AVS verification compares the street address number and the zip code number to the street address number and zip code number.)</p> <p>This could be an ongoing error.</p>	<ul style="list-style-type: none"> • Cardholder should ensure that address information is up to date to minimize risk. • Cardholder can pay with some other form of payment and submit a manual claim.
<p><u>What is the address Verification System?</u></p> <p>The address Verification System (AVS) is an advanced level of credit card security that is now used to help guard against credit card fraud. When a card is sent to the bank for processing the house number portion of the address and zip code entered with the order must match that of the cardholder on file. This is another way to ensure that the owner of the card is in fact the one using it. If the address does not match then the transaction is declined and sent back to merchant. At that point the merchant has to decide whether to process the transaction anyway or reject it. If the merchant chooses to process the card (even though its address is invalid) they pay a higher transaction fee. This is called an unqualified transaction. A Transaction with an address that verifies is said to be qualified and the merchant is charged their normal transaction fee.</p>	
<p><u>Could not match the exp date from the POS:</u></p> <p>The expiration date provided by the merchant does not match the card expiration date on the Benny™ Card system. Typically, this is caused by a data entry error by the merchant.</p> <p>This could be an ongoing error.</p>	<ul style="list-style-type: none"> • The merchant can re-enter the expiration date and submit the transaction again.
<p><u>Insufficient Funds:</u></p> <p>The funds remaining in the participant’s card account are less than the amount of the card transaction.</p> <p>This could be an ongoing error.</p>	<ul style="list-style-type: none"> • The MasterCard system will respond only to the transaction requested e.g. – if the balance in the cardholder’s account is \$ 50 and the card is swiped for \$ 52 the transaction will decline. • Cardholders should be aware of their current balance amount – through either self-service tools or customer service. • The cardholder can split the transaction paying up to the balance amount on the Benny™ Card and using some other form of payment for the remainder of the charge.

<p><u>Merchant not in Network or No Purse Exists:</u></p> <p>The cardholder attempts to use the card at a merchant that is ineligible for the Benny™ Card program. For example, if the Cardholder attempts to use the card at a gas station the transaction will be declined with this reason code.</p> <p>Note: It is possible for a healthcare provider’s MasterCard terminal to be incorrectly categorized with another merchant code. If the TPA believes this to be the case, contact Evolution Benefits’ support services.</p> <p>This could be an ongoing error.</p>	<ul style="list-style-type: none"> • If the cardholder is at a location that seems to be valid – ie: at a physician’s office it is possible that the provider has an incorrect Merchant Category Code assigned to them. • Cardholder should contact TPA at the 800 number on the back of the card. • The service representative can review the situation with them and if it warrants, add the individual merchant into the network to correct the issue going forward. • Loading an individual merchant takes approximately 5 business days. For the current transaction the Cardholder will need to use some other form of payment and submit a manual claim. • The merchant will be corrected for transactions going forward.
<p><u>The account was not active:</u></p> <p>The cardholder attempted to use the card prior to activating it via the toll free activation number at 1-866-898-9795 or the website. The participant’s account could also be suspended or closed.</p> <p>Happens more frequently when the plan begins – usually happens only once.</p>	<ul style="list-style-type: none"> • The cardholder needs to activate the card following the instructions on the activation sticker – via the toll free number or the web and then wait until the 3rd business day to attempt to use the card again. • If the cardholder’s Benny™ Card has been closed or suspended they may have an outstanding audit request and should contact customer service at the 800 number on the back of the card.
<p><u>ERROR: transaction timed out:</u></p> <p>The Benny™ Card system is unable to communicate a response to an authorization request back to the merchant. This could be caused by a variety of factors – such as a merchant’s loss of connectivity to the MasterCard network. The Benny™ Card system attempts to communicate the response back to the merchant for a set period of time (7 seconds) and if it is unsuccessful “times out” and treats the transaction as a decline.</p> <p>This does not happen frequently.</p>	<ul style="list-style-type: none"> • Merchant can re-enter the card and attempt to reprocess the transaction.

LD&B Insurance and Financial Services

DIRECT DEPOSIT AUTHORIZATION

Please complete this form if you prefer to have your FSA reimbursement deposited directly into your bank account rather than receiving a check.

PLEASE ATTACH A VOID CHECK HERE
DEPOSIT SLIPS NOT ACCEPTED

• INSTRUCTIONS

1. PLEASE PRINT ALL INFORMATION CLEARLY.
2. Attach a void 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 Insurance Agency 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:
- Set-up Direct Deposit for:
 - Checking (attach a void check above)
 - Savings (attach a Savings Account Direct Deposit Form from your financial institution)
 - Change Account Information
 - 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 Insurance Agency 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 Insurance Agency has received written notification from me of its termination in such time and in such manner as to afford LD&B Insurance Agency a reasonable opportunity to act on it.

Employee Signature _____ Date _____

Send to: LD&B Insurance and Financial Services • 205 South Liberty Street • Harrisonburg, VA 22801
Telephone: (540) 433-2796 • (800) 366-3846

FLEX ENROLLMENT FORM

For the Plan Year _____ to _____

PLEASE PRINT

Name _____ Employer _____
Address _____ Email: _____
_____ Social Security # _____
(That you use on a regular basis)

Indicate below the options in which you would like to participate.

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 health care expenses which I incur during the plan year specified above.

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 which I incur during the plan year specified above. 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 your 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.
- 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 expense I pay with the Card and upon request, will submit these documents for review by the plan.
- 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.

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. This is due to the HIPAA regulations. 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 _____

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 _____