



Know Your Benefits

Flexible Spending Accounts

Flexible spending accounts, or FSAs, provide you with an important tax advantage that can help you pay health care and dependent care expenses on a pre-tax basis. By anticipating your family's health care and dependent care costs for the next plan year, you can lower your taxable income.

Essentially, the Internal Revenue Service (IRS) set up FSAs as a means to provide a tax break to employees and their employers. As an employee, you agree to set aside a portion of your pre-tax salary in an account, and that money is deducted from your paycheck over the course of the year. The amount you contribute to the FSA is not subject to social security (FICA), federal, state or local income taxes—effectively adjusting your annual taxable salary. The taxes you pay each paycheck and collectively each plan year can be reduced significantly, depending on your tax bracket. As a result of the personal tax savings you incur, your spendable income will increase.

The example that follows illustrates how an FSA can save money.

Bob and Jane's combined gross income is \$30,000. They are married and file their income taxes jointly. Since Bob and Jane expect to spend \$3,000 in medical expenses in the next plan year, they decide to direct a total of \$2,750 (the maximum allowed amount per individual, for that taxable year) into their FSAs. (See table)

	Without FSA	With FSA
Gross income	\$30,000	\$30,000
FSA contributions	\$0	-\$2,750
Gross income	\$30,000	\$27,250
Estimated taxes		
Federal	-\$2,550*	-\$1,776*
State	-\$900**	-\$750**
FICA	-\$2,295	-\$1,913
After-tax earnings	<u>\$24,255</u>	<u>\$22,811</u>
Eligible out-of-pocket medical and dependent care expenses	-\$3,000	-\$250
Remaining spendable income	\$21,255	\$22,561
Spendable income increase	--	\$1,306

* Assumes standard deductions and four exemptions

** Varies, assumes 3%

This example is for illustrative purposes only. Every situation varies and it is recommended you consult a tax advisor for all tax advice.

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The Health Care Reimbursement FSA

The health care reimbursement FSA lets you pay for certain IRS-approved medical care expenses not covered by your insurance plan with pre-tax dollars. For example, cash that you now spend on deductibles, copayments or other out-of-pocket medical expenses can instead be placed in the health care reimbursement FSA pre-tax. The annual maximum contribution to the health care reimbursement FSA is \$2750.

Health FSAs employ a “use-it-or-lose-it” model. If you do not use the funds that you contribute to your FSA within the end of the year, you will have to forfeit those funds. However, your employer allows employees to carry over up to \$550 of unused funds from one year to the next. In addition, any amount that is carried over does not count toward the maximum contribution limit.

Eligible Expenses

Eligible health care expenses for the health care reimbursement FSA include more than just your deductible and copayments. You can also reimburse items such as prescription drugs, dental expenses, eye glasses and contacts, certain medical equipment and many more items. For more information about eligible medical expenses, please refer to IRS Publication 502, Medical and Dental Expenses, available at www.irs.gov/publications/p502/index.html.

Effective Jan. 1, 2020, the CARES Act treats all OTC medicines as qualifying medical expenses that may be paid for (or reimbursed) on a tax-free basis by a health FSA. **This change eliminates the ACA provision that required individuals to have a prescription for an OTC medication (except insulin) to pay for it on a tax-free basis with their health FSA.**

In addition, effective Jan. 1, 2020, menstrual care products are qualifying medical expenses that can be paid for (or reimbursed) on a tax-free basis by a health FSA. Menstrual care products include tampons, pads, liners, cups, sponges, or similar products used by individuals with respect to menstruation.

The Dependent Care FSA

The Dependent Care FSA lets you use pre-tax dollars toward qualified dependent care. The annual maximum amount you may contribute is \$5,000 (or \$2,500 if married and filing separately) per calendar year.

If you elect to contribute to the dependent care FSA, you may be reimbursed for:

- The cost of child or adult dependent care
- The cost for an individual to provide care either in or out of your house
- Nursery schools and preschools (excluding kindergarten)

Eligible Expenses

In order for dependent care services to be eligible, they must be for the care of a tax-dependent child under age 13 who lives with you, or a tax-dependent parent, spouse or child who lives with you and is incapable of caring for himself or herself. The care must be needed so that you and your spouse (if applicable) can go to work. Care must be given during normal working hours (instances such as Saturday night babysitting does not qualify) and cannot be provided by another of your dependents.

Is the FSA program right for me?

The flexible spending accounts offered by Chapin International, Inc. are beneficial for anyone who has out-of-pocket medical, dental, vision, hearing or dependent care expenses beyond what his or her insurance plan covers. It's easy to determine if an FSA will save you money. At enrollment time, you will need to determine your annual election amount. Estimate the expenses that you know will occur during the year. These include out-of-pocket expenses for yourself and anyone claimed as a dependent on your taxes. If you had \$100 or more in recurring or predictable expenses, the accounts can help you stretch your dollars.

How do the accounts work?

If you decide to enroll in one or both of the accounts, your contributions are taken out of each paycheck—before taxes—in equal installments throughout the plan year. These dollars are then placed into your FSA. When you have an eligible health care or dependent care expense, you must submit a claim form along with an itemized receipt to be reimbursed from your account.

The health care reimbursement FSA will reimburse you for the full amount of your annual election (less any reimbursement already received), at any time during the plan year, regardless of the amount actually in your account. The dependent care FSA will only reimburse you for the amount that is in your account at the time you make a claim.



Know Your Benefits

Flexible Spending Account Eligible Expenses

Which expenses can be reimbursed by an FSA?

Your Chapin International, Inc. Health Care Reimbursement Flexible Spending Account lets you pay for medical care expenses not covered by your insurance plan with pre-tax dollars. The expenses must be primarily to alleviate a physical or mental defect or illness, and be adequately substantiated by a medical practitioner. The products and services listed below are examples of medical expenses eligible for payment under your Chapin International, Inc. FSA, to the extent that such services are not covered by your medical and dental insurance plan.

Unfortunately, **we cannot provide a definitive list of “qualified medical expenses.”** A determination of whether an expense is for “medical care” is based on all the relevant facts and circumstances. To be an expense for medical care, the expense has to be primarily for the prevention or alleviation of a physical or mental defect or illness.

The following are examples of FSA-eligible expenses:

- Abortion
- Acupuncture
- Alcoholism treatment
- Ambulance
- Annual physical examination

- Artificial limb
- Artificial teeth
- Bandages
- Birth control pills
- Body scan
- Braille books and magazines
- Breast pumps and supplies
- Breast reconstruction surgery
- Capital expenses (improvements or special equipment installed to a home, if meant to accommodate a disabled condition)
- Car modifications or special equipment installed for a person with a disability
- Chiropractor
- Christian Science practitioner
- Contact lenses
- Crutches
- Dental treatment (not including teeth whitening)
- Diagnostic devices
- Disabled dependent care expenses
- Drug addiction treatment
- Eye exam
- Eye glasses
- Eye surgery

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- Fertility enhancement (in vitro fertilization or surgery)
- Guide dog or other service animal
- Health institute fees (if treatment is prescribed by a physician)
- Intellectually or developmentally disabled care, treatment or special home
- Laboratory fees
- Lactation expenses
- Lead-based paint removal (if a child in the home has lead poisoning)
- Learning disability care or treatment
- Legal fees associated with medical treatment
- Lifetime care, advance payments or “founder’s fee”
- Lodging at a hospital or similar institution
- Medical conference expenses, if the conference concerns a chronic illness of yourself, your spouse or your dependent
- Medical information plan
- Medications, if prescribed
- Nursing services
- Operations
- Optometrist
- Organ donors
- Osteopath
- Oxygen
- Personal protective equipment used for the primary purpose of preventing the spread of COVID-19
- Physical examination
- Pregnancy test kit
- Prosthesis
- Psychiatric care
- Psychoanalysis
- Psychologist
- Special education
- Sterilization
- Stop-smoking programs
- Surgery
- Special telephone for hearing-impaired individual
- Television for hearing-impaired individuals
- Therapy received as medical treatment
- Transplants
- Transportation for medical care
- Tuition for special education
- Vasectomy
- Vision correction surgery
- Weight-loss program if it is a treatment for a specific disease
- Wheelchair
- Wig
- X-ray

Source:

www.irs.gov/publications/p502/ar02.html#en_US_publink1000178947

Plans that do not allow reimbursement of all eligible medical expenses as defined by the IRS and Department of Treasury must customize this article prior to use.

**CHAPIN INTERNATIONAL
PLAN SERVICE PROVIDER
ELECTRONIC FUNDS TRANSFER AUTHORIZATION FORM**

This form authorizes DataPath Administrative Services, Inc. (DPAS) to originate credit/debit entries to and from the below named account through the EFT Services as agreed upon in the EFT Service Agreement on file beginning on the Effective Date below.

Plan Service Provider ComTon, Inc.

Financial Institution Name: _____

Address: _____

City: _____ **State:** _____ **Zip:** _____

Effective Date: _____ **Type of Account:** Checking Savings

Account Number (Include hyphens, but not spaces or special symbols)

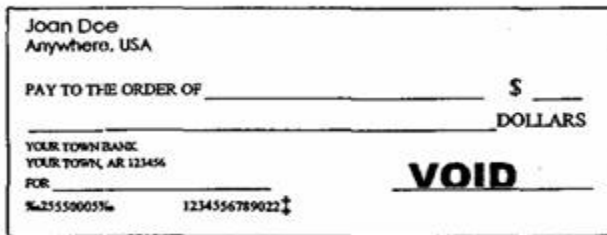
(See check example below)

Routing Transit Number

(All 9 boxes must be filled. The first two numbers must be either 01 through 12 or 21 through 32.)

-----ATTACH A VOIDED CHECK HERE-----

DO NOT attach a Deposit Slip because deposit slips do not show the necessary information.



Information Provided By: (Please print name.) _____

This information is to remain in full force and effect until DPAS and Bank have received our written notification of its termination in such time and in such manner as to afford DPAS and Bank a reasonable opportunity to act upon it.

Title: _____

Signature: _____ Date Signed: _____

Verified by ComTon, Inc.:

Title: _____

Signature: _____ Date Signed: _____

Summit Log In

You may register for online access to your benefits account at <https://comton.summitfor.me/Account/RegistrationFirstStep>

Once you are registered for online access, you will have access to:

- Account balance
- Transaction activity
- Receipt requirements
- Plan information
- Several other useful resources and tools

You may also use your personal portal to upload receipts that have been requested and submit new claims for reimbursement.

For account access on the go, download the free mobile app today for your Android or Apple device. Search for "DataPath Summit" and select the Summit app to download.

Information you will need to register for online portal access, mobile access and card activation (for applicable plans):

TPA ID: ComTon, Inc.

Employer ID: CHI21

Participant ID: Social Security Number

If you should have any questions, a ComTon Inc. representative is always happy to help and can be reached by calling **(585) 598-2931**.

To register, please go to:

<https://comton.summitfor.me/Account/RegistrationFirstStep>

Chapin International
Sec. 125 Cafeteria Plan (2021/2022)
FSA Benefit Election Form and Salary Reduction Agreement

Employee Name (Last, First, MI) _____

Social Security No. _____

Employee Street Address _____

City, State, Zip Code _____

Employee E-mail Address _____

Employee Dept. Code _____

I hereby authorize and direct my employer to reduce my salary in the amount necessary to deduct from after-tax income the post-tax items shown below. Such reductions, considered as elective contributions under the plan, will start with my first paycheck dated after the effective date the Plan. I also understand that the purpose of this program is to allow employees to select their qualified benefits within the guidelines of the Internal Revenue Code. I understand that the selection of a benefit and the indication that a premium is to be paid does not necessarily include me in the insurance portions of this plan. In most instances an application for insurance must also be completed.

Listed below are the benefits that may be available under the plan. Please indicate which benefits you wish to select by completing the total per deduction-period cost and the amount paid by the pre-tax reduction or after-tax deduction. The selections will remain in effect until a subsequent election form is filed, in accordance with the plan.

Benefit (All amounts paid should be per deduction period)	Salary Reduction per Pay Period	
Reimbursement Accounts		
FSA Medical Expense \$2,750 annual maximum.....	\$ _____ X _____	= \$ _____ (pay periods) (Annual)
FSA Limited Purpose \$2,750 annual maximum.....	\$ _____ X _____	= \$ _____ (pay periods) (Annual)
FSA Dependent Care \$5,000 annual Maximum.....	\$ _____ X _____	= \$ _____ (pay periods) (Annual)
Total Deductions.....	\$ _____	

Please answer by circling Yes or No.

Are you covered by a High Deductible Health Plan (HDHP)? Yes No

If yes, do you currently have a Health Savings Account (HSA)? Yes No

Note; If you are covered by an HDHP and have an HSA you are only eligible for a limited purpose FSA. Only Dental and Vision expenses are eligible for reimbursement in a Limited Purpose FSA.

I have read the Account Rules and Claim Filing Instructions that A.O. Fox Memorial Hospital has given me. This 2021 election form will remain in effect and cannot be revoked or changed during the plan year, unless the revocation and new election are on account of and consistent with a change in family status as listed on the Status Change Matrix, I received with the Summary Plan Description.

To Authorize Participation: I hereby certify the above information to be correct and true and choose to participate.

Signature _____

Date _____

To Decline Participation: The benefits of the plan have been thoroughly explained to me, but I choose **not to participate.**

Signature _____

Date _____

Flexible Spending Account (FSA): If you have a current FSA account with ComTon you **MUST** contact ComTon within 30 days of notice to COBRA your FSA to retrieve the money you have in your account. If you do **nothing you will lose the money** you have put into that account!

ComTon has the ability to automatically rollover any unpaid dental expenses to your Health Care Account. Automatic rollover will apply to every expense paid under the dental plan and, if you choose this option, it must remain in effect throughout the Plan Year. Any expenses not processed under the dental plans must be submitted to ComTon by using a Flexible Spending Account claim form. By signing here, I am indicating that I want Automatic Rollover. **This option is not available if you or your dependents are covered by other dental insurance.**

Signature: _____

Date: _____

Account Rules and Claim Filing Instructions

Rules for Both Dependent and Medical Accounts

1. You cannot submit a claim unless you are participating in the Cafeteria Plan.
2. You can be reimbursed only for eligible expenses occurring during the coverage period in which your contributions are made.
3. You can submit a claim at any time during the plan year and until November 30th, of the following year after the plan (for services rendered from September 2021 through August 2022).
4. **If you terminate employment, you can submit claims for a 30 day period after the date of termination as long as the service occurred before your date of termination.**
5. IRS rules stipulate that any money left in your FSA Dependent account and any money over \$550.00 left in your FSA Medical account after all reimbursements for the plan year have been processed cannot be carried forward or returned. You may carryover up to \$550.00 of unused FSA Medical money to the following plan year. No amount of FSA Dependent money may be carried over at the end of the plan year. Money in one account cannot be used for expenses incurred in another account. For instance, any unused amounts left in the medical account cannot be used to reimburse dependent care expenses.
6. You cannot receive payment from any other source for expenses reimbursed by claim, and you certify that you are not eligible to bill any other source for the reimbursed expenses.
7. If you have received reimbursement for expenses, you cannot claim the expenses for income tax purposes.
8. You cannot bill for a service period that begins in one plan year and ends in the next plan year. File two reimbursement claims, one for each plan year covering the period during that plan year.
9. Complete ALL the information on the claim form for each amount claimed for reimbursement.
10. Attach copies of receipts from service providers or the Explanation of Benefits Form from Insurance Carriers to the claim.
11. Sign and date the claim.
12. Make a photocopy of the claim for your records.
13. Submit the Claim with attached receipts to ComTon, Inc. according to the procedures provided. Additional Claims are available from your employer.

Dependent Care Expenses

1. You can use a Dependent Care Spending Account only if you pay dependent day care expenses to be able to work. Your day care services can take place either inside or outside of your home. If you are married, your spouse must also work, go to school full time, or be incapable of self-care for you to be eligible.
2. Only (a) dependents under the age of thirteen or (b) dependent adults or children thirteen years or older who are mentally or physically incapable of self-care are covered.
3. Your Maximum Contribution Amount can not be more than the smaller of (a) or (b).
 - a. Your income or your spouse's income, whichever is smaller. If your spouse is a full-time student or incapable of self-care, your spouse is considered to earn \$2,400 per year with one dependent or \$4,800 per year with two or more dependents.
 - b. \$5,000 per year if your tax filing status is married filing jointly and or single head of household or \$2,500 per year if your tax filing status is 'married filing separately'.
4. You cannot claim expenses if the service provider is your child or stepchild and are under age 19 or if you claim the service provider as a dependent for Federal income tax purposes.
5. To be reimbursed, you must include the facility's name, address, and tax identification number or the Social Security number of the individual providing the dependent day care service.
6. The maximum amount you can be reimbursed during the time you are covered in the Plan Year can not exceed the salary reduction amounts you have elected and made under the Dependent Care Assistance Plan less any previous reimbursements paid.

Unreimbursed Medical Expenses

1. The total annual election for eligible medical expenses (less any previous reimbursements paid) is available when requested for covered expenses.
2. Refer to the provisions in the Unreimbursed Medical Expense Spending Account Plan document for the maximum annual election amount.
3. To be reimbursed, you must include the dependent's name, date expenditure incurred, name of Service Provider, description of the expense, and the amount of the claim less any amounts that have been or will be paid by insurance or other sources.

Internal Revenue Service Publication 502 lists the eligible tax-free expenses. An Eligible expense means any item for which you could have claimed a medical expense deduction on an itemized Federal income tax return (except insurance premiums, long-term care and other similar charges) and is not eligible under your medical or any other source. You or your dependents while participating in the plan must incur the expenses.



Request for Reimbursement CLAIM FORM

NAME:	Last	First	MI	SS#	
ADDRESS:	Street	City	State	ZIP	PHONE ()

Please check if this is a new address

Please read the Reimbursement Account Rules and Claim Filing Instructions before completing this claim.

* Information below must be completed

MEDICAL EXPENSE CLAIMS						
Date of Service MM/DD/YY	Patient Name	Patient's SS#	Relationship	Name of Provider	Description of Service	Claim Amount
						\$
						\$
						\$
						\$
						\$
						\$
						\$
						\$
Total:						\$

DEPENDENT CARE CLAIMS							
Date of Service From	To	Dependent Name	Age	Dependent Care Provider Name	Dependent Care Provider Address	Provider Tax Id#/SS#	Claim Amount
							\$
							\$
							\$
							\$
Total:							\$

EMPLOYEE'S CERTIFICATION FOR REIMBURSEMENT

I certify that the expenses for reimbursement requested from my accounts were incurred by me (and/or my spouse and/or eligible dependents), were not reimbursed by any other plan, and, to the best of my knowledge and belief, are eligible for reimbursement under my Reimbursement Plans. I (or we) will not use the expense reimbursed through this account as deductions or credits when filing my (our) individual income tax return.

Any person who knowingly and with intent to injure, defraud, or deceive any insurance company, administrator, or plan service provider, files a statement of claim containing false, incomplete or misleading information may be guilty of a criminal act punishable under law.

Employee Signature: _____ Date: ____/____/____

FOR FASTEST REIMBURSEMENT, FAX TO (585) 598-2935

**OR MAIL TO: COMTON, INC.
PO BOX 1358, FAIRPORT, NY 14450**

EMAIL: CLAIMS@COMTONINC.COM

Don't know what to use your FSA money on?

Did you know you could use your FSA to save money on everyday health essentials like baby health items, health trackers, pain relief products and more? Use your FSA funds or risk forfeiting your money.



The largest selection
of guaranteed FSA-eligible
products



24/7 support,
FREE shipping on orders
over \$50



**Are your health
needs eligible?**
Easily check with our
expansive Eligibility List



Need an Rx?
We'll work with you to
make getting one easier



Learning Center
Get daily money-saving
info



Use your FSA card
or any major credit card

Visit [FSAstore.com/FlyerCTI](https://www.FSAstore.com/FlyerCTI) for the largest selection of guaranteed FSA-eligible products with zero guesswork.

Get **\$5 off** with code, **FCCTI5**. One use per customer.



Everything Flex Spending.