

MedFlex FSA

Everyone spends money on their health.
With MedFlex FSA, employers and employees save.

Easier, Faster, Smarter

Our MedFlex Plan is a simple way to save money and provide employees with better benefits. We include our direct pay card, online access, educational and plan management tools to make your life easier and your employees happier.

Savings for You and Your Employees

Employees set aside money into their pre-tax MedFlex Plan for qualified out-of-pocket medical expenses. That means a tax savings of up to 40%.

You'll save too—nearly 8% on all employee contributions—because you won't pay matching FICA taxes on MedFlex funds.

Easier for Everyone

We handle everything, including plan set-up, legal documents, claim processing, compliance and customer support. You and your employees have 24/7 account access with fast online enrollment. You tell us the plan reports you want and we'll email them to you on your schedule. Or, you can access your account online, anytime for on-demand and ad hoc reporting.

Faster Processing

Our system is linked real-time to our DirectPay Benefits CardSM for automated point-of-purchase payments. Only eligible expenses maybe charged to the card. We also process reimbursements every business day and deposit them into employees' bank accounts or mail it to their homes.

Smarter Processes

First, we make sure both you and your employees understand the plan. We do that through customized implementation and online educational tools that lead employees through their decision-making process. Then our online enrollment and tracking makes plan management quick and easy.



THE SAVINGS ADD UP. LET'S DO THE MATH.

An employee making \$32,000 a year, who deducts \$2,000 annually into their MedFlex plan, will save about \$560 a year and you will save nearly \$153 in FICA taxes.

Employee Savings

	With MedFlex	Without
Taxable Income	\$32,000	\$32,000
Less Pre-Tax MedFlex	-\$2,000	\$0
Taxable Income	\$30,000	\$32,000
Taxes Paid (28%)	\$8,400	\$8,960
Take Home	\$21,600	\$23,040
Less Post-Tax Medical	\$0	\$2,000
Net Spendable Income	\$21,600	\$21,040

*An employee in MedFlex would have **\$560** more to spend after medical expenses.

Employer Savings

Total Employee Contributions	\$60,000
Employer Savings Per \$1,000 (7.65% FICA)	\$76.50

With just 30 employees setting aside \$2,000 each, you would save **\$4,590** in annual FICA taxes.

*Actual savings will vary depending on tax rate and geographic location

Want more info?

WorkableSolutions.com/MedFlexFSA



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MedFlex FSA

What you need to know:

Need to squeeze more out of your benefits budget?

MedFlex is a way to help cushion the blow of higher employee contributions. MedFlex is a Flexible Spending Account (FSA) governed by federal law. Unlike insurance, MedFlex doesn't take money out of your business. In fact, it actually saves you taxes and increases employees' spendable income.

Since MedFlex FSA allows employees to set aside earnings before taxes, you save almost 8% in employer payroll taxes and employees save up to 40% in income taxes.

How does it work?

Before the plan year begins, each employee determines how much money he or she will set aside into the plan. We have online and printed tools to help them.

Each pay period, contributions are deducted from the employee's payroll on a pre-tax basis. Plan balances and claims history are available online anytime.

When expenses occur, the employee pays for the product or service using the DirectPay Benefits CardSM or pays with personal funds and files a request for reimbursement. Reimbursements may be filed either online, for faster service, or by paper form.

Most retail card transactions are auto-adjudicated and only qualified items may be purchased using the card. Medical provider expenses typically require submission of receipts and/or Explanation of Benefits (EOB) to verify the expense. Many co-payments are exempt from verification. Employees will always be sent an email reminder when a receipt is required.

Once an employee enrolls, elections remain in place for 12 months. Changes are allowed only when there is a change in status or the required contributions to pay premiums for the elected benefits change significantly during the plan year.

The new Affordable care Act requires a doctor's prescription for (OTC) medications as of January 1, 2011. This means that these purchases must be reimbursed manually by filing a claim. Most OTC medical supplies may still be purchased with the DirectPay Benefits card, however.

Plan Requirements

MedFlex FSA is part of a Cafeteria Plan and must have a governing plan document your company will adopt. We'll work with you to create your signature-ready documents.

The full annual election must be available for each employee to use on the first day of the plan. We'll help you mitigate any adverse effects of this requirement.

Only expenses actually incurred during the plan year qualify for reimbursement. However, you may opt to extend the period for incurring expenses an additional 2 1/2 months after the plan year ends. In effect, that gives employees 14 1/2 months to use their annual MedFlex FSA funds.

If any money is unused at the end of the plan year (and grace period), it is forfeited by the employee and reverts back to the employer.

What's covered?

What expenses are covered?

- The employee portion of premiums for health, dental, vision and life insurance (up to \$50,000)
- Deductibles, co-payments and other expenses not covered by insurance
- Prescription drugs and medical supplies

What expenses are covered with a physician's letter?

- Over-the-counter drugs that are medically necessary like pain relievers, allergy medications or antacids
- Dietary supplements and vitamins
- Dental services, orthodontics and dentures
- Eyeglasses, contacts and laser eye surgery
- Hearing exams and hearing aids
- Weight loss program
- Smoking cessation programs and over-the-counter stop smoking kits

What expenses are not covered?

- Expenses paid by insurance or other coverage
- Cosmetic surgery
- Health club membership (except by physician order)
- Suntan Lotion and Hair Care Products

For a more complete list of eligible medical expenses, go to workablesolutions.com.