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And on the back page, eligible expenses in detail

Welcome to saving smart. Welcome to WageWorks.

Your FSA program is sponsored by your employer and brought to you by WageWorks — the nation's leading provider of consumer-directed savings and spending accounts.

WageWorks sets the standard for convenience and flexibility with easy access to your account, no-hassle payment options, comprehensive online tools, and expert support.

Millions of employees nationwide enjoy the WageWorks advantage to save money and make smart choices about their health care, dependent care, and commuter expenses.

Welcome to WageWorks.

Start saving. Here's how.

Congratulations on enrolling in the flexible spending accounts (FSA) program, sponsored by your employer and brought to you by WageWorks.

You've made a smart decision to pay for part of your health care or dependent care expenses, or both using pre-tax dollars in the coming year. The FSA program makes it easy to save on taxes — up to thousands of dollars annually. And this QuickStart Guide makes it easy to put it to work.

Inside you'll find the quick-reference information you need to pay for eligible expenses from your account, get quick reimbursement, and keep track of your account balance and payments — plus tips for getting the most from the program and making your FSA work smoothly. You'll also find an extensive list of eligible expenses for health care and dependent care.

So please turn the page, and learn how to put your money to work — with your FSA from WageWorks.



Using your FSA

When you pay for an eligible health care or dependent care expense, you want to put your FSA account to work right away. WageWorks gives you several options to use your money the way you choose: on the spot with your WageWorks Card (health care only), directly through online payments, or by mailing or faxing traditional paper claim forms.

Tips for success

Your FSA account is designed to be a hassle-free way for you to save on the year's health care and dependent care costs. To keep it that way, it's important to comply with the IRS regulations that govern the program. To help you avoid any inconvenience, please keep these tips in mind:

- ▶ **Know what's covered.** Knowing what expenses are eligible is key. See page 4 for a list of health care and dependent care expenses, or visit www.wageworks.com for a complete list.
- ▶ **You and yours.** Make sure you pay only for eligible expenses for yourself, your spouse, and your eligible dependents.¹
- ▶ **Keep your receipts.** Save receipts that describe exactly what you paid for and when, just like you would to deduct them on your taxes.
- ▶ **Separate your purchases.** Pay for eligible health care items with your WageWorks Health Care Card, and use another form of payment for ineligible purchases in the same place (such as magazines or snacks).
- ▶ **Keep an eye on your FSA account.** Watch your statements to see if you need to verify any card purchases with receipts, or check www.wageworks.com for the latest information.
- ▶ **Use all your money.** Keep track of your FSA account balance, and plan ahead to make sure you spend the full amount before your plan year ends — **otherwise you'll forfeit the remaining balance.**

How much are you saving?

How much you'll save through your FSA program depends on how much you set aside to spend on health and dependent care annually, and on your tax situation. For every \$100 of eligible expenses, most people will save from \$30 to \$40 on their:

- ▶ Federal income tax
- ▶ FICA (Social Security) taxes
- ▶ State income tax (in most states)



Using your WageWorks Card

Your WageWorks Health Care Card is the easiest way to pay for eligible health care expenses — in seconds, without filing claims or waiting for reimbursement. It draws directly from your FSA health care account, and works at thousands of providers and pharmacies nationwide. Here are some tips to make your WageWorks Card transactions go smoothly.

- ▶ When you swipe your card at the checkout, choose "credit" (even though it isn't a credit card).
- ▶ Use your card at your doctor, dentist, vision center, pharmacy, or other qualified health care-related merchant.
- ▶ Pay for services or purchases on the same day you receive them. If your health plan covers a portion of the cost, make sure you know what amount you need to pay before using the card.
- ▶ Save your receipts. Even when your card is approved, a detailed receipt may still be requested; your monthly statement will let you know what to do. Because receipts are most often needed for purchases at pharmacies that sell both eligible and ineligible items, it's a good idea to use another form of payment for ineligible expenses.

Paying online

You can pay many of your eligible health care and dependent care expenses directly from your FSA account, with no need to fill out paper forms or send in receipts. It's quick, easy, secure, and available online at any time. To pay a provider:

- ▶ Log in to your FSA account at www.wageworks.com.
- ▶ Click either "Health Care" or "Dependent Care."
- ▶ Request "Pay My Provider" from the menu and follow the instructions.
- ▶ You'll need to enter the provider's full name, mailing address, and phone number (and for dependent care providers, Social Security number or tax ID number as well.) Make sure to have your bill handy when you log in.

When you're done, WageWorks will send a check directly from your account. If you pay for eligible **recurring expenses** like adjusting braces or chiropractic treatments, follow the online instructions to set up automatic monthly payments.

Filing a claim

If you'd prefer to submit a paper claim form to request reimbursement for your eligible expenses, choose the Pay Me Back option.

- ▶ Log in to your FSA account at www.wageworks.com.
- ▶ Click either "Health Care" or "Dependent Care."
- ▶ Choose "Print Pay Me Back Claim Form" and print the form.
- ▶ Fill in all the information requested on the form, attach your receipts, sign it, and follow the instructions to fax or mail it.

To speed processing, remember to save receipts that show exactly what you paid for and when. Most claims are processed within one to two days after they are received and payments are sent shortly thereafter. To review your claims activity or check your monthly WageWorks FSA statements, log in anytime at www.wageworks.com.

1. It is up to you to determine if someone is your eligible dependent. Consult your tax advisor.

Managing your account

Spending the money in your FSA account is easy — and WageWorks makes it convenient, if you follow a few simple steps:

Keeping track of your account balance

You can check up on your account through WageWorks any way you choose: with your monthly statement, online, or over the phone.

Watch for your statement. Each month, WageWorks mails or emails an FSA account statement that describes all your account details. It's designed for easy reading, and includes:

- ▶ Your current FSA account balance and available funds
- ▶ Your recent payments, claims, and reimbursements
- ▶ WageWorks Health Care Card purchases that require receipts for verification
- ▶ Special messages about your account

Log in anytime. For the latest information, visit www.wageworks.com and log in to your account 24/7.

In addition to reviewing your most recent FSA activity, you can:

- ▶ Update your account preferences and personal information.
- ▶ Get copies of current and past statements.
- ▶ Check the complete list of eligible expenses for your FSA program.
- ▶ Order additional WageWorks Health Care Cards for your family.
- ▶ Get answers to common account-related questions and email customer service.

Call WageWorks. You can also call 877-WageWorks (877-924-3967) toll-free to check your account activity automatically at any time, or to speak to a skilled WageWorks Customer Service Representative during business hours.

Making the most of your FSA account

It's important to remember that, according to IRS regulations, if you spend less than your total account balance by the end of your FSA program's plan year (or grace period, if your employer allows one) you will forfeit any money that's left over. In other words, **if you don't use it, you lose it.**

So if you have money left in your health care or dependent care accounts near the end of the year, make sure to spend it all — and to submit any necessary claims and receipts for your expenses. You can also:

- ▶ Check for any receipts you may not have sent in.
- ▶ Schedule additional eligible services, or purchase additional eligible medications.
- ▶ Remember that you can use your health care account to pay expenses for your spouse and eligible dependents, even if they're not covered by your employer's health plan.

On the other hand, if you spend all the money in your FSA account well before the end of the year and still have expenses that could have been eligible, consider setting aside more next year. If you can predict your future expenses fairly accurately, a higher contribution can save you even more in taxes.

Solving Problems

Ineligible expense? If you accidentally use your WageWorks Card for something other than eligible health care expenses, WageWorks will contact you for more information about the expense in question, and with options for resolving the issue.

Misplaced your receipts? If you can't produce a receipt for an expense, your options may range from submitting a substitute receipt to paying back the plan for the amount of the transaction. Your monthly statement will explain what you need to do, or WageWorks will contact you directly.

Lost your WageWorks Card? If you lose your card, please call WageWorks immediately to report your missing card and order a new one. You will be responsible for any charges unless and until you report the lost card.

Questions? Ask us.

If you have any questions or concerns, email help@wageworks.com for a quick response. You can also talk to a skilled Customer Service Representative about your FSA account, or contact a trained expert at the **WageWorks Learning Center** to learn more about the program. Just call 877-WageWorks (877-924-3967) Monday through Friday, from 8 a.m. to 8 p.m. Eastern Time.



Register online now!

If you haven't registered online yet, please do so today — and make sure to provide your email address to receive up-to-the minute information from WageWorks.

- ▶ To register, just visit www.wageworks.com and click "Sign me up!" You'll need to verify your employee status by answering a few simple questions, confirm your contact information, and create a user name and password.
- ▶ If you've already registered, remember that the WageWorks site is the fastest, easiest way to get information and make changes to your FSA.

Eligible expenses only

It's essential that you use your FSA account only for eligible health care and dependent care expenses. Not sure what's eligible? **Turn the page for details.**

Getting to know your FSA program

Who's covered, what's covered

First, the rules

Each year, you can use the funds you set aside in your FSA to pay for hundreds of eligible expenses for yourself and your eligible dependents. But before you pay, make sure you know the rules, who's covered — and what's covered. The IRS regulations are extensive, but the basic rules are clear:

- ▶ **Who's covered?** Yourself, your spouse, and any children or other individuals you can claim as dependents on your tax return.
- ▶ **Proof of expense.** To validate an eligible expense for the IRS, you must be able to provide appropriate third-party proof that you incurred it — such as a provider receipt, invoice, payment contract, or an Explanation of Benefits (EOB) from your health plan. This document must show the **name of the qualified individual** who received the service or purchase for any expense other than over-the-counter items. A debit card receipt by itself is not sufficient.

▶ What's eligible?

Expenses for health care: Generally, services and products that are medically necessary to treat a specific condition are considered eligible health care expenses. Cosmetic or non-medical expenses are **not** eligible.

Expenses for dependent care: These typically include care provided for your qualifying child (under age 13) or other qualifying dependent, while you work or to enable you to work. Your care provider must meet state and local laws and provide his/her Social Security or Tax ID number.

Eligible health care expenses:

The following is only a partial list of eligible expenses. For a complete listing, please visit www.wageworks.com.

Acne treatments (over-the-counter)	Compression or anti-embolism socks, stockings, or hose	Diagnostic (medical) services	Laxatives (over-the-counter)	Office visits (medical, chiropractic, dental, psych/therapy, vision)	Reading glasses (over-the-counter)
Acupuncture	Condoms and spermicides	Drug addiction treatment	Learning disability treatments	Operations (for non-cosmetic purposes)	Removal of benign cyst or tumor
Adoption (medical expenses related to)	Contact lenses (prescription) and cleaning solutions	Dyslexia treatment	Lice treatment (over-the-counter)	Optometrist/ ophthalmologist fees	Rx (i.e., prescription)
Alcoholism treatment	Contraceptives (prescription or over-the-counter)	Eye examinations	Listening therapy	Organ transplants (recipient and donor)	Smoking cessation (programs, counseling, drugs, gum, patches)
Allergy medication (prescription)	Co-payment (dental, medical, prescription, or vision)	Eye-related equipment/ materials	Mastectomy-related special bras	Ortho keratotomy	Speech therapy
Allergy treatments	Corneal keratotomy	Eye surgery or treatment to correct vision	Medical co-payment	Orthodontia (braces and retainers)	Sunglasses (prescription only)
Ambulance and emergency health services	Cough drops and sore throat lozenges (over-the-counter)	Eyeglasses (over-the-counter or prescription)	Medical equipment (for treatment of medical condition)	Over-the-counter products (for treatment of a specific medical condition)	Surgery (for treatment of a medical condition)
Anesthesia	Cough syrup (over-the-counter)	Fertility monitor (over-the-counter)	Medical records charges	Ovulation monitor	Teeth grinding prevention devices
Antacid (over-the-counter)	Counseling (for treatment of a medical condition)	Fertility/infertility treatment	Medicines (over-the-counter and prescriptions)	Pain reliever (over-the-counter)	Therapy (for treatment of a medical condition)
Antibiotic ointment (over-the-counter)	Crutches, canes, or like equipment (purchase or rental)	Flu shots	Mileage (travel to receive eligible health care services)	Physical exams	Tubal ligation
Aspirin or other pain reliever (over-the-counter)	Deductibles (dental, medical, prescription, vision)	Gastrointestinal medication (over-the-counter)	Monitoring and testing kits/devices	Physical therapy	Vaccinations
Asthma medicines or treatments (over-the-counter)	Dental care (for non-cosmetic purposes)	Guide dog for the blind/ disabled (dog, training, care)	Motion and nausea	Pregnancy tests (over-the-counter)	Varicose vein removal surgery
Bandages and related items (over-the-counter)	Dental co-payment	Hearing aids and batteries	Nasal sprays	Prescription drugs, co-insurance, and co-payments	Vasectomy
Blood pressure monitor	Dental reconstruction	Hospital fees and services	Non-prescription drugs and medicines (for medical, non-cosmetic purposes)	Prosthesis	Viagra and similar prescription medications
Canker and cold sore treatments (over-the-counter)	Dentures, bridges	Immunizations	Nursing services	Psych/therapy	Vision care, co-insurance, and co-payments
Childbirth classes	Diabetic monitor	Insulin, testing materials, and supplies	OB/GYN fees	Psychiatric care	Vitamins (prescription)
Chiropractic office visit or treatment		Lab/laboratory fees (medical)	Occlusal guards to prevent teeth grinding	Psychoanalysis	Wheelchair and repairs
Cold and flu medicine and prevention (over-the-counter)		Lamaze classes	Occupational therapy (related to medical condition or disability)	Psychologist fees	X-ray (dental, medical)
		Laser/Lasik eye surgery		Radial keratotomy (RK)	

Eligible dependent care expenses:

Adult day care center	Babysitting (work-related, in your home or someone else's, but not provided by your own dependent)	Child care	Educational services (for preschool, but not kindergarten or above)	Nanny	Sick child care
After school program	Before- or after-school program	Custodial elder care (work-related)	Elder care (in your home or someone else's)	Nursery school	Summer day camp (but not overnight camp)
Au pair		Dependent or elder care (work-related)	Extended care (supervised program before or after school)	Payroll taxes related to eligible care	
				Preschool	
				Senior day care	

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The WageWorks Health Care Card for 2008

Brought to you by **WageWorks®**

Making Saving Convenient

Flexible Spending (FSA) and Health Reimbursement (HRA) Accounts help you save on health care expenses. The WageWorks Health Care Card (the Card) just makes it easier and more convenient.

The Card makes funds immediately available to you for payment of eligible medical services, goods and prescriptions at health care providers, pharmacies and drugstores, thus reducing the need to submit receipts and wait for reimbursement. You can also use your Card to pay for eligible over-the-counter (OTC) items at grocery stores, supermarkets, discount stores, wholesale clubs, convenience stores and online pharmacies that are participating Inventory Information Approval System (IIAS) merchants. Such systems verify eligible purchases at the register, eliminating the need for you to take any further action.

When you use your Card for an eligible item or service, the money is taken directly from your account, so there's no need to submit paper receipts or be reimbursed. And since most of your transactions can be verified at checkout, you'll just need to save your receipts for the IRS, and your records.

Using the Card

Know What's Eligible before You Pay

Your Card is a great way to pay for necessary medical expenses. But, not all medical expenses are equal, or eligible. Before you use the Card, make sure that whatever you intend to pay for is eligible under IRS regulation and your employer's FSA and/or HRA program. (For a complete list, please go to www.wageworks.com) If the Card is used for a non-eligible item or service, you will be required to pay back your account, or risk Card suspension. If you're not sure whether something is eligible, check the list of standard eligible expenses on www.wageworks.com, or better yet, log on to your account to review your employer's specific eligibility list accessible from your Health Care Overview page.

Continued on the back ►



The WageWorks Health Care Card

Quick Facts

- 1 Use your Card for copays, coinsurance, prescriptions, deductibles, orthodontia, vision care, and hundreds of over-the-counter items.
- 2 WageWorks can verify many of your copay, prescription, and recurring expense transactions after the sale without any further action by you.
- 3 For best results, use the Card only at pharmacies and drugstores (health care merchants) that are participating IIAS merchants.
- 4 Non-health care merchants (supermarkets, grocery stores, wholesale clubs, online pharmacies, and convenience stores) must be participating IIAS merchants to accept the Card. (For a complete list of merchants, go to www.wageworks.com/iias.)
- 5 Save your receipts.
- 6 Although technically a debit card, always select the "Credit" option at the register — There is no PIN associated with the Card.
- 7 The Card does not allow access to cash or ATM.



Know When to and When NOT to Use the Card

WageWorks and its partners have worked hard to make your Card easy to use at health care providers, participating IAS merchants, and pharmacies. In many instances, the partnerships we've established help us verify prescription transactions after the sale. When receipts are requested (see chart below), it is usually after a purchase at a non-participating IAS health care merchant that sells eligible and ineligible OTC items along with prescription medications. You will be able to use the Card at a pharmacy or drugstore but in most cases you will need to submit your receipts for verification. For best results, pay for prescriptions with your Card. Use another form of payment and submit receipts for reimbursement via Pay Me Back for all other eligible items.

Shop for OTC Items at Participating IAS Merchants

IIAS is new for 2008, and is intended to make life easier and more convenient for cardholders. Beginning January 1, 2008, non-health care merchants must be an IAS participant to accept the Card. This eliminates the guess work, makes sure that you can only use the Card for eligible items, and does away with the need to submit receipts for verification after the purchase. You will, however, be able to use the Card for OTC items at health care merchants* (such as pharmacies and drug stores) that are not a participating IAS merchant. Using the Card at non-participating merchant such as pharmacies and drugstores for OTC items will result in the need for you to submit receipts for verification. For more information on IIAS and the latest list of participating IAS merchants go to www.wageworks.com/iias.

Help Us Help Reduce Your Need to Submit Receipts

One way you can help is by providing us with your Health Plan Member IDs, which provides us with information we use to verify transactions at health care providers and pharmacies. To do so, log on to your account at www.wageworks.com, and click on "Improve My Card Experience" from the Health Care Overview page.

Save Your Receipts

By law, WageWorks is required to verify the eligibility of all purchases made with the Card. Many Card transactions will be verified at the point of purchase with IAS, or later through our post-transaction process. If, however, we are unable to determine whether a transaction was for an eligible health care product or service, we will need you to submit a detailed receipt to verify your purchase.

Carefully Review Your Account Statements

Your periodic account statement details any transactions requiring receipt or repayment. The best way to avoid any potential problems is to review your statement or access your account online for unverified Card purchases. The "Card Transaction" section shows all Card transactions that are not yet verified, and explains your options for resolving these. Plus, you can always visit www.wageworks.com for the most up-to-date information on your account. If you do not supply the proper documentation or pay back the account after 75 days from the transaction date, we will deduct the amount that is unverified from the next Pay Me Back reimbursement check.

Quickly Resolve Outstanding Card Transactions

Keep your Card and account in good standing by quickly resolving any unverified Card transactions. Unverified Card transactions can be resolved in one of three ways: you can submit a copy of the original detailed receipt; submit an equivalent receipt for an eligible purchase not made with the Card; or, you can repay your account for the outstanding unverified amount. Or you can do any combination of the above. If you do not resolve your outstanding unverified transactions within 90 days**, your Card privileges may be suspended. Visit www.wageworks.com to learn more.

* Pharmacies and drugstores, which are currently classified as health care merchants, have until 1/1/2009 to become a participating IAS merchant.

** As of 11/15/2007

Your Health Care Card at Work – Understanding the Process:

