

Section 125 Cafeteria/Flex Plan



SAVE 25% - 40% ON YOUR COST

For doctor appointments, prescriptions, co-pays, eye glasses, contact lenses, dental, orthodontic, child care and much more...

QUICK, EASY CLAIM REIMBURSEMENT

Use smart phones, internet, flex debit cards for fast reimbursement

1454 30th Street, Suite 105 • West Des Moines, IA 50266
PH: 515-224-9400 or 800-300-9691 • FAX: 515-224-9256

www.kabelbiz.com

FLEX HOTLINE: 866-610-2669

If you choose to participate in this valuable benefit, you, your spouse, and your eligible family members can pay for medical, dental, vision, dependent care and expenses on a tax-free basis. This booklet contains general information about a Cafeteria/Flex Plan. *You are encouraged to review this booklet to help determine if you and your family would benefit by enrolling.* Use this guide as a quick reference to questions you may have initially or throughout the year.



Your spendable income

Your spendable income increases when you contribute pre-tax dollars to a 'flexible benefits plan'. You lower your taxable income and you pay fewer taxes which increases your spendable income. Depending on your tax bracket, this plan may save you 25% to 40% in taxes.

How the Plan Works

This plan consists of three separate benefits:

- Group Insurance Premiums
- Healthcare Expenses
- Dependent Care Assistance

At the time of enrollment, you must determine how much you would like to contribute to each of these benefits for the coming Plan Year. Group insurance deductions are based on what your employer requires you to pay for coverage. The remaining benefits are set up individually by you, the participant. You may participate in any or all of the benefits. When you participate in a flexible benefits plan, you elect to have a specified number of pre-tax dollars deducted from your paycheck each pay period. These dollars are subtracted from your gross earnings before taxes are withheld. A more thorough review of each benefit follows:

Insurance Premiums

Group Insurance Deductions

This account enables you to pay for your share of your company's health plan with pre-tax dollars. Your "per pay" deductions stay the same, but your take-home pay increases.

Individual Health Premiums [No Longer Allowed]

Premiums that you pay directly to the insurance company for individual health and health related insurance coverage for you, your spouse, or eligible dependents are no longer eligible to be pre-tax due to provisions of the Affordable Care Act.

Unreimbursed Healthcare Expenses

This account is for out-of-pocket medical, dental and vision expenses not covered by your healthcare insurance. For example: deductibles, co-pays for office visits, prescription drugs, eye exams, eyeglasses, contacts, dental visits and orthodontia expenses. A more detailed list is provided in this package. To participate, estimate your family's non-covered expenses for the Plan Year and make your election at enrollment time. Your election will be divided by the number of times you are paid during the Plan Year and that amount will be deducted from your paycheck. As you incur the expenses, you can submit your requests for reimbursement.

Dependent Care Assistance

This account is for child or elder care expenses that you must incur in order to allow you (and your spouse, if married) to work. A dependent is defined as follows:

- a dependent of the employee who is under 13 years of age
- a dependent who is physically or mentally disabled
- a spouse who is physically or mentally disabled

Adult Dependents: Under the Affordable Care Act signed into law March 2010, your Flex Plan may be used to pay unreimbursed medical expenses for your adult children who have not reached age 27 by December 31. This applies even if your adult child is not your dependent (i.e., even if they are married and carry their own health insurance).

How Much Should You Budget?

After reviewing the list of qualified expenses (see below), estimate how much you will spend on these expenses during the next Plan Year. Use the list in this package and on our web site to help you figure your expenses for the Year.

Change in Elections

Once enrolled in the medical plan, you may not change elections. To comply with IRS regulations, you may only make a change in your election at the beginning of each Plan Year. This means you may not make a change in your elections after the open enrollment period, unless you have a family status change. Examples include marriage, adoption, death, loss of spouse's employment, etc.

The "Use It or Lose It Rule"

Remember this important rule when deciding how much to place in your account. If you contribute dollars to a reimbursement account and do not use all of the monies you deposit, you will lose any remaining balance in the account at the end of the year.

Grace Period Extension/ \$500 Carryover

If allowed by your Plan, an additional time period is allowed to incur expenses and claim reimbursements. In both options, qualified expenses will be paid from unused funds in the previous Plan Year. Ask your employer or call Kabel Business Services to learn if either option is available for your Plan and if so, the specifics of your Plan.

Limited Purpose Flex Healthcare Account

Persons participating in a Health Savings Account (HSA) may only have a Limited Purpose Flex Healthcare Account. Only vision and dental expenses may be reimbursed through a Limited Purpose Flex Healthcare Account.

Examples of Medical & Related Expenses

- Acupuncture
- Alcoholism treatment
- Artificial limbs/teeth
- Birth control pills
- Breast prevention surgery
- Braces-Orthopedic
- Braille-books & magazines*
- Care for handicapped child
- Chiropractic care
- Co-Pays
- Communication equipment/deaf
- Contact lenses and solutions
- CPAP machines
- Crutches
- Deductible amounts you pay
- Dental fees
- Dentures
- Diagnostic fees
- Drug & medical supplies
- Education for the blind
- Eyeglasses, including examination fee
- Handicapped person special schools
- Hair transplants *
- Hearing devices & batteries
- Home improvement motivated by medical consideration *
- Hospital bills
- Insulin
- Laboratory fees
- Lead base paint removal for children with lead poisoning
- Life fee to retirement home for medical care
- Nurse's fees (including nurse's board and Social Security tax where paid by taxpayer)
- Obstetrical expenses
- Operations
- Orthodontia [See special rule in FAQ section]
- Orthopedic shoes *
- Osteopath
- Prescribed medications
- Psychiatric care
- Psychologist fees
- Mentally handicapped special costs
- Routine physicals and other non-diagnostic services or treatments
- Smoking cessation programs *
- Sterilization fees
- Surgical fees
- Lasik eye surgery (which is a surgical procedure to correct optical myopia)
- Therapeutic care for drug and alcohol addiction
- Therapy treatments
- Transportation expenses primarily for rendition of medical service (ambulance to hospital or recuperation home, cab fare in obstetrical cases)
- Tuition at special school for handicapped
- Vitamins obtained at a prescription level from a pharmacist *
- Wigs, when needed after chemotherapy *
- X-rays



Example of Flex Plan 30% Tax Savings

	Without a Flex Plan	With a Flex Plan	Savings
GROSS INCOME	\$2,000.00	\$2,000.00	
MEDICAL INS	\$(136.00) **	\$(136.00)	
MED or DC EXPS	\$(100.00) **	\$(100.00)	
TAXABLE INCOME	\$2,000.00	\$1,764.00	
FEDERAL TAX	\$(347.00)	\$(306.00)	+\$41
STATE TAX	\$(100.00)	\$(88.00)	+\$12
FICA	\$(153.00)	\$(135.00)	+\$18
NET INCOME	\$1,400.00	\$1,471.00	=(+\$71)

** not deductible for tax purposes

* Always note from medical practitioner to indicate medical necessity.

This list is not intended to include all eligible expenses. Cosmetic procedures that are performed to improve general appearances not related to a medical condition are not allowable. Vitamins and Supplements must be purchased to treat a medical condition. For questions about expenses not on this list or for further clarification, please visit our web site or contact us.

Frequently Asked Questions

What happens if I terminate employment before the end of the Plan Year?

You will have 60 days to seek reimbursement for expenses incurred prior to the date of your termination. Any funds not spent prior to your termination date are forfeited.

How can I find out if I have dollars left in my account?

You can get full account information by calling 1-800-300-9691 or by visiting www.kabelbiz.com.

Do I have to pay for my Unreimbursed Medical expenses before I can be reimbursed?

No. You can be reimbursed for the expense as soon as it is incurred.

How is orthodontia reimbursed under the Flex Plan?

IRS rules allow an employee to turn in expenses incurred only during a Plan Year. With orthodontia treatment the down payment can be claimed when incurred. The employee then can claim the monthly payment amount each month. Documentation for the down payment is a copy of the contract. The documentation needed to pay out a monthly claim is a coupon booklet or a monthly statement from the orthodontist.

Why can I no longer email reimbursement claims?

New provisions in the Health Insurance Portability and Accountability Act (known as "HIPPA") discourage filing claims via email to protect your privacy. The change has been made to assure the protected health information for all Flex Plan participants will remain private.

How to submit a Flex Claim

File a Flex Claim via our mobile app on your smart phone

5 easy steps to submit a claim

- Go to your app store on your smart phone
 - Search "MyflexMobile" app
 - Install "MyflexMobile" app
 - Your login information will be the username and password you set up at www.myflexonline.com
1. Click on "Out of Pocket Expenses"
 2. Click on "File a Claim"
 3. Enter the "Date of Service"
 4. Click on "Take a Photo"
 5. Click on "Submit"

If you have signed up for alerts, you will receive a text or email notification when your claim has been processed.



Fax your Flex Claim *

Fax Claim form and receipts to 515-224-9256

Mail your Flex Claim *

Mail Claim form and receipts to:

Kabel Business Services
1454 30th Street, Suite 105
West Des Moines, IA 50266-1312 *

* If you have signed up for alerts, you will receive a text or email notification when your claim has been processed.

You can print a Claim form any
at www.kabelbiz.com

Get Alerts By Text & Email

Now we'll let you know when we process your Claim or if we need a receipt to verify a purchase.

1. To sign up for this option, go to www.myflexonline.com
2. On the ribbon bar, click on "Go Mobile"
3. Under "MyFlex Mobile Alert", click "Here" to sign-up
4. Enter your contact information and click on "Save"

What you will be Notified on if signed up for Alerts by Text & Email

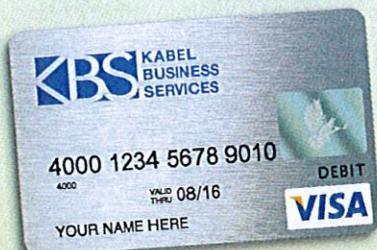
- When a receipt is needed for Debit Card verification.
- When a Claim has been reviewed and the amount that will process.
- If your Flex Debit Card swipe has been declined.

Upload your Flex Claim at www.myflexonline.com

1. Go to www.myflexonline.com and log into your account (If new to the Flex Plan, click on "New User Registration")
2. Once logged into www.myflexonline.com, click on "Submit a Claim" (blue box)
3. After reviewing the steps on how to submit a claim, click "Next" (blue box)
4. Enter your receipt information and click "Add". If you have additional receipts for this claim, you will need to repeat this step.
5. After all receipt information has been entered into the online claim form, click "Next" (blue box)
6. Verify the information has been entered, then click "Next"
7. To upload the receipts, click "Upload Receipts Now" (blue box)
8. Browse for the file you have scanned in and click "upload file" (blue box)
9. After file has been uploaded, click "Submit receipts for this claim"
10. If you have signed up for alerts, you will receive a text or email notification when your claim has been processed.

How to order a Flex Debit Card

1. Go to www.myflexonline.com and log into your account (If new to the Flex Plan, click on "New User Registration")
2. Once logged in, select "Card Center" this is located on the ribbon bar.
3. Under this tab, select "Flex Benefits Card"
4. Click on "Get Started"
5. To request Debit Card, select "I would like to request a Flex Benefits card for myflex"
6. If you want a card for your dependent, please enter their information
7. Click on "Next"
8. Verify the address the card will be mailed to and click "Submit"





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Cafeteria / Flex Plan Enrollment Form

Company Name (Employer) _____

Employee Information

 Last Name First Name Middle Initial

 Address City

 State Zip Code Social Security Number

 Email Address Date of Birth

Enrollment Information

New Renewal Effective Date _____ First Payroll Deduction Date _____

Annual amount of Unreimbursed Medical \$ _____ (Divided by # of Payroll Periods) _____ = Per Payroll Deduction _____

Please check the one that applies to your situation

Regular Flex Plan Limited Purpose Flex Plan (If you or your Spouse have an HSA.)

Annual amount of Dependent Care \$ _____ (Divided by # of Payroll Periods) _____ = Per Payroll Deduction _____

Authorization: I certify the above information to be true to the best of my knowledge and that the children on whom I will be claiming dependent expenses or child care either reside with me in a parent child relationship or are legally dependent on me for their support. I agree to have my compensation reduced by the deduction amount(s) stated above. I understand that any amounts remaining in my account(s) not used for qualified expenses incurred during the plan year will be forfeited in accordance with current plan provisions and tax laws. I further understand that the Flexible Compensation deduction(s) will be in effect for the entire plan year and cannot be revoked unless I experience a change in my family status or termination of employment.

Signature _____ Date _____

I decline to participate in the Flex Spending account Signature _____

Direct Deposit (Attach a blank voided check if you select Direct Deposit and are a new participant.)

AUTHORIZATION AGREEMENT FOR AUTOMATIC DEPOSITS (ACH CREDITS) I hereby authorize KABEL BUSINESS SERVICES to initiate credit entries and to initiate, if necessary, debit entries and adjustments for any credit entries in error to my account indicated on the attached voided check. This authority is to remain in full force and effect until KABEL BUSINESS SERVICES has received written notice from me of its termination in such time and in such manner as to afford KABEL BUSINESS SERVICES and DEPOSITORY a reasonable opportunity to act on it.

Signature _____ Date _____