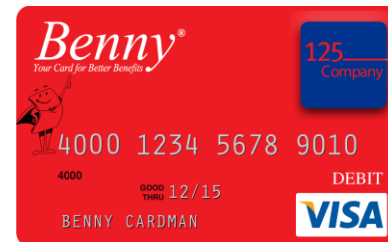


# 125Company Benefit Card Frequently Asked Questions



## What is the 125Company Benefit card?

The 125Company Benefit Card is a special-purpose Visa® Card that gives you an easy, automatic way to pay for eligible health care/benefit expenses. The Card lets you electronically access the pre-tax amounts set aside in your respective employee benefits accounts such as Flexible Spending Accounts (FSAs), Health Reimbursement Accounts (HRAs), and Health Savings Accounts (HSAs).



## How does the 125Company Benefit Card work?

It works like a Visa® Card, with the value of your account(s) contribution stored on it. When you have eligible expenses at a business that accepts Visa debit cards, you simply use your Card. The amount of the eligible purchases will be deducted – automatically – from your account and the pre-tax dollars will be electronically transferred to the provider/merchant for immediate payment.

## Is the 125Company Benefit Card just like other Visa® Cards?

No. The 125Company Benefit Card is a special-purpose Visa Card that can be used only for eligible health care/benefits expenses. It cannot be used, for instance, at gas stations or restaurants. There are no monthly bills and no interest.

## When will I receive my new 125Company Benefit cards?

You will receive your new cards within 7 – 10 days in the mail once your enrollment has been received and processed in our system.

## How many 125Company Benefit cards will I receive?

You will automatically receive two cards. The employee's name will appear on the front of both Cards. Your eligible dependent should sign the back of the other Card before using it.

## Will I receive a new 125Company Benefit Card each year?

No, you will not receive a new Card each year. If you will again have a benefit associated with the Card for the following plan year – and you used the Card in the current benefit year – you will simply keep using the same Card the following year. The Card will be loaded with the new annual election amount at the start of each plan year or incrementally with each pay period, based on the type of account(s) you are enrolled in. You will automatically receive a new card prior to the card expiration date.

## What will arrive in the mail?

You'll receive the new 125Company Benefit Card at your home, in an envelope that will look like the one below, with simple instructions on how and where to use your new Card.

**The Cards will arrive in a special envelope that looks like this – so please don't throw it out!**



When you receive your new Cards, follow the instructions that accompany them. That is:

**Destroy** your current 125Company Benefit Cards. They will expire at midnight EST of the last day of the month listed next to “GOOD THRU.” For example, a Card that is good through 12/12 will stop working at midnight on December 31, 2012, or upon first swipe with your new Card.

**Activate** your new Card will be automatically activated the first time you use your card.

**Sign** your new Card and have your eligible dependent sign the other new Card.

Start using your new 125Company Benefit Card for eligible expenses (as defined in your plan documents). Your available balance will be on your new 125Company Benefit Cards.

#### **What if my 125Company Benefit Card is lost or stolen?**

You should call the 125Company to report a Card lost or stolen as soon as you realize it is missing, so that we can turn off your current Card(s) and issue replacement Card(s). There is a \$15.00 replacement fee for replacement cards.

### **Getting Started:**

#### **Do I need to activate my card?**

Your new card will automatically be activated the first time you use the card.

#### **What dollar amount is on my 125Company Benefit Card when it is activated?**

For Health Care FSAs, the dollar value on the Card will be the annual amount that you elected to contribute to your respective employee benefit account(s) during their annual benefits enrollment. It's from that total dollar amount that eligible expenses will be deducted as you use your Cards or submit manual claims.

Some other types of accounts, like Dependent Care FSAs, HRAs, and transportation accounts, are funded incrementally at each pay period, so it is especially important to be aware of account balances in order to avoid Card declines at the point of service.

### **Using Your Card:**

#### **If I am transitioning from my old 125Company card to the new 125Company Benefit card can I use my new card to pay for transactions in the prior plan year?**

No, your new card can only be used for transactions that are incurred in the new plan year. Claims for the old plan year will need to be submitted online, using your mobile phone or manually for the run-out period.

#### **If I am transitioning from my old 125Company card to the new 125Company Benefit card can I continue to use my old 125Company card for transactions in the prior plan year?**

You can continue to use your card until the last day of the plan year. On the last day your old card will be inactivated. All claims will need to be submitted manually after that date. You can submit claims using our online claim tool, your mobile phone or by submitting a completed claim form.

**Where can I use my new 125Company Benefit Card?**

IRS regulations allow you to use your 125Company Benefit Cards in participating pharmacies, mail-order pharmacies, discount stores, department stores, and supermarkets that can identify FSA/HRA-eligible items at checkout and accept Visa® cards. Eligible expenses are deducted from the account balance at the point of sale. Transactions are fully substantiated, and in most cases, no paper follow-up is needed.

Some plan designs may also allow you to use your Cards at pharmacies that have certified that 90% of the merchandise they sell is FSA/HRA-eligible. However, since these pharmacies cannot identify the eligible items at the point of sale, another form of auto substantiation or paper follow-up will be required.

Participants may also use the Card to pay a hospital, doctor, dentist, or vision provider that accepts Visa®. In this case, 125Company uses its auto-substantiation technology to electronically verify the transaction's eligibility according to IRS rules. If the transaction cannot be auto substantiated, paper follow-up will be required.

**Are there places the 125Company Benefit Card won't be accepted?**

Yes. The Card will not be accepted at locations that do not offer the eligible goods and services, such as hardware stores, restaurants, bookstores, gas stations and home improvement stores.

Cards will not be accepted at pharmacies, mail-order pharmacies, discount stores, department stores, and supermarkets that cannot identify FSA/HRA-eligible items at checkout. The Card transaction may be declined.

**If asked, should I select "Debit" or "Credit"?**

Your 125Company Benefit Card is actually a prepaid card. But, since there is no "prepaid" selection available, you should select "Credit." You do not need a PIN and cannot get cash with the 125Company Benefit Card.

**How does the Card work in participating pharmacies, discount stores, department stores, and supermarkets?**

- Bring prescriptions, vision products, eligible OTCs and other purchases to the register at checkout to let the clerk ring them up. (Please note: The list of eligible OTC items changed per the Patient Protection and Affordable Care Act of 2010. Contact your Plan Administrator for more information.)
- Present the Card and swipe it for payment.
- If the Card swipe transaction is approved (e.g., there are sufficient funds in the account and at least some of the products are FSA/HRA-eligible), the amount of the FSA/HRA-eligible purchases is deducted from the account balance and no receipt follow up is required. The clerk will then ask for another form of payment for the non-FSA/HRA-eligible items.
- If the Card swipe transaction is declined, the clerk will ask for another form of payment for the total amount of the purchase.
- The receipt will identify the FSA/HRA-eligible items and may also show a subtotal of the FSA/HRA-eligible purchases.
- In most cases, the participant will not receive requests for receipts for FSA/HRA-eligible purchases made in participating pharmacies, discount stores, department stores, or supermarkets.

**Why do I need to save all of my itemized receipts?**

You and your other eligible users should always save itemized receipts for FSA and HRA purchases made with the 125Company Benefit Card. You may be asked to submit receipts to verify that your expenses comply with IRS guidelines. Each receipt must show: the merchant or provider name, the service received or the item purchased the date and the amount of the purchase. The IRS requires that every card transaction must be substantiated. This can occur through automated processing as outlined by the IRS (e.g. copay matching, etc.). If the automated processing is unable to substantiate a transaction, the IRS requires that itemized receipts must be submitted in order to validate expense eligibility.

**How long do I need to save my itemized receipts?**

FSA, HRA and HSA participants should generally save receipts for three years to comply with IRS document retention rules. Please check with your tax advisor or accounting professional for more information.

**What if I lose my receipts or accidentally swipe the Card for something that's not eligible?**

Usually the service provider can recreate an account history and provide a replacement receipt. In the event that a receipt cannot be located, recreated, or if the expense is ineligible for reimbursement, you can send a check or money order to the 125Company for the amount so it can be credited back to your FSA/HRA account.

**Can I use the 125Company Benefit Card if I receive a statement with a Patient Due Balance for a medical service?**

Yes. As long as you have money in your account for the balance due, the services were incurred during the current plan year, and the provider accepts Visa® debit cards, you can simply write the Card number on their statement and send it back to the provider.

**Sometimes I am asked for the CVV when paying the balance due or when placing an order by phone or online. What is this and where is it found?**

CVV stands for "Card Verification Value." It is a 3-digit number that can be found on the back of the card to the right of the signature panel.

**How do I know how much is in my account?**

You can visit your Account Summary page at [www.125Company.com](http://www.125Company.com) and view your account activity and current balance. You should always know your account balance before making a purchase with the Card.

**What if an expense is more than the amount left in my account?**

By checking your account balance often – either online or using our 125Mobile App – you will have a good idea of how much is available. When incurring an expense that is greater than the amount remaining in your account, you may be able to split the cost at the register. (Check with the merchant.) For example, you may tell the clerk to use the 125Company Benefit Card for the exact amount left in the account, and then pay the remaining balance separately. Alternatively, you may pay by another means and submit the eligible transaction manually via a claim form, online or using your mobile phone with the appropriate documentation to the 125Company.

**What are some reasons that the Prepaid Benefits Card might not work at point of sale?**

The most common reasons why a Card may be declined at the point of sale are:

- The participant has insufficient funds in his or her employee benefit account to cover the expense.
- Non-eligible expenses have been included at the point-of-sale. (Retry the transaction with the eligible expense only.)
- The merchant is encountering problems (e.g. coding or swipe box issues).

- The pharmacy, discount store, department store, or supermarket cannot identify FSA/HRA-eligible items at checkout according to IRS rules.

**Am I responsible for charges on lost or stolen 125Company Benefit Cards?**

If the 125Company and the issuing bank are notified within 2 business days, you will not be responsible for any charges. If the notification is after 2 days, you may be responsible for the first \$50 or more. Replacement Cards may be purchased for \$15.00.

**Whom do I call if they have questions about the 125Company Benefit Card?**

Call the 125Company at the phone number shown on the back of the Card.

**Can I use the 125Company Benefit Card to access last year's money left in the account this year?**

The IRS allows for a grace period in the current year to use up funds carried over from the prior year. Check with the 125Company to find out how the grace period is handled for your specific program.

**How will a participant know to submit receipts to verify a charge?**

You will receive a letter or notification from the 125Company if there is a need to submit a receipt. All receipts should be saved per the IRS regulations.

**What if I fail to submit receipts to verify a charge?**

If receipts are not submitted as requested to verify a charge made with 125Company Benefit Card, then the Card may be suspended until receipts are received. You may be required to repay the amount charged. The 125Company will advise the participant that the Card has been suspended, if a receipt is not received. Submitting a receipt or repaying the amount in question will allow the Card to become active again.

**How often will I still need to provide substantiation?**

The 125Company works for clients to achieve among the highest substantiation rates of all benefits cards – around 85% to 95%. We offer all the IRS- approved auto-substantiation methods and have the expertise to use them effectively. However there may still be times when it will be necessary for you to submit additional documentation.

**Do I need to inform any mail order companies of this change?**

Yes, if you have your current card number and expiration date on file with either a mail order pharmacy or other health care provider, remember to provide them your new card information.