

FLEXIBLE SPENDING ACCOUNT

Lower taxes.
More take home pay.



P&A Group[®]

FLEXIBLE SPENDING ACCOUNT WORD GLOSSARY

Unsure of what a certain word means? Search our glossary for definitions of commonly used words.

Annual election amount - this is the total dollar amount you elect to put into your FSA at the beginning of each plan year.

Dependent - a dependent is a person whose expenses are eligible for reimbursement through the employee's FSA. A dependent is usually an employee's spouse or child(ren) under age 27. Please visit our website www.padmin.com for more information.

Eligible expense - items that are reimbursable under the FSA Plan are classified as "eligible expenses" according to IRS rule. For a detailed list of what is eligible please refer to page 10.

FICA - taxes collected for Social Security and medicare benefits.

Flexible Spending Account - also known as an FSA; a pre-tax benefit plan that enables the employee to save 30-40% on eligible expenses. By enrolling in this plan the participant saves on state, federal and FICA taxes.

Grace period - an extension of the period during which expenses can be incurred.

Open Enrollment - a designated time, prior to the start of your plan year, during which employees can enroll in the FSA plan and change their benefit elections.

Plan year - the twelve month period during which the annual election is effective.

Run-out period - a period of time after the plan year ends during which participants may submit receipts for expenses which were incurred during the plan year or grace period.

Uniform Coverage Rule - this rule allows you to access your entire annual election for the Medical Expense Reimbursement Account immediately after the start of the plan year. All other accounts are "pay-as-you-go." This rule only applies to the Medical Expense Reimbursement Account.

Use-It or Lose-It Rule - an IRS rule which states that employees must spend any remaining balance in their FSA by the end of the grace period. If you don't spend the money you forfeit it.

WHAT IS A FLEXIBLE SPENDING ACCOUNT? [FSA]

A Flexible Spending Account is a program that the Federal Government allows your employer to sponsor. It enables you (the employee) to save federal, state and Social Security (FICA) taxes on the money you use to pay for eligible expenses. The tax savings will increase your take-home pay.

A VALUABLE BENEFIT

If you choose to participate in this valuable benefit, you and your eligible dependents can pay for medical, dental and vision expenses, dependent care expenses, non-employer sponsored health insurance premiums, and adoption expenses on a tax-free basis. Use this brochure as a quick reference for questions you may have throughout the year.

WHOSE EXPENSES ARE ELIGIBLE?

Under the plan, only the expenses of a participant, a participant's spouse or a participant's dependent(s) qualify for pre-tax treatment. If you are unsure a person qualifies as an eligible dependent, please refer to the P&A website for a more detailed definition.

Go to www.padmin.com/participants and view question number four under the FSA tab.

FLEXIBLE BENEFITS PLAN

YOUR BENEFITS ARE ENHANCED

FSAs are designed to cut inevitable costs while increasing your take-home pay. Maximize every dollar by taking advantage of this benefit choice. Alleviate those high out-of-pocket expenses by enrolling in a plan that works for you.

WHEN YOU ENROLL

When you enroll you determine the options you desire, along with the amount of expenses you anticipate for the upcoming year. The benefits you elect are paid for with pre-tax dollars deducted from your paycheck each payroll period. These dollars are subtracted from your gross earnings before taxes are taken out.

HOW IT WORKS

Under this plan you can use pre-tax money to pay for up to four different kinds of expenses, including: your medical, dental and vision care expenses that aren't covered by your insurance; the cost of caring for a dependent while you work; the cost of health and accident insurance not provided by your employer; and your cost for adopting a child.

YOUR SPENDABLE INCOME INCREASES

When you elect pre-tax benefits under a flexible benefits plan, you lower your taxable income on your W-2; therefore, you pay less in taxes and increase your spendable income. Depending on your tax bracket, this plan can save you 30% to 40% on qualifying expenses.

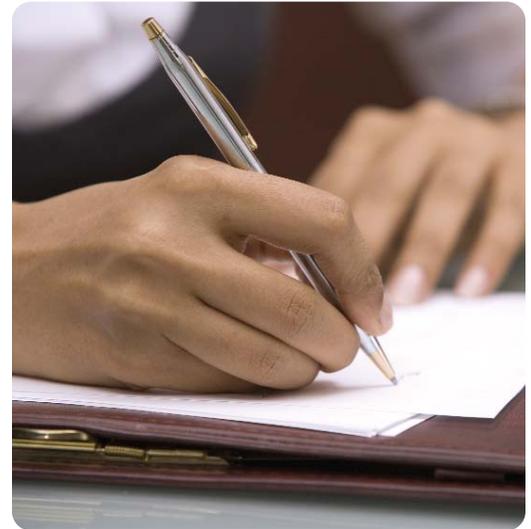
ENROLLMENT INFORMATION

How are benefits paid for?

Any benefits you elect are paid for with money that is withheld from your pay. These pay reductions do not count as income for income tax or Social Security tax purposes. This means that the Plan allows you to use tax-free dollars for expenses that would otherwise have to be paid for with money that you have already paid taxes on.

When can I enroll?

Participants can enroll in an account during their open enrollment. This is the period of time determined by the employer when employees can elect their benefits and determine how much money to put into a FSA.



May I change my benefit election?

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 experience a qualifying event, which includes the following events:

- a change in legal status (e.g., marriage, death of your spouse, divorce, legal separation or annulment),
- a change in the number of your dependents due to events such as birth or adoption,
- a termination or commencement of employment by your spouse or dependent and,
- a change in the place where you, your spouse or dependent work or reside.

Changes must be requested within 30 days of the qualifying event.

IMPORTANT NOTE: Remember, unless you experience one of the limited circumstances allowing for election changes during the Plan Year, you will not be able to reduce or increase the amounts designated on your enrollment form, nor will you be able to change amounts from one account to another. This is why you are encouraged to plan carefully before you enroll in this Plan.

Will my Social Security benefits be affected by my contributions to the Plan?

Your Social Security benefits may be slightly reduced because, when your pay is reduced to cover your benefits under the Plan, the amount of contributions that are made to the federal Social Security system to provide you Social Security benefits also are reduced. However, for most employees, the reduction in Social Security benefits will be insignificant compared to the value of paying lower taxes today.

The "USE IT OR LOSE IT" RULE

Under IRS guidelines, 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 plan year. Only contribute money you are confident you will use during the plan year to pay for qualified expenses.

TAX SAVINGS

Whether you are an individual, part of a dual-income household or a couple with one working spouse, a Flexible Spending Account will provide you with additional benefits and more take-home pay.

Individual

In the illustration below, the single employee earns \$30,000. She uses the flex plan to pay for her health insurance copayments and deductibles and, since she has no dental insurance, her dental expenses. This way she increases her take-home pay by \$528. That is additional take-home pay she can use for herself!

Working Couple with Dependents

This husband and wife both work. They have two children. He makes \$30,000 and she earns \$42,000 per year. They use the flex plan to help pay for orthodontia for their

younger child. The couple also use their flex plan to pay for health insurance premiums for their child who is too old to be covered by their company health plan. The chart shows that this couple increases their monthly take-home by \$207 or \$2,484 total this year. That gives them additional money for the emergency expenses every family has and allows them to set some money aside to fund an additional retirement plan.

Couple – One Working Spouse

With grown children, and only one spouse working, this couple has no child-care expenses. The annual salary of the working spouse is \$54,000. They use the flex plan to pay the premium for dependent health insurance coverage, to meet their health insurance deductibles, and to pay dental care expenses. The flex plan increases the spouse's take-home pay by \$57 per month, or \$684 for the year – a nice raise for the family budget!

	INDIVIDUAL		WORKING COUPLE WITH DEPENDENTS		COUPLE – ONE WORKING SPOUSE	
	Without FSA	With FSA	Without FSA	With FSA	Without FSA	With FSA
Gross Monthly Income	\$2,500	\$2,500	\$6,000	\$6,000	\$4,500	\$4,500
Less Non-Deductible Benefits						
Insurance Premiums		\$75		\$150		\$100
Medical/Dental Expenses		\$75		\$150		\$100
Child Care Expenses				\$400		
Total Monthly Income Subject to Tax	\$2,500	\$2,350	\$6,000	\$5,300	\$4,500	\$4,300
Monthly Federal and State Taxes*	\$319	\$286	\$587	\$434	\$262	\$220
Monthly Social Security and Medicare Tax	\$191	\$180	\$459	\$405	\$344	\$329
After Tax Income	\$1,990	\$1,884	\$4,954	\$4,461	\$3,894	\$3,751
After Tax Expenses						
Insurance Premiums	\$75		\$150		\$100	
Medical/Dental Expenses	\$75		\$150		\$100	
Child Care Expenses			\$400			
Monthly Spendable Income	\$1,840	\$1,884	\$4,254	\$4,461	\$3,694	\$3,751
Annual Increase in Take Home Pay		\$528		\$2,484		\$684

*Federal and state taxes reflect 2010 federal tax rates and typical state taxes with standard deductions and exemptions.

ACCOUNTS AVAILABLE UNDER THE FSA PLAN

When you elect to pay for uninsured health expenses, dependent care expenses, insurance coverage (not from your employer) or adoption expenses, an account to pay those expenses is set up in your name.

MEDICAL EXPENSE REIMBURSEMENT ACCOUNT

Covers medical, dental and vision expenses that are only partially covered or not covered at all by your insurance, including insurance deductibles, insurance copayments and over-the-counter medications by prescription.

DEPENDENT CARE ASSISTANCE ACCOUNT

Covers amounts you pay to daycare centers, babysitters, caregivers or after school programs so that you and your spouse can work.

INDIVIDUAL PREMIUM REIMBURSEMENT ACCOUNT

Allows you to be reimbursed for individual health premiums (non-employer sponsored) you pay for individual coverage for you, your spouse or eligible dependents.

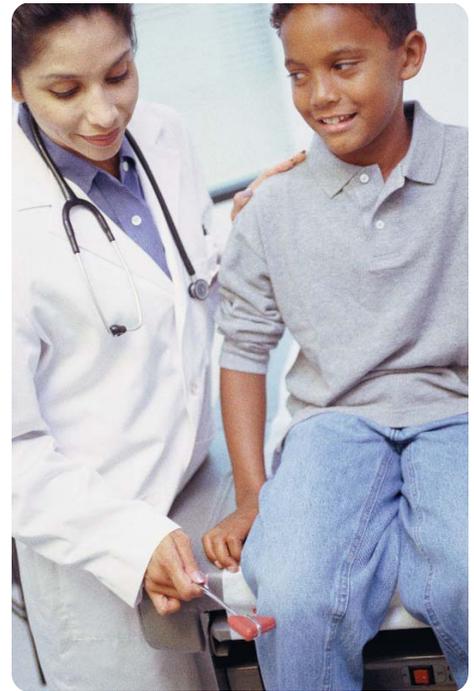
ADOPTION ASSISTANCE ACCOUNT

Reimburses you for the reasonable and necessary expenses that you incur in the process of adopting an eligible child, including adoption agency fees, court costs and attorney fees.

See the P&A website for further details.

**This account is subject to FICA taxes.*

You save only federal and state income taxes.



**Medical Expense Account is the only account where participants have access to their full annual election immediately. All other accounts are reimbursed as payroll deductions are made for any eligible claim requests submitted to date.*

FLEXIBLE SPENDING ACCOUNT CLAIMS

How do I receive Flexible Spending Account benefits? There are two ways to receive payment for your Flexible Spending Account expenses under the Plan.

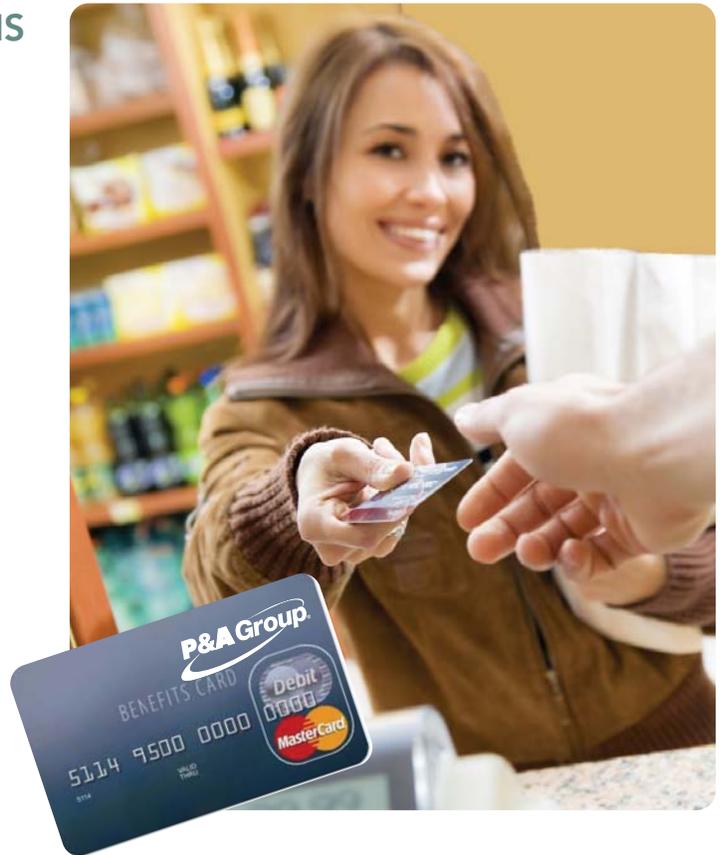
Electronic Payment Method

P&A offers a Benefits MasterCard to participating employers who chose this option for their employees. The Benefits Card works like a debit card. When you incur an eligible expense simply present your Benefits Card to the provider of the goods or services you are purchasing. Swipe your card the same way you would a debit card and the expense will be automatically deducted from your Flexible Spending Account balance. If you are unable to use your Benefits Card you can still be reimbursed for all eligible expenses. Save a copy of your receipt and submit it to us along with a claim form to receive reimbursement.

(See below for more instructions.)

Claim Form Submission Method

You can also obtain reimbursement for expenses allowed under the Flexible Spending Account Plans by submitting a reimbursement claim form and documentation from the provider of the good or services you received (e.g., a receipted bill, an unpaid bill, a signed affidavit, or an expiration of benefits) stating the nature, date and amount of expense. A claim for dependent care benefits must include the name, address and taxpayer identification number of the dependent care service provider. In the case of a babysitter, the taxpayer identification number is the babysitter's Social Security number. Claim forms can be obtained online at our website (www.padmin.com).



Medical Expense Reimbursement Account Annual Election Amount

If you make an election under the Medical Expense Reimbursement Account option, the amount that you elect will be immediately credited to the account in your name. If your company offers the debit card, under this account, the card will immediately be able to access your entire annual election. Starting on the first day of the Plan Year, you will be entitled to be reimbursed for claims up to the entire elected amount at any time during the Plan Year, even if the total salary reduction contributions that you have made to your Medical Expense Reimbursement Account are less than the total amount of claims that you have submitted.

DIRECT DEPOSIT SAVES TIME!

Eliminate the hassle of manual checks and have your reimbursements deposited for you directly into your account.

No more waiting for the mail or wasting time at the bank. Let us do the work for you. Sign up for direct deposit **TODAY** to get your reimbursement faster. This service is **FREE!**

CLAIMS & REIMBURSEMENT FAQs

Claims can be submitted for reimbursement for qualified expenses incurred during the plan year. Each plan allows for a “run-out” period at the end of the plan year where claims incurred during the plan year can be submitted. *(Refer to your plan summary for the “run-out” time period allowed.)*

- Reimbursements are based on when the service is provided, not when the service is billed or paid.

How do I submit my request for reimbursement?

- E-mail claim to: flexclaims@padmin.com
- Fax claim to [877] 855-7105 using a claim form with proof of service documentation
- Mail claim to:
P&A Group
17 Court St. Suite 500
Buffalo, NY 14202

Whether you are faxing or mailing a claim to P&A, make sure to include all the evidence of your expense (i.e., receipts, explanation of benefits, etc.).

How does P&A reimburse me?

- The quickest way to receive your money is by direct deposit to your personal checking or savings account. You can sign up for direct deposit by completing and submitting the direct deposit authorization agreement (See page 17). You can also receive your money via check mailed to you at home. Once enrolled in direct deposit, all deposits are made via direct deposit until we are otherwise notified.

What is the maximum amount I can be reimbursed?

- Medical, dental, vision expenses will be reimbursed based on the total amount indicated on the claim request. This amount must not exceed your total plan-year election amount.
- Dependent care, individual premium and adoption expenses will be reimbursed based on the amount indicated on the claims request up to the total amount in your account (payroll deducted) at the time the claim is received. Total amounts must not exceed your plan-year election amount and must be submitted with appropriate documentation to verify eligibility of expenses. *(Minimum check reimbursement amount is \$25.00)*

When you choose to participate in the flexible spending benefit, you and your eligible dependents can pay for medical, dental and vision expenses, dependent care expenses, non-employer sponsored health insurance premiums, and adoption expenses on a tax-free basis – the result – more take home pay for you!

VISIT OUR WEBSITE!

At P&A we provide you with the convenience and dedication you deserve. Check out our website at www.padmin.com for the latest information on all your benefit needs. Discover our streamlined online tools and applications built specifically for you. View your account balance or receipt history, submit a claim electronically, or talk with a customer service representative through our live online chat.

FIRST TIME USERS

Access your account online by using our secure website at www.padmin.com. Select the participant option and go to the login portal on the right side of the screen. You must create a temporary username and password by entering your Social Security number or unique ID number and date of birth (mm/dd/yyyy) during this initial access stage. Follow the prompts on the screen to create your own unique username and password. Once you have created your own login ID information you will have complete access to your account.

ELECTRONIC SUBMISSION

Log in to your P&A account. (If you are accessing your account for the first time please refer to the "First Time Users" directions located on the opposite side of this page.) The Universal Claim can be found under the Forms tab and will be pre-populated with the most current information we have on file. Fill in the amount requested for reimbursement, as well as the number of pages you are submitting. The total number of pages submitted should also include your proof of service, such as a receipt or Explanation of Benefits (EOB). This documentation must be sent with your claim form.

You can e-mail, fax or mail your claim to:

E-MAIL: flexclaims@padmin.com

FAX: [877] 855-7105

P&A Group Flex Department
17 Court Street : Suite 500
Buffalo, New York 14202



CUSTOMER SERVICE OPTIONS

- 24/7 account access at [800] 688-2611 or www.padmin.com
- Toll-free account information available in English and Spanish
- Customer Service representatives available Monday through Friday: 8:30 AM to 8:00 PM [EST]
- Live online chat available during customer service hours

www.padmin.com

ONLINE PHARMACY @ www.padmin.com

Do you have unspent money in your FSA?

Interested in saving money on all your over-the-counter needs?

Tired of going to the pharmacy when you're sick?

Click into a world of convenience right at your fingertips!

- Over 350 items
- No receipts required to submit for FSA and HRA participants
(Effective January 1, 2011, over-the-counter medicines will only be reimbursed with a prescription)
- Discounted pricing
- Free shipping on orders over \$15
- Orders shipped within 2 days
- No wasted trips to the store!
- For all employees and family members
- Great way to use your FSA account
- After-tax purchases also allowed
- Compare our prices to all chain drugstores



3 EASY STEPS:

- 1.) Go to www.padmin.com
- 2.) Click on the link "Online Pharmacy Option"
- 3.) Select your items and choose any of the three easy payment options: FSA, HRA or Credit Card

ALSO AVAILABLE BY PHONE! CALL [800] 854-8764

Start saving money today.

HEALTH CARE REFORM AND ITS IMPACT ON YOUR FSA

In March of 2010 President Obama signed the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010. This new law changes the way participants can use their Health Flexible Spending Account. Starting January 1, 2011, over-the-counter medicines will only be reimbursable if submitted with a doctor's prescription. Examples of medicines that would require a doctor's prescription for reimbursement would include pain medications (aspirin, acetaminophen, ibuprofen, etc), ant-acids and anti-fungal medications. Below is a brief list that outlines expenses that require a doctor's prescription.

SAMPLE ELIGIBLE EXPENSES WITH A DOCTOR'S PRESCRIPTION INCLUDE:

Cold medicines, tablets, syrups, cough drops and lozenges	Laxatives
Analgesics, such as aspirin, ibuprofen and acetaminophen	Eye drops and lubricants
Motion sickness patches and pills	Heartburn relief and antacids
First Aid creams	Stomach & digestive relief items
Arthritis pain relieving creams	Anti-itch creams and hydrocortisone creams
Antibiotic ointments	Athlete's foot treatment, anti-fungal creams
Allergy medication, nasal sprays	

This is not a complete list.

SAMPLE ELIGIBLE EXPENSES WITHOUT A DOCTOR'S PRESCRIPTION INCLUDE:

Band aids	Elastic bandages & wraps
Birth control	First aid supplies
Catheters	Insulin & diabetic supplies
Contact lens supplies & solutions	Ostomy products
Denture Adhesives	Reading glasses
Diagnostic tests & monitors	Wheelchairs, walkers, canes

This is not a complete list.

SAMPLE ELIGIBLE EXPENSES FOR SPENDING ACCOUNT REIMBURSEMENTS

Medical, Dental & Vision Expenses

- Acupuncture
- Alcoholism treatment
- Ambulance hire
- Artificial teeth/dentures
- Birth control pills
- Braces
- Braille-books and magazines
- Breast pumps and lactation supplies
- Chiropractors
- Christian Science Practitioners' fees
- Co-insurance amount you pay
- Co-pay amount you pay
- Contact lenses and eyeglasses, PLUS eye examination
- Contact lens solutions
- Cosmetic surgery (due to illness or injury only)
- Cost of operations and related treatments
- Crutches
- Deductible medical coverage amounts you pay
- Dental fees
- Drug (by prescription) and medical supplies
- Fee for practical nurse
- Fees for healing services
- Handicapped persons' special schools
- Hearing devices and batteries
- Home improvements motivated by medical considerations
- Hospital bills
- Insulin
- Laboratory fees
- Lead-base paint removal (for children with lead poisoning)
- Medical information plan
- Mentally handicapped persons cost of special home care
- Nurses fees (including nurses' board and social security tax paid by you)
- Obstetrical expenses
- Operations
- Orthopedic shoes
- Oxygen
- Physical fees
- Physician recommended swimming pool or spa equipment costs (restricted by IRS regulations)
- Psychiatrists' and psychologists' fees
- Radial keratotomy and Lasik eye surgery
- Roling therapy
- Routine physical & other non-diagnostic services or treatments
- School tuition for the handicapped
- Seeing-eye dog and maintenance
- Smoking cessation programs
- Special diets required by illness or allergy
- Special education for the blind
- Special plumbing for handicapped
- Sterilization (i.e., tubal ligation, vasectomy)
- Surgical fees
- Telephone, special for hearing impaired
- Television audio display equipment for hearing impaired
- Therapeutic care for drug and alcohol addiction
- Therapy treatments
- Transportation expenses primarily in the rendering of medical services
- Weight loss program (if prescribed by physician to treat existing disease)
- Wheelchair
- X-rays

Over-the-Counter Medications

Please note that all over-the-counter medications will require a prescription.

(Sample List)

- Cold medicines, tablets, syrups, cough drops & lozenges
- Analgesics, fever reducers, pain reducers like aspirin, ibuprofen, acetaminophen
- Antacids and heartburn relief
- Stomach & Digestive relief items
- Laxatives
- Eye drops and lubricants
- Motion sickness patches and pills
- First Aid creams
- Arthritis pain relieving creams
- Antibiotic ointments
- Anti-itch creams and hydrocortisone creams
- Allergy medication, nasal sprays
- Athlete's foot treatment, anti-fungal creams
- Wart removal medication
- Diabetes supplies, glucose monitoring

- Urinary pain relief medication
- Smoking cessation patches, gum
- Feminine care related to treatment of vaginal infections
- Tooth and mouth pain relief medication
- Shampoo for treatment of lice, psoriasis
- Incontinence products
- Pregnancy tests, condoms
- Diaper rash ointment

Dependent Care Expenses

- Babysitters
- Daycare centers
- Nursery schools
- After-school programs
- Day camp
- Eldercare
(Overnight camps are NOT eligible)

Individual Health and/or Disability Expenses

- Individual health premiums (i.e., accident, hospitalization, COBRA premiums)
- Individual disability premiums
- Student health insurance premiums

Adoption Assistance Expenses

- Reasonable & necessary adoption fees
- Court costs
- Attorney's fees
- Travel expenses

Common Expenses NOT Eligible for Reimbursement:

- Cosmetic procedures**
- Hair products**
- Vitamins**
- Nutritional supplements**
- Gym equipment and membership**

***These items are only eligible if they are used to treat a medical condition. Proper physician documentation will be required.*

Expense eligibility is subject to change. If you are unsure if an expense is eligible for reimbursement, please call P&A Group at [800] 688-2611. Business hours are Monday through Friday 8:30 a.m. to 8:00 p.m. EST.

FLEXIBLE SPENDING/CAFETERIA PLAN ENROLLMENT FORM

EMPLOYER NAME:		PLAN YEAR: 20_____	<input type="checkbox"/> MALE	<input type="checkbox"/> FEMALE	SOCIAL SECURITY NUMBER (MUST BE PROVIDED)	
EMPLOYEE LAST NAME:		FIRST NAME	M.I.			
STREET ADDRESS		CITY	STATE	ZIP CODE		
HOME PHONE NUMBER	DATE OF BIRTH	DATE OF HIRE	DIVISION OF COMPANY	<input type="checkbox"/> SINGLE	<input type="checkbox"/> FAMILY	
E-MAIL ADDRESS						
PAYROLL CYCLE		<input type="checkbox"/> WEEKLY	<input type="checkbox"/> BI-WEEKLY	<input type="checkbox"/> SEMI-MONTHLY	<input type="checkbox"/> MONTHLY	<input type="checkbox"/> OTHER
DATE OF FIRST PAYROLL WITHHOLD:		MONTH	DAY	YEAR		
SPOUSE NAME: [FIRST, M.I.]		DATE OF BIRTH	DEPENDENT NAME: [FIRST, M.I.]		DATE OF BIRTH	
DEPENDENT NAME: [FIRST, M.I.]		DATE OF BIRTH	DEPENDENT NAME: [FIRST, M.I.]		DATE OF BIRTH	
DEPENDENT NAME: [FIRST, M.I.]		DATE OF BIRTH	DEPENDENT NAME: [FIRST, M.I.]		DATE OF BIRTH	

ACCOUNT TYPE <small>NOTE: NOT ALL ACCOUNTS MAY APPLY TO YOUR COMPANY</small>	ELECTION AMOUNT <small>NOTE: NOT ALL ACCOUNTS MAY APPLY TO YOUR COMPANY</small>	SHORT PLAN YEARS / MID-YEAR ENROLLEES <small>[PLEASE NOTE BELOW]</small>
MEDICAL EXPENSE REIMBURSEMENT <small>EXAMPLES: DOCTOR CO-PAYMENTS, EYE GLASSES</small>	_____ ANNUAL	YOUR ELECTION AMOUNT WILL BE THE FULL AMOUNT YOU ARE ELECTING EVEN IF YOU WILL NOT BE ENROLLED IN THE PLAN[S] FOR A FULL 12 MONTHS. THIS AMOUNT WILL NOT BE PRORATED FOR YOUR SHORT PLAN YEAR.
DEPENDENT CARE ASSISTANCE <small>EXAMPLES: DAYCARE CENTERS, AFTER SCHOOL PROGRAMS, ELDERCARE <i>Refer to page 16 for dependent care daycare assistance account guidelines.</i></small>	_____ ANNUAL	
INDIVIDUAL PREMIUM REIMBURSEMENT <small>EXAMPLES: DEPENDENT/STUDENT COBRA PREMIUMS</small>	_____ ANNUAL	
ADOPTION ASSISTANCE	_____ ANNUAL	

MINIMUM REIMBURSEMENT AMOUNT FOR PAPER CHECK IS \$25

PLEASE NOTE:

For any enrollment/change forms effective outside of the initial plan year, the effective date will correspond with the next payroll period after the signature date. Claims reimbursement will be made only for expenses incurred on or after the signature date.

AUTHORIZATION

I hereby elect the benefits indicated above. I have read and understand the enrollment materials (FSA brochure, enrollment form, daycare form, direct deposit form and claim form) and I authorize my employer to adjust my pay as required by my election. I understand that this election is binding and cannot be revoked or modified until the next plan year, except under the limited circumstances that are described in detail in the SPD that I have received from my employer (i.e. marriage, divorce, birth). I further understand that any amounts remaining in my account(s) not used for eligible expenses incurred during the period of coverage will be forfeited in accordance with the current plan provisions and tax laws.

SIGNATURE OF PARTICIPANT: _____

DATE: / / _____

PLEASE RETURN ALL ENROLLMENT FORMS TO YOUR EMPLOYER

FLEXIBLE BENEFITS WORKSHEET

MEDICAL, DENTAL, VISION EXPENSES

EXPENSE CATEGORY	ESTIMATION OF ANNUAL EXPENSE	CUMULATIVE TOTAL
Sample – eyeglasses	\$400.00	\$400.00
Health Insurance Deductible(s)		
Co-Insurance and Co-Pays		
Vision Care (contacts, glasses, etc.)		
Prescription and/or Over-the-Counter Drugs		
Medical Appliance(s), Wheelchairs, Crutches		
Dental Exams and Cleanings, X-Rays, etc.		
Braces and Retainers, Fillings, etc.		
<i>(This amount would be calculated as your estimated annual election for this account)</i>		GRAND TOTAL: \$

\$ _____ ANNUAL ELECTION

DEPENDENT CARE EXPENSES

EXPENSE CATEGORY	ESTIMATION OF ANNUAL EXPENSE	CUMULATIVE TOTAL
Babysitters, Daycare Centers, Nursery School		
After School Programs, Day Camp		
Elder Care		
<i>(This amount would be calculated as your estimated annual election for this account)</i>		GRAND TOTAL: \$

\$ _____ ANNUAL ELECTION

INDIVIDUAL PREMIUM EXPENSES

EXPENSE CATEGORY	ESTIMATION OF ANNUAL EXPENSE	CUMULATIVE TOTAL
Non-Employer Sponsored Health Insurance [COBRA]		
Student Medical Premiums		
<i>(This amount would be calculated as your estimated annual election for this account)</i>		GRAND TOTAL: \$

\$ _____ ANNUAL ELECTION

ADOPTION EXPENSES

EXPENSE CATEGORY	ESTIMATION OF ANNUAL EXPENSE	CUMULATIVE TOTAL
Reasonable and Necessary Adoption Fees		
Court Costs		
Attorney's Fees		
Travel Expenses		
<i>(This amount would be calculated as your estimated annual election for this account)</i>		GRAND TOTAL: \$

\$ _____ ANNUAL ELECTION

TOTAL OF ALL ANNUAL ELECTIONS _____ DIVIDED BY PAYROLL CYCLE = \$ _____ /PER PAY.

If you are unsure if an expense is eligible for reimbursement, please call **P&A's Flex Department** at [716] 852-2611 or [800] 688-2611. Business Hours are Monday through Friday 8:30 AM to 8:00 PM EST.

NOTES:

DEPENDENT CARE ELECTION FORM

EMPLOYER NAME:

EMPLOYEE NAME:

NAME OF CHILD(REN): DEPENDENTS REQUIRING CARE:

DATE OF BIRTH / /

DATE OF BIRTH / /

DATE OF BIRTH / /

NAME OF CARE PROVIDER:

PLEASE NOTE:

A stipulation imposed by the IRS is that the service provider must be over 18 years of age and cannot be an individual for whom a personal tax exemption may be claimed.

ADDRESS OF PROVIDER:

TAXPAYER I.D. # -

RELATIONSHIP TO EMPLOYEE (IF ANY):

SPOUSE'S NAME:

SPOUSE'S EMPLOYER:

DOES YOUR SPOUSE MAKE MORE THAN THE AMOUNT YOU WISH TO WITHHOLD FOR DAYCARE? Yes No

YOU MAY NOT WITHHOLD MORE THAN YOUR SPOUSE'S ANNUAL EARNED INCOME.

IF SPOUSE IS NOT EMPLOYED HE/SHE IS: INCAPACITATED OR A FULL-TIME STUDENT?

- Once this information is on file with P&A Group, Inc., receipts including dates of service will suffice for reimbursement.
- This information MUST be provided every plan year that you participate.
- Any changes during the year should be reported to P&A immediately.
- See back of form for dependent care account guidelines.

SIGN UP FOR DIRECT DEPOSIT TO RECEIVE REIMBURSEMENT FASTER!!

EMPLOYEE SIGNATURE:

DATE: / /

DEPENDENT CARE GUIDELINES

WHAT EXPENDITURES ARE ELIGIBLE FOR REIMBURSEMENT UNDER DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS?

Eligible expenses are defined as those that enable the participant and the participant's spouse to work or to look for work.

They include the following:

1. Childcare centers that care for six or more children and that meet the IRS's definition of a qualified day care center;
2. Caregivers for a disabled spouse or dependent who lives with the participant;
3. Babysitters;
4. Nursery schools; and
5. Household expenses provided that a portion of these expenses is incurred to ensure a qualifying dependent's well being and protection.

A stipulation imposed by the IRS is that the service provider must be over 18 years of age, and cannot be an individual for whom a personal tax exemption may be claimed.

ARE THERE CERTAIN CIRCUMSTANCES UNDER WHICH AN EMPLOYEE'S SPOUSE IS TREATED AS IF HE OR SHE IS WORKING EVEN THOUGH THE SPOUSE IS NOT EMPLOYED?

Yes. If an employee's spouse is a full-time student or is physically or mentally not capable of self-care, he or she is treated as if working. A spouse is a full-time student if he or she is enrolled at and attends a school for the number of hours or classes that the school considers full time. The spouse must have been a student for some part of each of five calendar months during the year.

WHAT EXPENDITURES ARE PROHIBITED FOR REIMBURSEMENT UNDER DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS?

Expenditures that are prohibited for reimbursement include the following:

1. Babysitting for social events;
2. Educational expenses;
3. Charges for overnight camp; and
4. Expenses that the participant will take as a child care tax credit on his income tax return.

IS THERE A MAXIMUM AMOUNT OF EXPENSE THAT MAY BE REIMBURSED BY A DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT?

Yes. The maximum annual contribution is \$5,000 (\$2,500 for married participants filing a separate income tax return), but no more than the lesser of the earned income of the employee or his spouse. If your spouse is a full-time student or incapacitated the maximum annual election is \$3,000 for one child or \$5,000 for two or more children. (Amounts subject to change due to IRS guidelines)

WHO IS A QUALIFYING DEPENDENT FOR PURPOSES OF A DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT?

Dependent care expenses must be provided to qualified persons. A qualified person is defined as any of the following:

1. A dependent under age 13 who qualified as a dependent for income tax purposes;
2. A spouse who is physically or mentally unable to care for himself or herself.
3. A dependent that is unable to care for him or her and who qualifies as a dependent for income tax purposes.
4. If the qualifying person is not under age 13, dependent care expenses incurred outside the home can be reimbursed only if the qualifying person regularly spends at least 8 hours a day in the employee's household.

MUST AN EMPLOYEE PROVIDE ANY INFORMATION REGARDING THE DEPENDENT CARE SERVICE PROVIDER ON HIS INCOME TAX RETURN?

Yes. The employee must provide the name, address, and taxpayer identification number of the person performing the services on the income tax return filed for the year in which the services were performed. If the service provider is a tax-exempt organization, its name and address must be provided on the employee's tax return. If the preceding information is not provided, the tax exclusion can be maintained if the employee demonstrates to the IRS that the employee exercised due diligence in trying to obtain the information. The employee may demonstrate the exercise of due diligence by furnishing a copy of the service provider's driver's license or Social Security card.

DIRECT DEPOSIT AUTHORIZATION AGREEMENT

You can now have your claim reimbursements deposited directly into your bank account.

Please complete the following information below to setup direct deposit.

Employer Name *(please print)*

Employee Name

SSN#

Work Phone No.

Home Phone No.

E-mail Address

Bank Name

Transit (ABA) No.

Account No.

Please indicate type of account *(circle one)*

CHECKING

SAVINGS

If this is a new account, it must be established and active at your bank before you request direct deposit.

Please attach a voided check for checking, or a deposit slip for savings account

JOHN DOE
 SSN 000-00-0000
 PH. (580) 555-1234
 321 My Street
 Anytown, USA 00000

86-232/1031 **8236**

Date: _____

Pay To The Order Of: _____ \$ _____

YOUR FINEST BANK
 1000 Your Street
 Anytown, USA, 00000-0000

For: _____

13110260231 **740534218236**

ROUTING NUMBER **ACCOUNT NUMBER**

[Attach check / slip here]

I authorize P&A Administrative Services, Inc. and the bank listed above to deposit my claim reimbursements directly into my bank account listed above.

If funds to which I am not entitled are deposited to my account due to error or any other reason, I authorize P&A Administrative Services, Inc. to direct the bank to return said funds to P&A Administrative Services, Inc.

I understand that my deposit may not be credited to my account for up to 2 business days after the transaction has been sent to the bank for processing.

I understand that this authorization will remain in effect unless I advise P&A that I have revoked it. Furthermore, I understand that it is my responsibility to notify P&A of all future changes to my bank account number and routing number. If I fail to notify P&A of changes of this nature, I will be responsible for reimbursing P&A for all applicable bank charges.

Employee Signature

Date

Please fax this completed form to P&A via toll-free number: [877] 855-7105
 or mail to: Attn - Flex Department, 17 Court Street, Suite 500, Buffalo, NY 14202

FLEXIBLE SPENDING ACCOUNT

CUSTOMER SERVICE OPTIONS

- 24/7 account access at [800] 688-2611 or www.padmin.com
- Toll-free account information available in English and Spanish
- Customer Service representatives available Monday through Friday: 8:30 AM to 8:00 PM [EST]
- Live online chat available during customer service hours

17 Court Street : Suite 500
Buffalo, New York 14202-3294
[716] 852-2611 : [800] 688-2611
TOLL FREE FAX: [877] 855-7105
E-MAIL: flexclaims@padmin.com



www.padmin.com