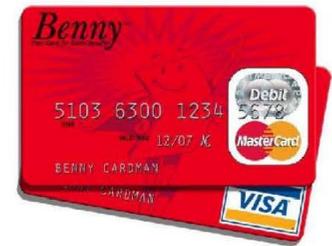




Benefit Advantage

FREQUENTLY ASKED QUESTIONS



1. What is a Prepaid Benefits Card?

A Prepaid Benefits Card is a special-purpose MasterCard® Card or Visa® Card that gives participants an easy, automatic way to pay for qualified health care/benefit expenses. The Card lets participants electronically access the pre-tax amounts set aside in their respective employee benefits accounts such as Flexible Spending Accounts (FSAs), Health Reimbursement Accounts (HRAs), Health Savings Accounts (HSAs), and Qualified Transportation Accounts (QTAs).

2. How does the Prepaid Benefits Card work?

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

3. How does the Prepaid Benefits Card change how I am reimbursed for expenses?

Before the Prepaid Benefits Card became available, participants were required to first make a contribution from their paychecks into their FSAs. Participants then had to pay for their eligible expenses at the time of purchase, submit claim forms along with all receipts, and then wait for the reimbursement to be processed. Checks were issued and mailed to the participants, who then cashed the checks. In essence, participants “paid twice” – through payroll deduction and then at the point of sale – then they had to wait for reimbursement.

However, with the Prepaid Benefits Card, participants simply swipe their Cards and the funds are automatically deducted from their respective employee benefit account(s) for payment. The Card eliminates **most** out-of-pocket cash outlays and paperwork, as well as the need to wait for reimbursement checks.

4. Is the Prepaid Benefits Card just like other MasterCard Cards or Visa® Cards?

No. The Prepaid Benefits Card is a special-purpose MasterCard® Card or Visa® Card that can be used **only** for qualified health care/benefits expenses. It cannot be used, for instance, at gas stations or restaurants. There are no monthly bills and no interest.

5. How many Prepaid Benefits Cards will I receive?

You will receive two Cards (unless the participant has only a Qualified Transportation Account, in which case one Card will be issued). If you would like additional Cards for other family members, please contact Benefit Advantage at (800) 686-6829.

★Please watch for your cards in the mail (DO NOT THROW AWAY). See sample envelope to the right...



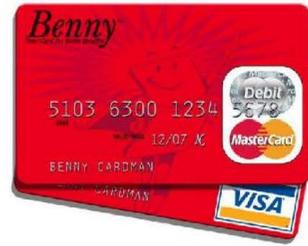
6. Do I need a new Prepaid Benefits Card each year?

As long as the respective employee benefit account(s) remain part of the participant's benefit plan and you elect to participate each year, the Prepaid Benefits 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 have.

7. What if the Prepaid Benefits Card is lost or stolen?

Participants should call their Plan Administrator to report a Card lost or stolen as soon as they realize it is missing, so the Administrator can turn off their current Card(s) and issue replacement Card(s).

Replacement Cards are \$5.00 each, which will be deducted directly from the participant's pre-tax account.



**ACTIVATE
YOUR
CARD**

1. How do I activate the Card?

Participants should call the toll free number on the activation sticker on the front of the Card or call Benefit Advantage at 800-686-6829 for assistance.

Participants can use both Cards once the first Card is activated – they do not need to activate both.

They should wait 1 business day after activation to use their Cards. Each Card user should sign the Card with his or her own name.

2. What dollar amount is on the Prepaid Benefits Card when it is activated?

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

IT'S IMPORTANT TO SAVE YOUR RECEIPTS!

Your Prepaid Benefits Card will definitely improve your cash flow. However, be aware that the IRS requires the Card be used only for eligible expenses. Most of the time, we can verify the eligibility of the expense automatically. There are instances when you'll receive a letter/notification asking you to furnish an itemized receipt to verify the expense. When you receive such a request, make sure you submit the receipts as soon as possible to avoid having your Card suspended until receipts have been submitted and approved.

What is an itemized receipt?

An itemized receipt must include: merchant or provider name, services received or item purchased, date of service, and amount of the expense.

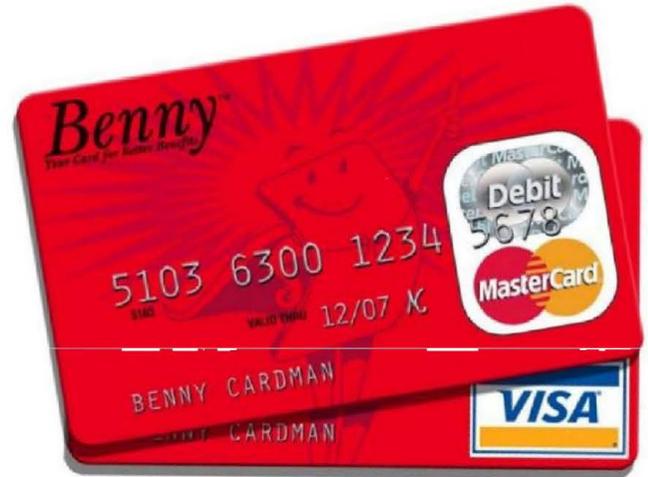
★Cancelled checks, handwritten receipts, card transaction receipts or previous balance receipts cannot be used to verify an expense.

We suggest that you keep itemized receipts in one place so they're readily available when you receive a request.



GUIDELINES FOR USING THE BENNY CARD

The IRS has certain restrictions for the use of the Benny™ Card with an FSA or HRA plan. Typically 80%-90% of Benny™ Card transactions will auto-approve at the Point-Of-Sale (POS). The lesser % must be documented via claim submission to Benefit Advantage. Please carefully review the substantiation requirements outlined below:



POINT-OF-SALE APPROVAL

Most retail drug and grocery stores have an inventory approval system (IIAS) that recognizes qualified healthcare items at the cash register. RX's, medical supplies, etc. purchased at stores such as Walgreens, Wal-Mart, and CVS (to name a few) should auto-approve and should not typically require documentation of the transaction.

CO-PAY MATCH

The Benny™ Card recognizes your employer's insurance plan co-pays for physician office visits, RX's and ER/Urgent Care visits. These transactions should auto-approve and should not require documentation of the transactions.

RECURRING EXPENSE

The second time that a Benny™ Card transaction has been substantiated for the same amount in the same setting it will be automatically approved from then on for that plan year.

CLAIM SUBMISSION

IRS guidelines require that all other Benny™ Card transactions be substantiated by submitting a claim, again this should be a small % of the Benny™ Card transactions. Participants will be notified if they must submit proof of the transaction.

KEY POINTS TO REMEMBER:

Documentation must include:

- Type of service
- Date of service

The Benny™ Card should only be used for expenses that are incurred in the current plan year and while you are a participant in the Plan. The Benny™ Card should not be used to pay for a prior plan year expense.

One of Benefit Advantage's goals is to provide best in class customer service! So, if you should have any questions or concerns, please contact us at: (800) 686-6829.