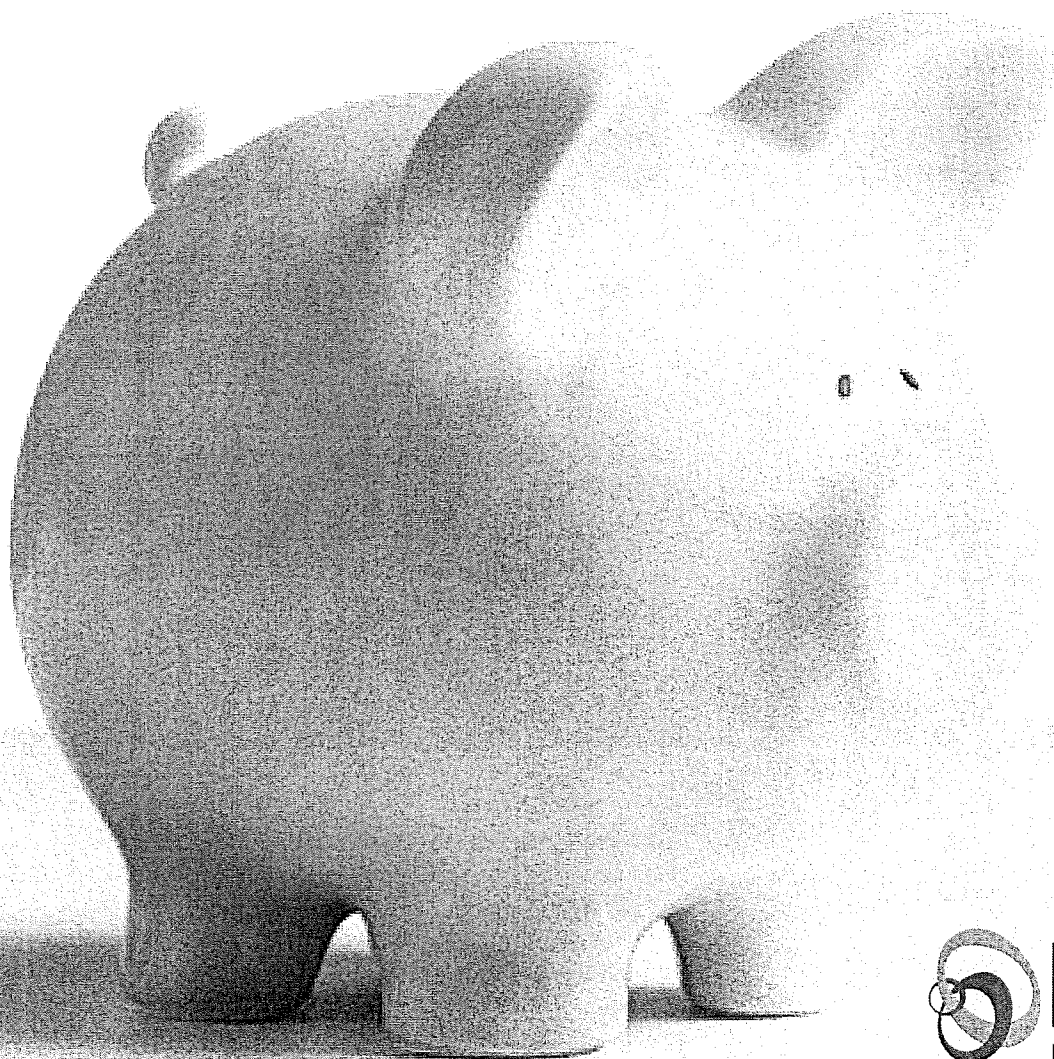




FSA *by BASIC*

YOU'RE GOING TO NEED A
BIGGER BANK.



BASIC[®]

HR Solutions Come Full Circle

GET MORE OUT OF YOUR PAYCHECK.

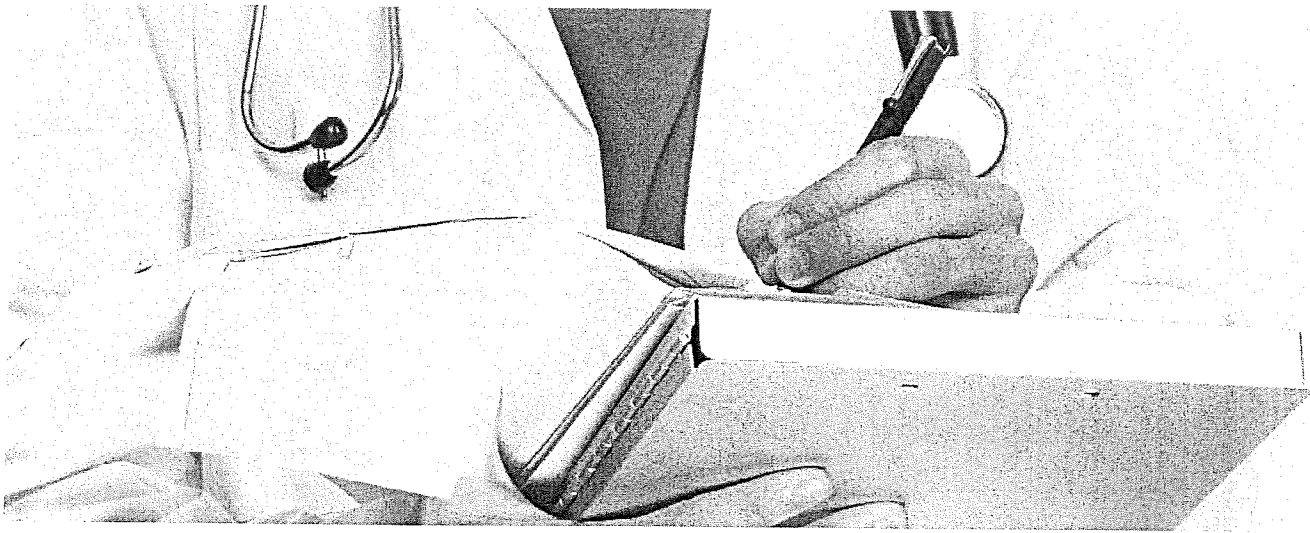
Do you pay medical expenses? Child care? If you answered yes to any of these questions then keep reading because we are going to put more money in your pocket. The IRS established Section 125 to help reduce some of the burden of medical, dental, vision and dependent care bills. With BASIC Flex, you elect to have a certain dollar amount transferred from your paycheck into a special account to pay for expenses as they occur. This money is taken from your gross pay prior to taxes. You save by not having to pay federal and most state and local taxes, as well as Social Security and Medicare taxes, on the amount you set aside.

EXAMPLE OF SAVINGS FOR A WEEKLY PAYROLL CHECK

Gross taxable wage	\$500.00	Gross taxable wage	\$500.00
Federal, FICA & State Tax	-113.25	Average weekly out-of-pocket expenses	
Insurance premium contribution	-40.00	Group Insurance premium contribution	-40.00
Take home pay	\$346.75	Medical/Dental/Vision	-50.00
Average weekly out-of-pocket expenses		Taxable wage	\$410.00
Medical expenses	-50.00	Federal, FICA & State Tax	-92.86

*assuming 15% Federal tax, 7.65% FICA tax (Social Security and Medicare)

The savings really add up. This example leads to a \$20 a week savings. Where would you rather have the money go; in your pocket or toward taxes? In a year, an extra \$1040 could help pay increasing gas prices or help fund your entertainment budget. With BASIC Flex you can put the money back in your pocket. To find out what your savings would be visit www.basiconline.com/fsasavingscalculator



MEDICAL REIMBURSEMENT

With BASIC Flex you can save 15%-40% on your out-of-pocket medical expenses. Simply calculate your estimated medical expenses for the year and have that amount set aside in a Medical Reimbursement Account. The money is taken before taxes, so you don't pay most federal, state, Social Security and Medicare taxes on that amount. It's like paying wholesale instead of retail.

The full amount of your medical election is available for reimbursement upon the first day of your plan year.

We have provided an example of how a current participant calculated the amount they elected for BASIC Flex. Be sure to base YOUR estimate on known expenses because left over money is forfeited.

	Charges	Savings
Deductible	\$500	\$113
Co-pays	\$450	\$101
Prescriptions	\$480	\$108
Contacts	\$220	\$49
Dental	\$100	\$22
Over-the-counter items+	\$75	\$16
Total	\$1795	\$409

*assuming 15% Federal tax, 7.65% FICA tax (Social Security and Medicare)

When you incur an eligible out-of-pocket expense submit your itemized documentation to BASIC and receive a tax free reimbursement.

If you have questions at anytime regarding BASIC Flex simply call 800.444.1922 x 1 and speak to a BASIC Flex Customer Service Representative.

IRS regulations govern the eligibility of claims which include those that are not fully covered by a health care plan and are prescribed by a physician or other licensed professional, primarily for preventing, treating or mitigating a physical defect or illness. The IRS does not allow reimbursement for the following: cosmetic surgery, insurance premiums, teeth bleaching / whitening, nutritional supplements/vitamins, marriage counseling, debit counseling, eyeglass sun clips and prepayment of services. For more details, refer to IRS Publication No. 502.

MEDICAL ELECTION WORKSHEET.

If you have questions at anytime regarding BASIC Flex simply call 800.444.1922 x 1 and speak to a BASIC Flex Customer Service Representative.

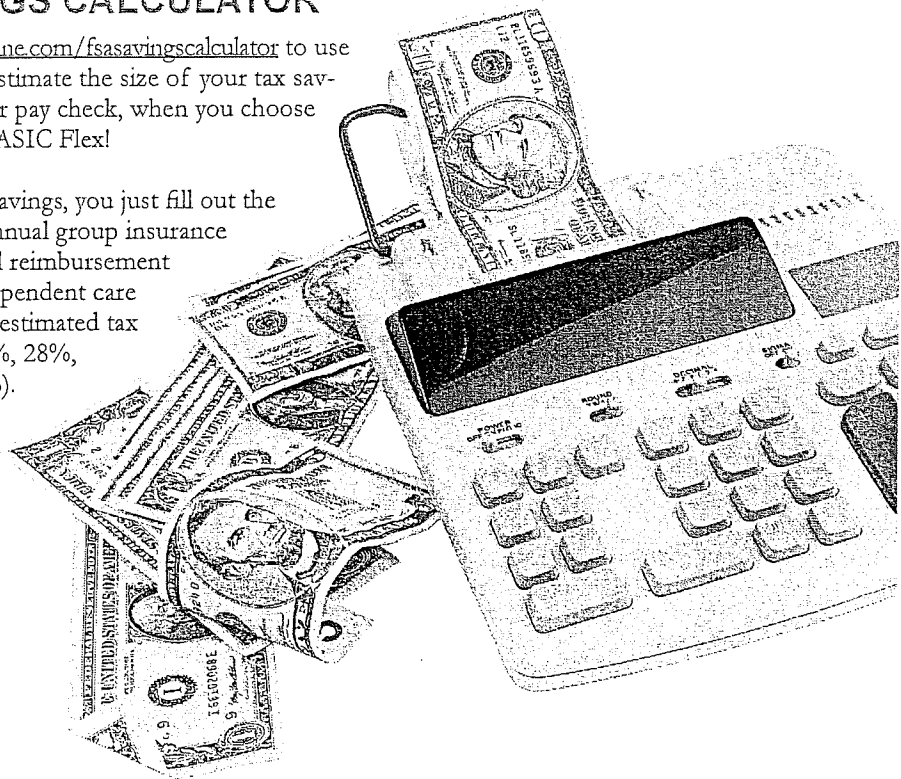
Use the list on the opposite page to estimate your predictable medical, dental, vision and over-the-counter (OTC) expenses for your plan year. These pages list commonly reimbursed eligible expenses as well as examples of ineligible items.

IRS regulations govern the eligibility of items and claims. As a Flex Administrator, BASIC helps ensure that you and your employer stay within these regulations. If you have a question regarding a specific item or treatment, call a BASIC Flex Customer Service representative at 269.327.1922 x 1 or 800.444.1922 x 1.

TAX SAVINGS CALCULATOR

Visit www.basiconline.com/fsavingscalculator to use our calculator to estimate the size of your tax saving, annually or per pay check, when you choose to participate in BASIC Flex!

To estimate your savings, you just fill out the amount of your annual group insurance premiums, medical reimbursement election and/or dependent care election and your estimated tax bracket (15%, 23%, 28%, 32%, 40%, or 45%).



EXPENSE	ESTIMATED COST
MEDICAL*	
Acupuncture	\$
Chiropractor	\$
Podiatrist	\$
Deductible	\$
Co-pays	\$
Doctor fees	\$
Office visit	\$
Prescriptions	\$
Hospital bills	\$
Laboratory fees	\$
Medic alert bracelet	\$
Dermatologist	\$
Immunizations	\$
Obstetrical expenses	\$
Routine physicals	\$
X-rays	\$
Well baby checkups	\$
HEARING*	
Hearing exam	\$
Hearing aids	\$
Special batteries	\$
VISION*	
Glasses	\$
Eye exam	\$
Contact lenses	\$
Contact lens solution	\$
Prescription sunglasses	\$
LASIK surgery	\$
Visine and eye drops	\$
Reading glasses	
DENTAL*	
Orthodontic	\$
Dentures/bridge/crowns	\$
Fluoride treatments & seals	\$
Cleanings and fillings	\$
Root canals	\$
Extractions	\$
COLUMN #1 TOTAL	\$

EXPENSE	ESTIMATED COST
DIABETIC SUPPLIES*	
Insulin	\$
Glucometer	\$
Syringes/Needles	\$
Test Strips	\$
BIRTH CONTROL DEVICES*	
Condoms	\$
Prescriptions	\$
Sterilization	\$
THERAPY*	
Physical therapy	\$
Learning disability	\$
Psychologist fees for medical care	\$
Psychiatric care	\$
PHYSICAL IMPAIRMENTS*	
Wheelchair	\$
Crutches	\$
Walker	\$
Custom made orthopedic shoes and inserts	\$
SPECIAL NEEDS*	
Stop smoking programs	\$
Transportation to and from doctor/hospital (call for current mileage rates and guidelines)	\$
OVER-THE-COUNTER ITEMS*	
Sunscreen	
Band-aids	\$
Carpal tunnel wrist supports	\$
Cold/hot packs for injuries	\$
Home pregnancy tests	\$
Incontinence supplies	\$
Liquid adhesive for small cuts	\$
Nasal strips	\$
COLUMN #2 TOTAL	\$

EXPENSES THAT REQUIRE A LETTER OF MEDICAL NECESSITY	
The IRS allows reimbursement of the following with a copy of the physician's statement of medical necessity that includes the specific product/service and a diagnosis. Treatment cannot be for general health or well being. A copy needs to be submitted with every reimbursement request and a new letter needs to be reinstated every 12 months.	
EXPENSE	ESTIMATED COST
Health club fees/gym memberships	\$
Nutritional supplements/vitamins	\$
Massage therapy	\$
Acne medication	\$
Weight loss programs (i.e. Weight Watchers and Jenny Craig) - Program fees are eligible but food portions are not.	\$
OVER-THE-COUNTER MEDICINE	
Acid controllers	
Antibiotic products	
Anti-diarrheas/gas	
Anti-itch/insect bite	
Antiparasitic treatments	
Baby rash creams	
Cold sore remedies	
Cough, cold & flu	
Digestive aids	
Feminine anti-fungal/anti-itch	
Hemorrhoidal preps	
Laxatives	
Pain relief	
Sleep aids & sedatives	
Stomach remedies	
COLUMN #3 TOTAL	\$

ESTIMATED EXPENSES	
COLUMN 1	\$
COLUMN 2	\$
COLUMN 3	\$
TOTAL ESTIMATED EXPENSES	

EXAMPLES OF INELIGIBLE EXPENSES
The IRS does not allow reimbursement for the following:
Cosmetic surgery
Insurance premiums
Marriage/debt counseling
Eyeglass sun clips
Eyeglass or contact warranty
Prepayment of services
Special (dietary) foods
Personal care items
Sanitary products
Diapers
Deodorant
Chapstick
Face cream or moisturizers
Teeth bleaching/whitening
Tooth brushes/toothpaste
Floss/flossing devices

* Please note: This list is a broad overview of eligible expenses; not all services provided by a provider or practitioner are eligible under the IRS regulations. Please call BASIC regarding your specific item or treatment to confirm eligibility.

DEPENDENT CARE REIMBURSEMENT

If you're one of the many people who spend money on child care while at work, a Dependent Care Reimbursement Account is a logical choice. Using BASIC Flex is like getting child care or preschool on sale. The money is deducted before taxes so you don't pay most federal, state, Social Security and Medicare taxes on that amount. The savings range from 15% to 40% depending upon your tax bracket.

Determine the amount to put into your Dependent Care Account and start saving. A single parent or a married couple filing jointly can elect up to \$5000 per family, while a married person filing separately can elect up to \$2,500 (It's \$2,500 for that person but still \$5,000 for the family). Unlike the Medical Reimbursement Account, this is a pay-as-you-go account and employers will not advance you any money. Reimbursements are not made until funds are available. Remember, left-over money is forfeited, so elect only what you know you'll spend.

Here is an illustration of someone in a 15% tax bracket with the maximum \$5,000 election. They would save \$1,132 in one year using BASIC Flex.

WEEKLY PAYROLL CHECK			
Without Dependent Care Reimbursement Flex		With Dependent Care Reimbursement Flex	
Gross taxable wage	\$500.00	Gross taxable wage	\$500.00
Federal, FICA & State Tax	-113.25	Dependent care election <i>(\$5,000 divided by 52 weeks)</i>	-96.15
Take home pay	\$386.75	Taxable wage	\$403.85
Dependent care election <i>(\$5,000 divided by 52 weeks)</i>	-96.15	Federal, FICA & State Tax	-91.47
Annual take home pay	\$20,160.00	Annual take home pay	\$21,295.32

DEPENDENT ELIGIBILITY

- You and your spouse must be employed or actively seeking employment or attending school full time.
- Child must be a dependent under 13 years of age and be in your custodial care more than 50% of the calendar year. If your child turns 13 during the plan year, expenses are no longer eligible for reimbursement.
- A spouse or dependent who is incapable of self-care and regularly spends at least eight hours per day in your home (i.e. an invalid parent).

SERVICE REQUIREMENTS

- Provider may not be a minor child or dependent for income tax purposes (i.e. an older child).
- Service provider must claim payments as income and comply with state regulations.
- Services must be for the physical care of the child, not for education, meals, etc.
- Overnight camps are not eligible for reimbursement.
- Expenses paid for Pre-K are eligible but kindergarten and higher is not.

NOTE

- This is a pay-as-you-go account. Your employer will not advance any money.

*assuming 15% Federal tax, 7.65% FICA Tax (Social Security and Medicare)
 If you qualify for the Child Care Credit, the same IRS rules apply. If you have 2 or more children and spend more than \$5,000 for child care, you may have additional tax credits available to you. For more details, refer to IRS Publication No. 503

ACQUAINT YOURSELF WITH THE FACTS.



WWW.BASICONLINE.COM
P 800.444.1922 x 1.
F 800.391.6562

9246 PORTAGE INDUSTRIAL DR.
PORTAGE, MI 49024

Each plan can differ slightly. The list below applies to most plans; however, for specifics on your plan please refer to your Summary Plan Description, contact your Benefits Coordinator or BASIC Flex at 800.444.1922 x 1.

- Flex Benefits end upon termination of employment and/or participation.
- Services must be rendered during your current plan year. For new employees entering the plan during the plan year, services must be rendered after eligibility or election date.
- Refer to the Summary Plan Description (SPD) booklet to find out how long you have to submit remaining claims after your plan year or coverage has ended.
- You may change your annual election if you have a qualified change in status (marriage, birth, adoption, death or divorce). The change in status must correlate with the event and be made within 30 days of the event. For example, if the event is a birth, you may increase your election, not decrease it.
- Your pre-tax contributions through your BASIC Flex plan could reduce your future social security benefits; however studies show it is usually less than 1%.
- According to the IRS, money left in your account may become the property of your employer and cannot be returned to you. Please see the Summary Plan Description (SPD) for further details. Most people use all their funds by good planning . . . such as getting a physical or dental checkup or new glasses. Rarely is there ever more than 5% left in the account, and the tax savings more than outweigh this amount.

WHEN IN DOUBT, ASK BASIC

We realize that the IRS regulations can be confusing at times. Please call BASIC Flex, prior to election, if you have any questions about the eligibility of any item, event, service or treatment. One of our Customer Service Representatives will be happy to listen to your exact situation and advise you on the regulations that apply so you can make the best election for your situation.

We want your BASIC Flex plan to benefit you in every way possible.

BASIC LIMITED PURPOSE FLEX

BASIC Limited Purpose Flex is a reimbursement account specifically designed for individuals with a Health Savings Account (HSA). IRS regulations state that an individual with an HSA may not simultaneously have a general purpose flex plan, but they are allowed a limited purpose flex plan. If you or your spouse are currently enrolled or plan to enroll in an HSA during your flex plan year, a limited purpose flex plan might be just what you need. The difference between BASIC Flex and BASIC Limited Purpose Flex is the eligible expenses. A BASIC Limited Purpose Flex plan only allows for reimbursements of dental, vision and post deductible expenses (co-insurance and co-pay expenses after your deductible has been met). With a limited purpose flex, you may still sign up for a dependent care account.

While this booklet provides general information about a plan, a Summary Plan Description Booklet containing further details is available. If you have specific questions regarding your particular situation, you may want to consult an attorney or accountant.



Health FSA Carryover



On October 31, 2013, the US Treasury Department modified its Healthcare Flexible Spending Account (FSA) "use-it-or-lose-it" provision to allow carryover of FSA funds.

What does this mean for your plan:

- Participants can carryover up to \$500 of their unused Health FSA, aka Medical Reimbursement Account, funds into the next plan year.
- This eliminates the risk of employees losing Health FSA funds if they elect \$500 or less and remain and active/eligible employee.
- The Health FSA funds can continue to roll into future plan years until they are spent (if you continue to allow carryover.)

THE NEW
FSA

USE OR
Carryover \$500
~~LOSE~~

Important Information

- Carryover funds are not available in the new plan year until the 15th of the month following the end of the run-out period.
- This provision does not apply to Dependent Care FSA Funds.
- Your plan must be amended to allow the Carryover.
- You cannot offer the Grace Period and the Carryover on the Health FSA account. If your plan has the Grace Period this will need to be removed to add Carryover and you will need to inform employees of the change.
- You may see an increase in the number of participants billed monthly after the Carryover has occurred.
- A participant does not have to reenroll for benefits in the new plan year to Carryover the funds.
- Remaining funds will Carryover to the account type elected in the new plan year. If a new election is not made the funds will Carryover to the same account type.
 - ➔ Note in order for a participant to be HSA qualified the participant must elect a Limited Purpose FSA in the new plan year *if they have funds remaining in a General Purpose FSA.*

If you chose not to participate in the past because of the Health FSA "use it or lose it" mandate, it's time to take another look. The benefit will automatically take effect on your account should you decide to participate in the Health FSA.

Flexible Spending Just Got More Flexible!



ONLY USE THIS FORM IF YOU HAVE ONE OF THESE CARDS

Please type or print all information

COMPANY NAME: (required for processing)



Social Security Number: (for security purposes please provide at least the last 4 digits of your ss#)

				-										
--	--	--	--	---	--	--	--	--	--	--	--	--	--	--

Employee Last Name:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Employee First Name:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

MEDICAL EXPENSES

- Documentation for each request will need to show date of service, description of service provided and charge for service as well as the providers name and address. Credit card receipts are not sufficient documentation
- Please itemize your expenses to help assure proper processing. If you have more expenses than this form allows please attach a separate form. If you do not itemize your expenses we will process your claim based on the documentation received
- Secure Claim Upload: <https://claims.basiconline.com>; Fax: 800-391-6562 or 269-327-0716; Mail claims to: 9246 Portage Industrial Dr, Portage MI 49024
- For questions please call 800-444-1922 ext 1 or 269-327-1922 ext 1

Flex debit card used for this expense	Date of service	Provider name or name of store	Amount
<input type="checkbox"/> YES <input type="checkbox"/> NO			
<input type="checkbox"/> YES <input type="checkbox"/> NO			
<input type="checkbox"/> YES <input type="checkbox"/> NO			
<input type="checkbox"/> YES <input type="checkbox"/> NO			
<input type="checkbox"/> YES <input type="checkbox"/> NO			

DAY CARE EXPENSES (dependent care account)

- Please have your day care provider sign this form on the line below or provide a receipt for the services

Signature of day care provider: _____

Flex debit card used for this expense	Dates of service	Day care provider name	Amount
<input type="checkbox"/> YES <input type="checkbox"/> NO			
<input type="checkbox"/> YES <input type="checkbox"/> NO			
<input type="checkbox"/> YES <input type="checkbox"/> NO			

I certify that the statement and information on this reimbursement form are accurate and true. I also certify that I am claiming reimbursement for only eligible expenses incurred during the plan year and only for eligible plan participants. I certify that these expenses have not been or will not be reimbursed under this or any other benefit plan. I further certify I will not claim these, or any other expenses reimbursed through this plan, as an income tax deduction and I assume all liability for taxes and penalties out of any disallowed deduction/credit.

Employee Signature: _____ Date: _____



BASIC FLEX ONLINE ACCOUNT ACCESS



Below are instructions on how to access your BASIC Flex Account online. After logging in for the first time, please go to the Tools & Support tab and select BASIC Flex Users Guide for important information about using your account.

Access your account online:

1. Go to the Portal website login (<https://basic.lh1ondemand.com/>). Please bookmark this webpage or add it to your favorites so you can quickly access it in the future. The online access page looks like the image to the right.



2. Login using the following:

User name:

Your username is created using the first letter of your first name, the first four* letters of your last name and the last four digits of your Social Security number. (i.e., John Wayne 123-56-6789 = jwayn6789)

*If your full last name is less than four letters, you will use your full last name. (i.e., Susan Lee 111-22-3333 = slee3333)

Password:

The first time you log into the system, use **BASIC123** (BASIC in all caps) as your password. You will be prompted immediately to create a new, unique password before entering the participant portal.

View your account information:

Your home page will provide you with your current account balance(s) and if there are any actions required by you.

- ACCOUNTS:** You can view up-to-date account information at any time.
- Select *Account Summary* to check the balance of any account(s).
 - Select *File Claims* to submit a claim online.
 - Select *Payment History* to see a detail of the claims that have been paid. You can click the blue underlined link at any time to view more information about your account.
 - Select *Election Summary* to view your annual election, year to date contributions, reimbursement method and plan year information.
 - Select *Plan Descriptions* to view your pre-tax plan information.

PROFILE: Select *Profile Summary* to review and/or update your personal and dependent information that's on file in the system.

STATEMENTS & NOTIFICATIONS: You can view previously generated notifications and reminders.

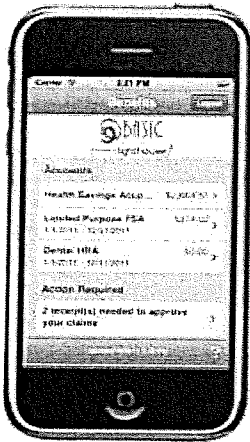
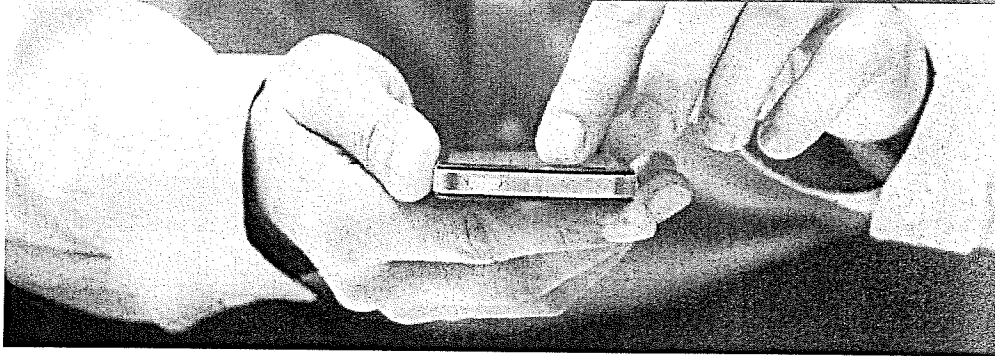
TOOLS & SUPPORT Select the form(s) you would like to download, including the DIRECT DEPOSIT FORM, BASIC FLEX USERS GUIDE and CLAIM FORM to use when you mail or fax a claim to BASIC. The forms are in PDF format, requiring Adobe Acrobat Reader. You may download a free version of acrobat reader from the Adobe website: <http://www.adobe.com/products/acrobat/readermain.html>

FSA by BASIC

Mobile App Claim Submission

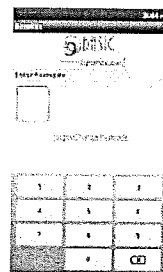
It's Easy and Convenient

Save time and hassle while you make the most of your BASIC FSA benefits account. Check balances, transactions, claim details and submit claims with a photo of your receipt.



Enhanced Security Credentials

The new feature allows a consumer defined 4-digit login passcode to be stored on external servers instead of the mobile device for added security.

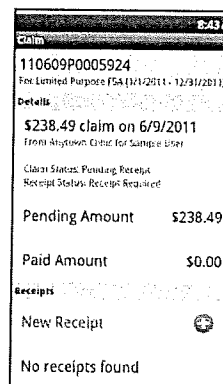
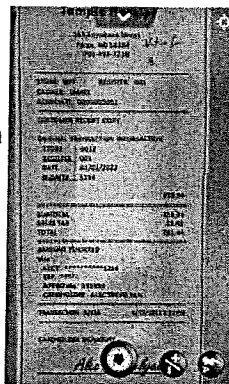


- HR Benefits
- HR Management
- HR Services

Picture Claims

The new feature puts money at your fingertips by allowing a BASIC Flex Participant to submit a new FSA claim from their Mobile App at any time.

- Take a picture of a receipt and submit for a claim
- View claims requiring receipts
- Submit FSA claims and receipt images



Superior Responsiveness

BASIC leverages technology but still places a high value on personal interaction and service. Our industry certified experts are always a phone call or email away to assist with questions about your account or regulations.

The 'Benefits by BASIC' app is available on iPhone and Android phones.



For more information about any of our services or to speak with a sales consultant call 800.444.1922 x 3 or visit basiconline.com.

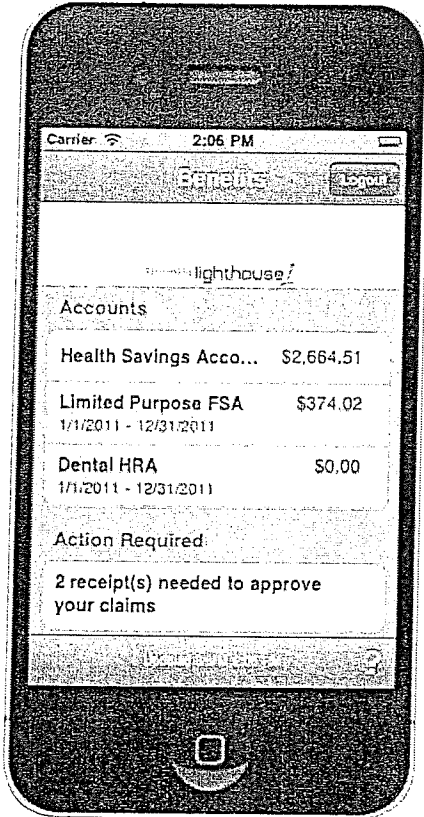
Additional Services:

- BASIC Payroll
- BASIC FMLA
- BASIC COBRA
- BASIC HRA

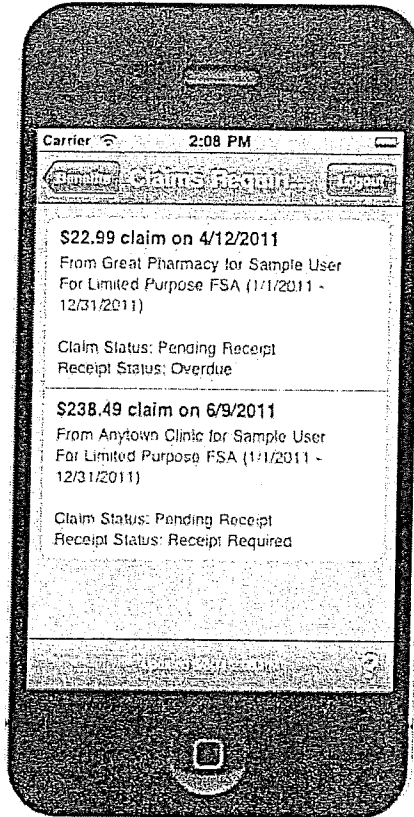
Depending on how a group is structured, certain staff may face exclusion or top-heavy caps.

FSA by BASIC

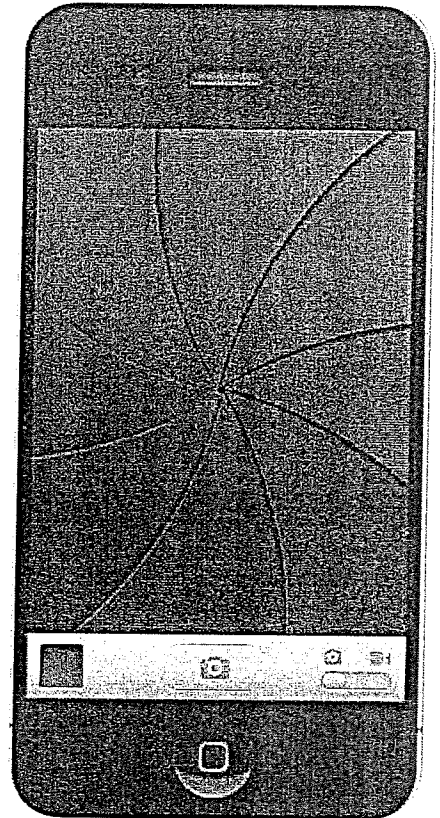
Mobile App Claim Submission



Select Action Required



Select Claim

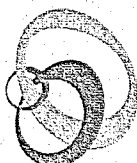


Take Picture of Receipt & Submit

The 'Benefits by BASIC' app is available on iPhone and Android phones.



iPhone



BASIC®

HR Solutions Come Full Circle

For more information about any of our services or to speak with a sales consultant call 800.444.1922 x 3 or visit basiconline.com.

Additional Services:

- BASIC Payroll
- BASIC FMLA
- BASIC COBRA
- BASIC HRA

Depending on how a group is structured, certain staff may face exclusion or top-heavy caps.



PLEASE PRINT CLEARLY TO ENSURE ACCURATE ENROLLMENT AND FUTURE COMMUNICATION.

Employer Name: _____

Participant First Name: _____ Last Name: _____

Social Security #: [] [] [] - [] [] - [] [] [] Date of Birth: ____ / ____ / ____

Address: _____

City, State, Zip: _____ Phone Number: _____

E-mail Address: _____ (Notification of direct deposit payments are only sent via e-mail)

Pay Period: Weekly Semi-Monthly (twice a month) Bi-Weekly (every other week) Monthly

PREMIUM CONTRIBUTIONS

- I elect to participate (check all that apply)
- Health Insurance Group Life Insurance Disability Insurance Dental Insurance
- HSA Contributions Vision Insurance Other(s) _____

The amount of salary reduction needed to pay premiums under the insured portions of the Plan will be determined by my employer.

I elect NOT to participate

EMPLOYER USE
 Please complete for mid-year enrollments
 Date of first deduction: _____
 Eligibility date: _____

MEDICAL REIMBURSEMENT ACCOUNT

- I elect to participate (not to exceed employer limit of \$ _____)
- \$ _____ per pay x _____ (# of pays in plan year) = \$ _____ Annually (do not round)
- Is this Medical Reimbursement Account a Limited Purpose Account (see page 6)
- I elect NOT to participate

DEPENDENT CARE ACCOUNT

- I elect to participate (not to exceed \$5000 or \$2500 if married filing separately)
- \$ _____ per pay x _____ (# of pays in plan year) = \$ _____ Annually (do not round)
- I elect NOT to participate

DIRECT DEPOSIT (not all employers allow direct deposit as a reimbursement option)

- Use account information on file Use account information below No Direct Deposit
- Checking account OR Savings account

CHECK EXAMPLE
 ⑆ 123456789 ⑆ 0000123456 ⑆ 1234
 routing number account number check number

Financial Institution (name of bank): _____

Routing Number (always 9 digits): [] [] [] [] [] [] [] [] [] Account Number: _____

I request that my periodic paychecks for the plan year be reduced on a pro rata pre-tax basis by the sum of my medical reimbursement, dependent care and premium contributions to the plan, with such amount to be allocated among the benefits I selected above. I understand this election form cannot be revoked or changed during the plan year unless there is a qualified change in status as defined in the Summary Plan Description (SPD). I certify that I will only claim reimbursement for eligible expenses for myself and/or qualified dependents as defined in the SPD. I further certify that these expenses will not be reimbursed under any other benefit plan. I understand any unused dollars remaining in my account(s) at the end of the plan year will be forfeited. I have examined this agreement and to the best of my knowledge, it is true, correct and complete.

Employee Signature _____ Date _____

TEAR ALONG THIS LINE