General Questions on the ASIFlex Card

1. What is the ASIFlex Card

The ASIFlex Card is a special-purpose Visa Card that gives participants an easy, automatic way to pay for eligible health care/benefit expenses under the Health Care Reimbursement Account (HCRA) Plan. The Card lets HCRA participants electronically access the pre-tax amounts set aside in their HCRA account. Please note: The ASIFlex Card is not applicable to Dependent Care Reimbursements Account (DCRA) Plan participants.

2. How does the ASIFlex Card work?

It works like a MasterCard or Visa Card, with the value of the participants account(s) contribution stored on it. When participants have eligible expenses at a healthcare provider, pharmacy or retailer (for example) that accepts Visa Card debit cards, they simply use their Card. The amount of the eligible 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. Is the ASIFlex Card just like other Visa Cards?

No. The ASIFlex 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 or interest associated with the Card.

4. How many ASIFlex Cards will the participant receive or if Cards are lost or stolen?

When participants initially sign up for the ASIFlex Card, they'll receive two cards, both in the name of the participant. If Cards are lost, or participants simply wish to receive an additional card for an eligible family member, simply contact ASIFlex, at (800) 659-3035, to make this request.

5. Is there a fee associated with the ASIFlex Card?

Yes, there is an administrative fee of $1.00 per month that will be deducted directly from the initial HCRA contribution that is applied to your HCRA account by ASIFlex as a non-refundable, one-time, lump sum amount (i.e. $12.00 if your enrollment begins in January, and the amount is prorated if enrollment begins after January). Therefore, your annual HCRA election amount will be reduced by an amount equal to or less than $12.00.

For example, if you decide to contribute the maximum allowable for 2016 $2,550.00 ($212.50 per month maximum) to the HCRA Plan for 2016 and also request the “FSA ASIFlex Card,” you may want to consider increasing your monthly HCRA election amount by $1.00 (Please remember that your annual HCRA contribution election amount plus the $12.00 administrative fee cannot exceed the annual HCRA maximum). You will have access to $2,538.00 of HCRA funds for 2016 as shown below:

<table>
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<tr>
<th>Annual election amount=</th>
<th>$2,550.00</th>
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<tr>
<td>$12.00</td>
<td>minus debit card annual administrative fee</td>
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<tr>
<td><strong>Equals</strong></td>
<td><strong>$2,538.00</strong></td>
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<tr>
<td>Remaining HCRA funds available for use</td>
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Please note: The lump sum administrative fee is calculated based on the month that participants are enrolled in the HCRA Plan during the Plan Year. If participants exhaust their HCRA election prior to the end of the Plan Year, the administrative fee applied to their HCRA account for the ASIFlex Card will not be adjusted.

6. What if a participant wants to cancel the ASIFlex Card?

Once the ASIFlex Card is issued to a participant, enrollment in the ASIFlex Card will continue from Plan Year to Plan Year, unless the participant decides to cancel participation prior to the beginning of the next Plan Year. Cancellation requests must be submitted to ASIFlex in writing.

Getting Started and Activation Your Card

1. How soon will I receive the ASIFlex Card?

It takes approximately 10-15 days to receive the card once ASIFlex receives your completed ASIFlex Debit Card Application.

2. How do participants activate the Card?

Participants should call the toll-free number on the activation sticker on the front of the Card or visit the website provided on the back of the Card. Participants can use both Cards once the first Card is activated – they do not need to activate both Cards. Participants should wait one (1) business day after activation prior to using the Cards.

3. What dollar amount is on the ASIFlex Card when it is activated?

When participants apply for the ASIFlex Card with ASIFlex, the Card is programmed with the full amount in the Health Care FSA that participants elected to contribute for the entire plan year. This means if your annual contribution amount is $1,000 for the plan year, the Card will be programmed with $1,000 on the first day of the FSA plan year.

Using the Card

1. Where may participants use the ASIFlex Card?

The IRS says that use of the ASIFlex Card is okay if it is at a grocery store or general retail outlet that confirms at the point of sale that any item that is purchased with the card is eligible for reimbursement. The ASIFlex Card is coded to only work at: 1) merchants that are set with a MCC (Merchant Category Code) code defining that purchase/service as a medical good or service, or 2) stores that have an Inventory Control System in place that confirms at the point of sale that any items that have been purchased are eligible for the Flexible Spending Program (FSA).

MCC is a four-digit number assigned to the vendor's credit card machine that identifies the provider as being a medical provider, dentist, grocery store, book store, convenience store, etc. If the vendor does not have an appropriate MCC (i.e., they must be coded as a medical provider, dentist, optometrist, hospitals, etc.) the card will be declined at the point of sale. There is not a way to tell prior to using the ASIFlex Card whether the provider has a MCC of a medical provider. We have generally found that the card does work at most doctors, dentists, optometrist and hospitals. In most, if not all cases, the card will not work at grocery or general retail stores (even at the pharmacy counter) unless the grocery store has implemented the Inventory Control System.

2. If asked, should participants select “Debit” or “Credit”?

The ASIFlex Card is actually a prepaid card. But, since there is no “prepaid” selection available, participants should select “Credit.” Participants do not need a PIN and cannot get cash with the ASIFlex Card.
3. **Why do participants need to save all of their itemized receipts?**

All transactions must be substantiated. Some are substantiated electronically; but many require participants to provide supporting documentation. The card company reports only the transaction date, merchant name and dollar amount. The IRS requires that participants provide a description of the service and actual date of the service, regardless of the card transaction date.

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

ASIFlex will send the initial request for follow-up documentation within a few days of the ASIFlex Card transaction. If the participant does not comply with the initial request, ASIFlex will make a second request in approximately three weeks. If the participant does not comply with the second request, a third notice will be sent three weeks later stating that the ASIFlex Card has been suspended because the requested documentation was not received by ASIFlex.

5. **What happens if I have HCRA funds left on my ASIFlex Card when the Plan Year ends on December 31st?**

The “FSA ASIFlex Card” is funded with the current Plan Year’s election amount. HCRA ASIFlex Card participants with remaining balances as of December 31 of each Plan year will be able to use the ASIFlex Card to pay for eligible HCRA expenses incurred during the 2 ½ month grace period claims extension period (January 1 through March 15). ASIFlex Card transactions during the grace period will exhaust prior year funds first before deducting from the new plan year’s election. If remaining funds from the prior Plan year are not utilized during the 2 ½ month grace period claims extension period, the funds are removed from the ASIFlex Card. If the participant can substantiate that the claims were actually incurred during the prior Plan year, the participant can claim reimbursement by either submitting an online or paper claim to ASIFlex.

**Use It or Lose It Rule**

Participants must estimate their eligible expenses very carefully because the authorization is irrevocable during the Plan Year unless there has been an allowable Change in Status Event.

Money left in the Participant’s account(s) unclaimed after June 30 of any Plan year (including monies not claimed during the 2 ½ month grace period) will be forfeited. The IRS will not permit forfeited contributions to be refunded to the participant.