For Available Plans as of
JULY 2014

CITY OF NEWBURYPORT

& CONCEPTS IN BENEFITS, INC.
PRESENT YOUR

FLEXIBLE SPENDING ACCOUNT (FSA)

PREP- PARTICIPANT RESOURCE & EDUCATION PACKET

Concepts in Benefits, Online ID*	
Employer ID* CBICNP	**Employee ID***
User Name	
Password	
www.cbilogin.com	**800-224-7688**

*See Section 1-1 for Details

City of Newburyport's Plan Details

Below are details specific to available plans.
Please see your HR department for eligibility requirements.

City of Newburyport's Employer and Employee ID Convention	
Employer ID	CBICNP
Employee ID	(CNP) + (Participant's **F**irst initial of **F**irst & **L**ast name) + (Last 4 digits of SS#) **Ex: CNP**JS1234

Plan Details

Plan	Start Date	End Date	Grace Period End Date	Run-out End Date*	Carry Over Amount	Min Election/ Contribution	Max Election/ Contribution	Enrollment
Health FSA-MRA *Medical Reimbursement Account*	7/1/2014	6/30/2015	9/15/2015	9/30/2015	N/A	$0	$2,500	Online
DCAP *Dependent Care Account Program*	7/1/2014	6/30/2015	9/15/2015	9/30/2015	N/A	$0	$5,000	Online

* See your SPD (Summary Plan Description) for details of the Run-out for Terminated employees.

Plan Features

	Claim Submission Methods			Allowable Substantiation Types			Reimbursement Methods		
Plan	CBI FlexCard	Online	Fax, email, or Mail	Invoice	Explanation of Benefits (EOB), Claims Summary, or Claims Recap	Approved Receipt*	Check	Direct Deposit	Pay Provider
Health FSA-MRA *Medical Reimbursement Account*	✓	✓	✓	✓	✓	✓	✓	✓	✓
DCAP *Dependent Care Account Program*	✓	✓	✓	✓	✓	✓	✓	✓	✓

* See "What is a Substantiation" in this packet for details on approved receipts.

43 Constitution Drive
Bedford, NH 03110
800.224.7688
www.ConceptsInBenefits.com

Medical Reimbursement Account
Plan Overview (Health FSA-MRA)

What is a Medical Reimbursement Account (MRA)?

Your Medical Reimbursement Account is a Health FSA (Flexible Spending Account). Because expenditures on personal health care are considered a necessity, and to encourage proper medical attention, the federal government has enacted regulations to reduce taxes on certain types of expenses that you are already paying out of your pocket. As a result, Section 125 of the IRS Code was established to allow the elimination of taxes on money you spend for certain medical, dental, vision, and drug* expenses via the Health FSA.

**Due to health care reform law, most over-the-counter (OTC) medicines and drugs will require a doctor's prescription to qualify as an eligible expense. Please visit our website under the Alerts and Announcements section for a complete listing of over-the-counter eligible items.*

How does a Health FSA-MRA work?

Each payday an amount you specify is deducted from your paycheck, without being taxed. The money is placed into your personal Health FSA-MRA. You pay for eligible medical expenses with your CBI® Flex Card, which automatically takes the amount from your personal Health FSA-MRA. Any time you incur expenses with out-of-pocket post-tax money (you were unable to pay with your CBI® Flex Card), simply submit a claim for reimbursement with your receipts, and you will be reimbursed from your Health FSA-MRA account by check or direct deposit.

Other Important Information

- ***Eligible expenses must be incurred during the plan year***.
- The full amount of your annual election is available from day one.
- Your Health FSA-MRA cannot be used to pay for expenses that will be paid for or reimbursed to you by your insurance plan, Medicare, or another insurance carrier due to coordination of benefits of third party liability.
- Pre-payments and deposits do not qualify as Eligible Expenses.
- Reimbursements are paid only after services have been delivered.
- Where applicable, CBI will process your manual claim within 3 to 5 business days of receiving proper documentation.
- You may be required to submit receipts for CBI® Flex Card transactions to satisfy IRS rules.
- Your CBI® Flex Card is good for 3 years. **Do not throw it out when you have used up your current plan year election**. A nominal fee will be deducted from your Health FSA-MRA for replacing a lost or destroyed card.
- Your employer may set minimum and maximum Election Amounts.
- Your annual election is locked in for the plan year. Only a qualifying IRS event will allow a change, such as:
  - Marriage or divorce
  - Death of a spouse or death/birth/adoption of a dependent
  - Change in employment status of you or your spouse
  - Unpaid leave of absence of you or your spouse

Helpful Tips

- Visit **www.cbilogin.com** to do the following:
  - Check balances and transaction history
  - Submit claims (request reimbursement)
  - And more!
- To participate in the Health FSA, you must be eligible for your employer's medical coverage, but do not need to join medical.
- Up to $500 of unused Health FSA money may, or may not, roll over to new plan year. Check your SPD for details.

*The Specific Details of your available plans are listed on the **PLAN DETAILS** page of this document, or in your Summary Plan Description (SPD). Please see your HR Department for a copy.*

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Dependent Care Account
Plan Overview (FSA-DCA)

What is a Dependent Care Account (DCA)?

Because expenditures on dependent care are considered a necessity for you or your spouse to work, the federal government has enacted regulations to reduce taxes on certain types of expenses that you are already paying out of your pocket. As a result, Section 125 of the Internal Revenue Code was established to allow the elimination of taxes on money you spend for dependent care of a minor child or dependent adult that required day care services.

How does a Dependent Care Account (DCA) work?

The Dependent Care Account (DCA) permits you to set aside money from your paycheck, on a pre-tax basis, to pay for eligible dependent care expenses. Once the money is set aside into your DCA account, you can use it to pay for things like Child Care Centers, Family Day Care Providers, Baby-sitters, Nursery Schools, Caregivers for a disabled dependent or spouse who live with you, Household Services (provided that a portion of these expenses are for a qualifying dependent incurred to ensure the dependent's well-being maintenance).

Other Important Information

- The dependent child must be under the age of 13. (Note: If your child turns 13 during the year, you can stop your contribution at that time.)
- The services may be provided inside or outside your home, but not by someone who is your minor child or dependent for income tax purposes (for example, an older child).
- If the services are provided by a day-care facility that cares for six or more children at the same time, it must be a qualified day-care center.
- The service must be incurred to enable you (you and your spouse if you are married) to be employed or attend school full time.
- The amount to be reimbursed must not be greater than your spouse's income or one-half your income, whichever is lower.
- Services must be for the physical care of the child, not for education, meals, etc. Kindergarten expenses must separate out the cost of custodial care from education to reimburse.
- Your employer may set minimum and maximum amounts that you are allowed to deduct for child care expenses. As regulated by the IRS, the maximum is $5,000 for qualified dependent care expenses incurred during the plan year ($2,500 if married and filing separately)
- Overnight camps do not qualify.
- CBI will process your manual claim within 3 to 5 business days of receiving proper documentation.
- Your annual election is locked in for the plan year. Only a qualifying IRS event will allow a change, such as:
  - Marriage or divorce
  - Death of a spouse or death/birth/adoption of a dependent
  - Change in employment status of you or your spouse
  - Unpaid leave of absence of you or your spouse

*The Specific Details of your available plans are listed on the **PLAN DETAILS** page of this document, and further details can be found in your Summary Plan Description (SPD). Please see your HR Department for a copy.*

Helpful Tips

- Visit **www.cbilogin.com** to do the following:
  - Check balances and transaction history
  - Submit claims (request reimbursement)
  - And more!
- Budget carefully! Unused funds are forfeited back to your employer at the end of the year.
- If you have yet to pay for your service, you can indicate on your claim form, or during an online claim submission, that you would like your reimbursement to be sent directly to the service provider.
- *Payments can be set up to be automatically paid directly to your service provider.*
- You can participate in the DCA even if you do not have health care coverage through your employer.

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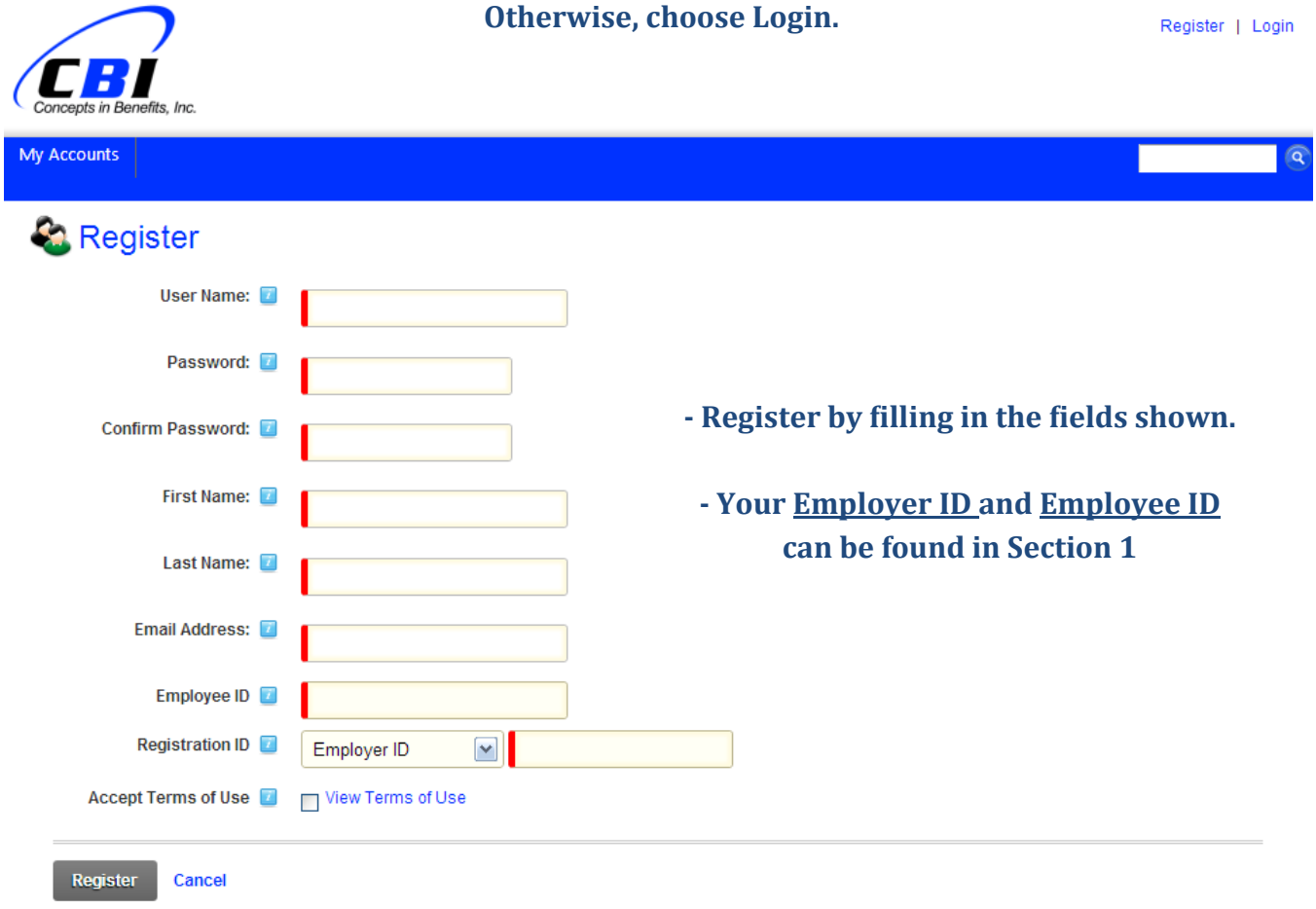
Creating an Online Account

To access your CBI account, go to www.cbilogin.com
On the home page, choose Register if you do not already have an account.
Otherwise, choose Login.



- Register by filling in the fields shown.

- Your Employer ID and Employee ID can be found in Section 1

After you have completed this section and clicked Register, you will need to set up security settings for your account. You will be asked to choose a picture and create a phrase, then you will be asked to choose and answer security questions.

When you have finished creating your account and have logged in, you can perform a number of different tasks by clicking on any of the shortcuts on the drop-down menus.

Examples:

- Check Balances
- Transaction History
- Change Password
- Request Reimbursement
- Check Claim Status
- FAQs
- Announcements
- Direct Deposit
- Contact Us
- Etc.

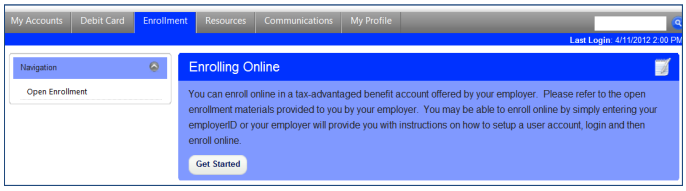
Compatible browsers for this website include Internet Explorer, Mozilla Firefox, and Google Chrome.

Please note that this website is unfortunately not compatible with Safari.

How Do I Enroll Online?

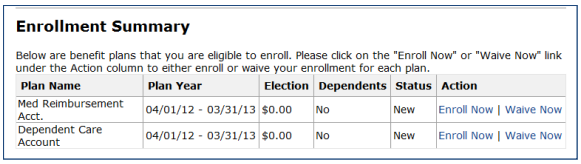
1. **Create** an account at www.cbilogin.com following the instructions in Section 3.2
   If you already have an existing login for your Online Account, it is not necessary to create another.

2. **Login** to your account.



3. **Click** on the Enrollment Tab,
   and then Click "**Get Started**"

4. **Decide** which plan(s) you want to enroll
   in and click Enroll Now or Waive



Enrollment Summary

Below are benefit plans that you are eligible to enroll. Please click on the "Enroll Now" or "Waive Now" link under the Action column to either enroll or waive your enrollment for each plan.

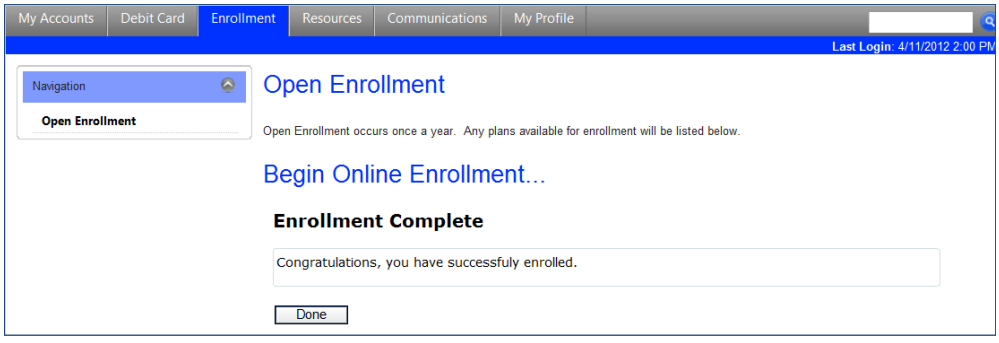
Plan Name	Plan Year	Election	Dependents	Status	Action
Med Reimbursement Acct.	04/01/12 - 03/31/13	$0.00	No	New	Enroll Now | Waive Now
Dependent Care Account	04/01/12 - 03/31/13	$0.00	No	New	Enroll Now | Waive Now

5. **Enter or Update** your demographic information.

6. **Update** dependent information. All dependents associated to a plan at the close of online enrollment will be issued a card. *Dependents do not need to be listed to be eligible for reimbursement on a cardholders account.*

   A. *Delete any dependents listed who should not receive a card.*
   B. *Delete any dependents listed who should no longer be associated to your plan. Deleting a dependent can only be done if no past transactions exist for that dependent. To remove an ineligible dependent with existing transactions from the renewing plan, please email CBIResponseline@conceptsinbenefits.com.*

7. **Enter** an election amount and confirm enrollment for desired plan(s). Election adjustments are permitted anytime throughout the online enrollment period.



8. **Review** your Online Account for other helpful features, including our direct deposit offer, balance information, and claim submission.

Claims Instructions

There may be several ways to access your plan funds.

See your "Plan Details" page in this packet to determine which plan(s) qualifies for which Claim Submission Method(s).

- **CBI FlexCard:** Using your CBI FlexCard is the easiest and fastest way to be reimbursed. Simply present your CBI FlexCard at the time of purchase when buying eligible products or services. In some cases, if your product or service is not eligible, your transaction will be declined. **If your transaction is successful, the IRS requires that all transactions be substantiated**[1]. To keep your plan in compliance, CBI may request that you submit your receipt or acceptable substitute.

  Your CBI FlexCard can be run like a credit card, or you can use your PIN (Personal Identification Number). Your PIN can be obtained from www.mycbilogin.com after signing in to your account.

  After your plan year ends do not use your CBI Flex debit card for expenses you incurred in the previous plan year. Your Card will be looking for expenses in the now current plan year.

- **Online (no claim form needed):** When you spend out-of-pocket, post-tax money on an eligible product or service, you can request reimbursement for that expense by submitting a claim online. Simply sign in to your online account at www.cbilogin.com and file the claim electronically. You will need to set up an online account prior to submitting the claim. Instructions on how to set up your online account can be found in this packet. Video tutorials are available at http://www.conceptsinbenefits.com/tutorials.html for both creating an online account and submitting an online claim. CBI will process claims submitted online within 2-3 business days. Along with direct deposit, this is the fastest way to be reimbursed.

- **Manual:** When you spend out-of-pocket, post-tax money on an eligible product or service, you can request reimbursement for that expense by downloading and completing a claim form from our website (www.conceptsinbenefits.com/forms). Submit the claim form to CBI along with proper substantiation[1] using of the following methods:
  - **fax** to 603-RE-PAY-ME (603-737-2963) or
  - **email** to claims@conceptsinbenefits.com or
  - **mail** to 43 Constitution Drive, Bedford, NH 03110

  CBI will process claims submitted traditionally within 3 to 5 business days of receiving proper documentation.

Eligible expenses must be incurred during the plan year. Reimbursements are paid only after services have been delivered. All claims for a given plan year must be submitted for the plan by the end of the run out period. See the your "Plan Details" page in this packet or your Summary Plan Description (SPD) for the plan run-out date.

At the place of medical service, if given a bill, do not pay it at that time. The costs incurred will be billed to your insurance carrier by your physician/provider. Your insurance carrier will determine what portion of the expense is deductible-eligible. They will inform you of that amount with a Claims Summary/Recap or Explanation of Benefits (EOB) which will be mailed to you and available electronically on their secure website. The determined deductible amount is the amount you owe your Physician/provider.

[1] Substantiation - see the "What is Substantiation" page in this packet for details
A $10 replacement fee will apply to lost/stolen debit cards.

What is Substantiation?

The IRS requires substantiation (i.e. itemized receipts) of every debit card transaction. (IRS Rev. Rul. 2003-43)

Debit card transactions may be substantiated by one of the following methods:

- ***Auto-Substantiation (no receipts required)***
  - ⇒ **IIAS (Inventory Information Approval System):** Eligible items or services purchased at merchants that use IIAS software will not require receipts. You will know this by looking at the cash register receipt. It will have FSA eligible items listed separately from the other items you purchased. If you are not sure if the merchant uses IIAS, ask the person at the cash register. Merchants such as **CVS, Rite Aid, Walgreen, Target,** and **Wal-Mart** are all examples of IIAS users. A complete list of IIAS merchants can be found at www.sig-is.org.
  - ⇒ **Recurring expenses:** Medical expenses (not copayments) that occur on a regular basis (weekly, monthly, etc.) will require you to substantiate a minimum of two transactions to establish the recurring nature of the expense (same dollar amount). When submitting your receipt for the second time you will need to indicate on the receipt request letter that your expense is recurring. Failure to do this will result in future receipt requests for the same expense.
  - ⇒ **Co-Payments:** Most medical plan copayment amounts that have been submitted to CBI by your employer, will be auto-substantiated and will not require a receipt.
- ***Manual Substantiation (receipts required)***
  - ⇒ All purchases that do not qualify for *auto-substantiation* must be manually substantiated by submitting **valid documentation.**

What is valid documentation?

All itemized receipts or documentation must include the following information:

1. **Name of person** who incurred the service or expense
2. **Name of the provider** or merchant
3. **Date of service** or expense incurred (*not the date paid*)
4. **Detailed description of the service** or expense
5. **Amount charged** for the service or expense

Common substantiation documents provided by your medical insurance provider:

- ✪ Explanation of Benefits (EOB's)
- ✪ Claim Summaries
- ✪ Claim Recap

Credit card receipts and cancelled checks are not acceptable.

Substantiation Requests

If substantiation is needed, CBI will request receipts via email or letter. The following time line will be in effect:

- **First Notification:** A substantiation request is issued requesting a copy of the receipt to be submitted no later than 15 days from the date of the transaction.
- **Second Notification:** A second notice is sent allowing an additional 15 days to submit the required documentation.
- **Third Notification:** If the documentation is not received by the 30th day after the card transaction, your CBI FlexCard(s) is temporarily inactivated and an invoice is sent for repayment.

⇒ **If, for any reason, a submitted receipt shows a transaction to be ineligible, card will be temporarily inactivated until repaid.**

SUMMARY

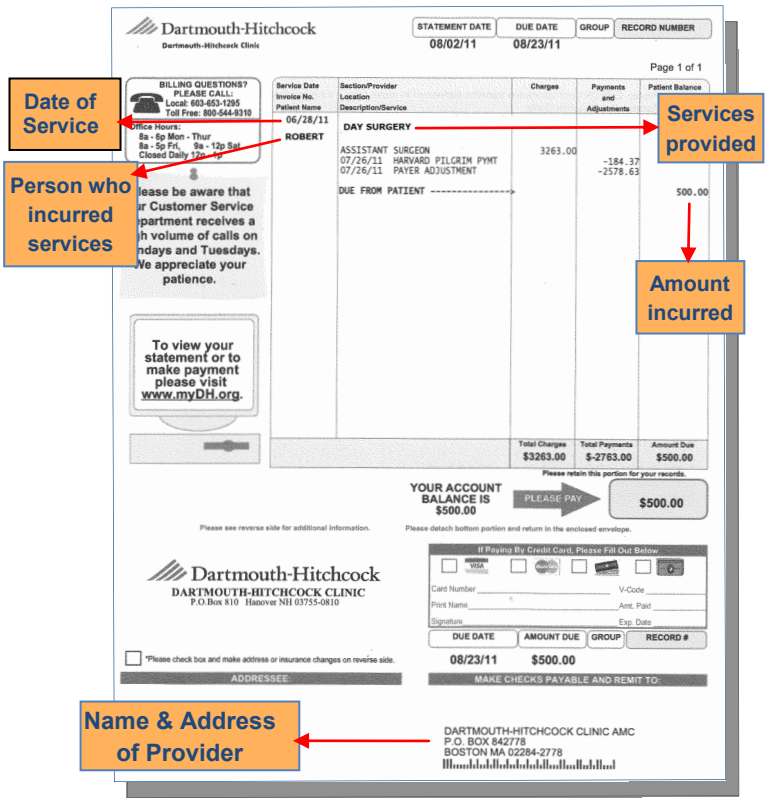
- ✓ IRS rules require that all debit card transactions be substantiated.
- ✓ If transaction cannot be *auto-substantiated*, the employee is required to submit documentation to support transaction.
- ✓ **Employees should save all receipts and documentation for medical, dental, and vision services they paid for with their CBI FlexCard. Receipts will be required in the event of an IRS audit.**
- ✓ Using IIAS compliant merchants for pharmacy and OTC purchases will significantly cut down on receipt requests.
- ✓ If a participant is unable to produce documentation of the expenses in question, the transaction amount must be repaid.

What is Substantiation?

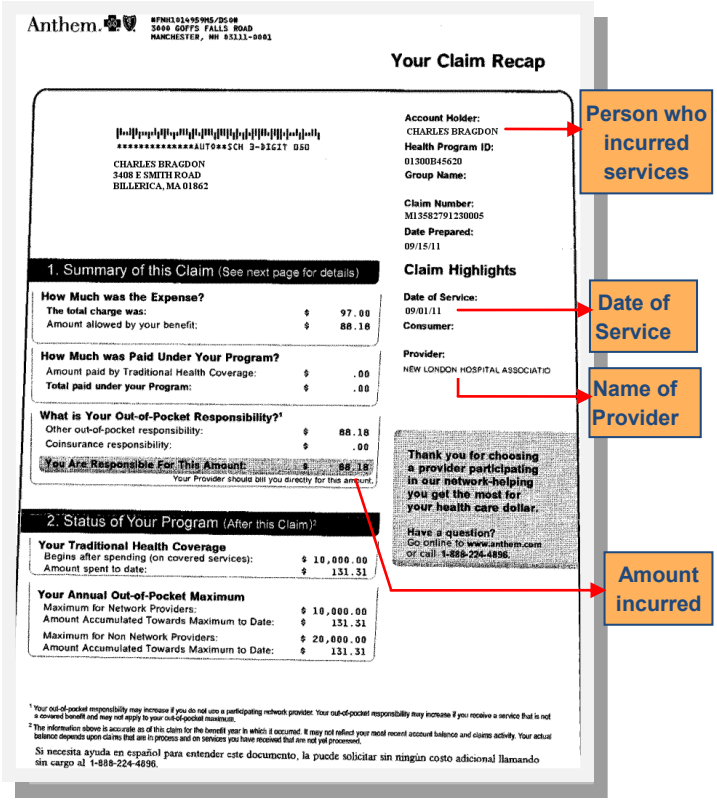
Examples of Substantiation Documentation

Examples of ***ACCEPTABLE*** substantiation documentation:

Medical Invoice*



Explanation of Benefits (EOB)/Summary/Recap*



*Your Invoice/EOB/Summary/Recap may look different than the above samples

Examples of ***UNACCEPTABLE*** substantiation documentation:

- ☒ Bank/credit card statements
- ☒ Statement not showing services provided
- ☒ Copies of checks
- ☒ Credit card receipts
- ☒ Doctor's note not written on the Doctor's office letterhead
- ☒ Statement showing date paid, but not the service date

The Credit Card receipt to the right is missing the following information:

1. Participant Name
2. Type of Service
3. Date of Service

Medical Provider
123 Any Street
Anytown, USA 01234
(800)555-1212

Merchant ID: 12312312

Sale Ref # 21

VISA
Total: **$75.35**
3/1/2012 09:35:30
Approval Code 01234

Customer Copy

CBI Administration
email: cbi@conceptsinbenefits.com
voice: (800) 224-7688
web: www.conceptsinbenefits.com

CBI Concepts in Benefits, Inc.

NOTES

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If you have a Flexible Spending Account (FSA)

Use the following worksheet to help you calculate your applicable Out Of Pocket expenses and how much that would be in an FSA deduction each payday.

Computing Your (FSA) Deduction

Medical/Dental/Vision Reimbursement Account

Out of Pocket Medical Expenses, such as:

Deductibles and co-pays $ _____

Routine physical exams $ _____

Prescription and OTC Drugs $ _____

Chiropractic care $ _____

Out of Pocket Dental Expenses, such as:

Deductibles and co-insurances $ _____

Routine check-ups $ _____

Orthodontic $ _____

Out of Pocket Vision Care Expenses, such as:

Exams $ _____

Eyeglasses $ _____

Contact lenses, solution, cleaners $ _____

Total Estimated Medical/Dental/ Vision Expenses $ _____ ÷ _____ = (A) $_____

Annual Amount # of Pay Periods Per Pay Period

Dependent Care Reimbursement Account

Payment to a dependent care facility or individual per year $_____

Payment to other care providers $_____

Total Estimated Dependent Care Expenses $_____ ÷ _____ = (B) $_____

Annual Amount # of Pay Periods Per Pay Period

Total Pay Period Reduction (A+B) (C) $_____

(Add total estimated medical/dental/vision and total estimated dependent care.) Total Per Pay Period

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Resource Page

To **CHECK YOUR ACCOUNT** Online
http://www.cbilogin.com

FORMS can be found at
http://www.conceptsinbenefits.com/forms

View **VIDEO TUTORIALS** on topics like
Account Creation and Online Claims
http://www.conceptsinbenefits.com/tutorials.html

For additional information be sure to visit
http://www.conceptsinbenefits.com/

Or **Contact Us** @
800.224.7688
CBI@conceptsinbenefits.com

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