

FREQUENTLY ASKED QUESTIONS

HOW WILL I RECEIVE THE REIMBURSEMENT?

Reimbursement checks are prepared by Werntz & Associates, Inc. and will be delivered to you via in-house distribution. All claims received by the 15th of each month will be processed for payment on the 25th of the month.

WHAT IF THERE IS NOT ENOUGH MONEY IN MY MEDICAL EXPENSE ACCOUNT TO COVER MY EXPENSES?

You will receive reimbursement up to your annual election amount. Any claims above your annual election amount will not be reimbursed. Throughout the plan year, your elected amount will continue to be deducted from future pay checks.

HOW WILL I KNOW THE BALANCE OF MY CAFETERIA PLAN ACCOUNT?

Look on your reimbursement check stub or call 800-467-8934. You can also view your account online at www.werntz.com.

IS THERE A MAXIMUM AMOUNT OF MONEY I CAN REDIRECT TO MY CAFETERIA ACCOUNT FOR ELIGIBLE MEDICAL EXPENSES?

Yes, \$2,500.

IS THERE A MAXIMUM AMOUNT OF MONEY I CAN REDIRECT TO MY CAFETERIA ACCOUNT FOR CHILD CARE EXPENSES?

Yes, \$5,000.

DO I HAVE TO SELECT ALL OF THESE OPTIONS ?

No, for example, you may elect only the premium redirection option, if that is your choice.

Example of Savings

	Not Using Cafeteria	Using Cafeteria
Annual Taxable Comp	\$24,000	\$ 24,000
Child Care	0	\$3,000
Medical Premiums	0	\$2,160
Medical Expenses	0	\$480
Net Taxable Income	\$24,000	\$18,360
Taxes (17%)	\$4,080	\$3,121
FICA (7.65%)	\$1,836	\$1,404
Take Home Pay	\$18,084	\$13,835
Health Insurance Premium	\$2,160	0
Child Care	\$3,000	0
Out of Pocket Medical	\$480	0
Net Spendable Income	\$12,444	\$13,835
Net Savings From Cafeteria	0	\$1,391

CAFETERIA BENEFIT PLANS

LEON E. WERNTZ & ASSOCIATES, INC.

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SAVE MONEY WITH A CAFETERIA PLAN

WHAT IS A CAFETERIA PLAN?

It is a **voluntary** program that allows you to pay the following qualified expenses with pre-tax dollars:

- ◆ Health plan premiums
- ◆ Medical expenses not covered by the health plan such as co-pays
- ◆ Over the counter medical expenses
- ◆ Child/Dependent care expenses

ARE THERE ANY RESTRICTIONS FOR THE MEDICAL EXPENSES REIMBURSED ?

Yes. You can be reimbursed for expenses not covered by medical insurance (eye exams, glasses, well health exams, deductibles, etc.) You cannot be reimbursed from your health or dependent care reimbursement account for any expense for which you have already been reimbursed from another source. For example, if you have filed a claim for a medical expense under group medical plan coverage, you can only request reimbursement for the amount not paid.

HOW DOES THE CAFETERIA PLAN WORK?

Once each year you decide to contribute part of your income into the Cafeteria Plan to pay for insurance premiums, medical, and child care expenses before taxes. Your decision to participate in the Plan and the amount you contribute to the Plan cannot be changed during the Plan Year unless you have a change in family status (e.g., marriage, divorce, death of spouse or child, birth or adoption of child), your employment or your spouse's employment. You must incur out-of-pocket medical expenses during the plan year from July through June of each year. In addition, you may submit claims incurred from July through September 15 to use up any remaining balance from the prior year. If you decide not to participate, you can enroll at the beginning of the next Plan Year.

WHO IS ELIGIBLE TO PARTICIPATE?

Anyone eligible for the Health Insurance is eligible for the Cafeteria Plan.

WHAT DO YOU MEAN BY NON-TAXABLE?

You will not pay Federal Income, State Income (if applicable) or FICA Taxes on dollars paid through the cafeteria plan.

HOW DO THESE ITEMS BECOME NON-TAXABLE?

By redirecting part of your salary to the Plan, paying the expenses and then being reimbursed by the Plan.

WHAT IS THE ADVANTAGE?

The biggest advantage is tax savings. Because the Plan uses pre-tax dollars for payment of otherwise after-tax expenses, you reduce your Income and Social Security taxes. Your full annual medical reimbursement election amount is available to you at the beginning of the plan year.

ARE THERE ANY DISADVANTAGES?

Since you are not paying Social Security Taxes on the portion of your redirected income, your Social Security Benefits may be slightly reduced at age 65.

IS THIS A NEW CONCEPT?

No. Cafeteria Plans have been available since 1985.

IF I REDIRECT A PORTION OF MY SALARY, WILL MY TAKE-HOME PAY BE LESS?

Initially, yes. Your take-home pay will be lower by the amount you redirect into the Plan (less taxes saved). Eventually, take-home pay will show an increase once you have been reimbursed for your expenses.

WHERE DO I GET REQUEST FOR REIMBURSEMENT FORMS?

Forms are available online at www.werntz.com and from your Payroll Department.

HOW DO I REQUEST REIMBURSEMENT?

In order to receive reimbursements from your Flexible Spending Account, you must submit a claim to Werntz & Associates. Claims can be submitted online at www.werntz.com, by email to cafeteria@werntz.com, or by fax to (318) 798-3206 or (800) 565-4986 attention Cafeteria Department. Fill out a claim form and itemize all health care and/or dependent care services for which you wish to be reimbursed. You must attach documentation such as an Explanation of Benefits (EOB) or itemized receipts that show:

- ◆ Date of Service
- ◆ Name and Address of Provider
- ◆ Description of Services Provided
- ◆ Total Amount of Charges
- ◆ Patient Name
- ◆ Patient Responsibility Amount or Cost

HOW OFTEN CAN I SUBMIT A REQUEST FOR REIMBURSEMENT?

That's up to you. You will probably find it easier to submit a form and the necessary supporting documentation every time you have a health plan claim. You have 180 days after the plan year end to submit claims for expenses incurred.

WHAT IF I DON'T HAVE A BILL TO SUPPORT MY REQUEST FOR REIMBURSEMENT FOR CHILD CARE?

If you do not have a bill, you must have the care provider's name, signature and Tax ID# on the claim form. Then your request will be processed in the standard manner.

WHAT IF I DON'T USE ALL OF THE MONEY ALLOCATED TO THE CAFETERIA PLAN?

Estimate your allowable expenses for the coming year so you will avoid any balance at the end of the Plan Year. Should there be money left in your account at the end of the Plan Year and following the 180 day grace period, you **forfeit that amount**. However, if you incur claims by September 15, you may submit those expenses by November 15 for reimbursement of your prior plan year balance.