



Flexible Spending Account (FSA) Group Agreement

Effective Date:

New Application Changes Renewal



Section 1: Group Information

Legal Name of Company:

Trading as:

Is this a current account with GBS? YES NO

YES? – GBS Account Number:

Physical Address:

City:

State:

ZIP:

Mailing Address (if different):

City:

State:

ZIP:

Type of Business:

Corporation Partnership C-Corp S-Corp Sole Proprietorship LLC
 Other _____

SIC:

Tax ID:



Section 2: Contacts

Company Official:

Title:

Phone:

Email:

Administrative Contact:

Title:

Phone:

Email:

Agency Name:

Broker:

Phone:

Email:



Section 3: Plan and Employee Eligibility Information

Name of Health Insurance Carrier:

Name of Health Plan:

Health Plan Year Effective Date:

Health Plan Year End Date:

FSA Plan Year Effective Date:

FSA Plan Year End Date

Who is responsible for MD State Extension/COBRA?

Do you currently have an FSA Plan? YES NO

If YES, what is the plan year?

Number of Employees Participating in the FSA Plan:

_____ Medical
_____ Dependent Care FSA
_____ Mass Transit
_____ Parking

Annual Maximums:

_____ Medical
_____ Dependent Care FSA
_____ Mass Transit
_____ Parking



Section 4: Payroll Information

Payroll Schedule:

Weekly Bi-Weekly Semi-Monthly Monthly

If multiple payroll schedules for different employees, please provide a payroll schedule for the entire plan year

First Payroll Deduction Date (First pay date on or after effective date):

If multiple payroll deduction dates for different employees, please provide the first payroll date for each payroll schedule

Claim Filing Limit (standard is 90 days):

Does your FSA Plan provide the 2 ½ month Grace Period? YES NO

Does your FSA Plan provide the Carryover Option? YES NO

If the plan wishes to offer the Carryover up to \$500 option, the Grace Period option **cannot** be offered. The Carryover option is only applicable for the Health FSA.

The FSA plan will follow the same eligibility guidelines (i.e. waiting periods, effective dates and termination dates) as the Health Plan. However, certain employees may not be eligible to participate in the tax advantages of an FSA (i.e. self-employed individuals, partners in a partnership, more than 2% shareholders in an S Corporation). Please consult with your Tax accountant for specific information.



Section 5: Debit Cards

Does the Employer wish to provide Debit Cards? YES NO

Are the Employees to receive Debit Cards? YES NO

Are Eligible Spouses to receive Debit Cards? YES NO



Section 6: FSA Funding

We recommend the Employer make an initial deposit equal to 2 month's FSA funds in the bank account so when claim expenses (debit card claims and manual claims) are presented to the bank for payment, the funds are there to cover the expense. Employers should monitor their account fund balance and replenish the funds as needed to ensure that monies are in the account to cover ongoing FSA expenses. In addition, the bank account must provide overdraft protection in the event there are insufficient funds in the FSA account at the time of claim payment.



Section 7: Substantiation

Debit Card Claim Substantiation

The Internal Revenue Service (IRS) requires Plan Sponsors (Employer) to ensure that FSA Plans are properly substantiated. In other words, purchases made with the GBS FSA Debit Card must be proven to be eligible under the Plan. Failure to comply with the IRS substantiation guidelines could result in the plan becoming non-qualified (losing its tax free status) and subject to penalties and/or fines imposed by the IRS.

Group Benefit Services (GBS) substantiates purchases made with the debit card by reviewing all transactions. Documentation requests are generated and sent to Employees for those transactions that cannot be substantiated through the system. Employees are required to provide the necessary documentation (generally EOB's, itemized statements or bills marked paid by patient) for substantiation.

Level of Substantiation

1. Employees are instructed to keep all receipts and itemized statements for purchases made with the debit card.
2. GBS will request an itemized statement or Explanation of Benefits (EOB) from the health plan for all purchases.
3. GBS may auto-approve certain claim categories.

The request for itemized statements for purchases audited by GBS helps to ensure that all charges on the debit card are properly processed and only eligible procedures and products are purchased.

Improper Use of Debit Card

If an employee fails to comply with the substantiation process or uses the debit card for unauthorized or ineligible expenses, the debit card will be deactivated and will no longer have the use of the debit card. They will be notified via a letter mailed to their home address.

They will still be eligible to submit claims via a claim form to GBS at the address located on the form. Their FSA claims will then be reviewed by GBS for eligibility and if eligible, a check/explanation of benefits will be mailed to them.



Section 8: GBS Administrative Services

FSA Plan Run-Out Services

GBS will offer FSA Plan Run-Out Services as follows:

1. If the Employer renews the GBS FSA Plan, GBS will provide Run-Out Services for the previous FSA Plan Year for a standard 90-day Claims Run-Out Period
2. If the Employer terminates the FSA Plan but continues to have GBS administer their group health plan, GBS will provide Run-Out Services for the previous FSA Plan Year for a standard 90-day Claims Run-Out Period. The Employer understands that they are responsible for funding the FSA account for reimbursements to the Employees for covered expenses incurred prior to the termination date of the FSA Plan but before the end of the 90 day claim run-out period.
3. If the Employer terminates the FSA Plan and the Group Health Plan with GBS, then this FSA agreement shall terminate and GBS will not perform Run-Out Services for the FSA Plan. The Employer understands that they are responsible for reimbursements to the Employees for covered expenses incurred prior to the termination date of the FSA Plan. Any claims received at GBS after the termination of this Agreement will be returned to the Employer.

The responsibilities of GBS are limited to enrolling eligible Employees in the FSA plan, invoicing the FSA administrative fees, processing FSA claims for payment, issuing Debit Cards to Employees, preparing Summary Plan Descriptions and providing an Employer website to manage your FSA Plan. The Advantage FSA website will provide Employers access to reports such as the Bank Transaction Reconciliation Report and the Manual Claim Reimbursements Report. In addition, Employees will have access to the website to view their FSA claim activity. The website address is: www.wealthcareadmin.com

GBS Administration Fees

To implement and administer, GBS will charge the following fees:

Implementation Fee: \$250.00 (waived at renewal, absent of significant plan design changes)

Monthly Administration Fee: \$6.00 PEPM

The implementation fee is due by the effective date of the FSA Plan. The monthly administration fee (PEPM) will appear on your monthly GBS premium invoice along with your group health insurance premiums.



Section 9: Disclaimers

- 1) A dedicated bank account should be established for the FSA Plan. ACH transfers will be made from this account to fund the FSA claims.
- 2) The bank account associated with this Plan must have overdraft protection. If overdraft protection is not provided for this account and a transaction is returned for insufficient funds, a \$25.00 fee per attempt will be assessed.
- 3) The implementation process will not begin until the completed ACH Authorization form is returned to GBS. The ACH Authorization Form is attached to this account.
- 4) The FSA Plan is subject to Maryland State Extension (MSE)/COBRA & HIPAA regulations which mean the funds are subject to MSE or COBRA extension of benefits. If the terminated Employee *does not pay* their MSE/COBRA premium (including the FSA fund portion), only claims *incurred prior to their termination date* are eligible for reimbursement. If the terminated Employee *pays* their MSE/COBRA premium (including the FSA fund portion), claims incurred *during the entire paid premium period* are eligible for reimbursement.
- 5) The FSA Debit Card will be deactivated upon notification of an Employee's termination. It is understood that if the company terminates any Employees, it is the company's responsibility to notify GBS immediately. If the company fails to notify GBS of an Employee termination, it is the company's responsibility for any charges incurred and paid after the termination date.
- 6) All Employees must complete and sign an enrollment form. FSA funds will be made available only when a completed and signed enrollment form is received by GBS.
- 7) The FSA Debit Cards will be mailed to the Employee's homes. Each Employee will receive one debit card. Additional debit cards can be requested by the Employee.

- 8) Debit cards reported lost, stolen or not received will be rendered permanently inactive. The member will have to contact GBS to order a new Debit Card.
- 9) The Employer may deduct invalid purchases from the Employee's paychecks.
- 10) Federal regulation mandates that most transactions will require receipt verification. Employees must be instructed to save all receipts for services paid with the debit card. GBS will request receipts via mail or email from Employees to substantiate claims.
- 11) Employees should be instructed to call GBS' Customer Service Department with any questions. That phone number is 410-832-1333 or 1-800-337-4973. As instructed by the automated call routing message, please press 6 for member services, then 2 for inquiries regarding FSA claims.
- 13) Your Employees by signing the Election Form are authorizing the Health Plan Insurer or Provider of service to release information on their behalf in order to substantiate purchases made with the debit card.
- 14) I authorize GBS to allow access to information to my Broker via the Advantage FSA website to assist me in managing my Advantage FSA Plan.
- 15) GBS considers any and all information, materials and systems to be confidential. GBS complies with HIPAA Privacy and Security regulations, which protects the confidentiality of our Clients' database containing information regarding their Employees, dependents, benefits and claims. GBS hereby warrants that this information is kept in strict confidence and maintained on the system by secure password protection



Section 10: Authorization

I have read and understood the above details for the administration of the FSA Plan and I am appointing Group Benefit Services, Inc. (GBS) as our Third Party Administrator (TPA) of our FSA Plan. I understand and agree to the terms and conditions of this GBS FSA Group Agreement.

Employer Name (printed): _____

Title: _____

Signature: _____

Date: _____

Broker Name (printed): _____

Agency: _____

Signature: _____

Date: _____