

To All Virginia Bankers Association Employees:



LD&B Benefits Administrators is pleased to administer your Flexible Benefits Plan. Enclosed is the enrollment kit for the **January 1, 2019 to December 31, 2019** plan year.

The Health Care FSA is for out-of-pocket health care expenses such as medical, dental, prescription, vision, hearing, and some over-the-counter expenses (medications require a letter of medical necessity).

The Dependent Care FSA is for eligible dependent care expenses such as daycare, preschool or before and after school expenses for dependent children under age 13 or daycare for adult dependents.

If you have the High Deductible Health Plan with the Health Savings Account (HSA), you are only eligible for a "Limited Purpose" Flexible Spending Account. The eligible expenses under the "limited purpose" account are vision and dental charges that are not covered by your insurance.



LD&B Benefits Cards for current participants will be reloaded with your new election. **Your card is good for five years; please do not destroy it.** There is a \$10 fee for two replacement or additional cards. If you are a new participant, you will need to activate your card to use it. Please save ALL your benefit card receipts. Requests for documentation will be sent via email. If no email address is on file, you will receive the requests via mail.

**Please note, as your card is set to expire or you need new cards, you will receive the new blue cards in the mail to replace your red cards. Same great card, great NEW look.*

If you need assistance or have questions, please feel free to contact me at (540) 437-1462, (877) 532-5478 or agibson@LDBbenefitsadmin.com. When we receive your enrollment information, you will receive a confirmation email and instructions to access the participant website. If we do not have an email address on file, you will receive instructions by mail.

Through our website, www.LDBbenefitsadmin.com, you can view your account, submit claims, sign up for text alerts, and find more information about our mobile app and flexible spending accounts (Frequently Asked Questions, additional worksheets, claim forms, etc.). Please feel free to contact me at any time if you have questions about your account. We are here to serve you.

Sincerely,

Anngela Gibson
Benefits Administrator

Anngela Gibson
Benefits Administrator

205-C South Liberty St., Harrisonburg, VA 22801
Phone: 540.437.1462 / Toll-free: 877.532.5478
Fax: 540.438.4133 / Toll-free fax: 866.292.8331
Email: agibson@LDBbenefitsadmin.com

Plan Year: 1/01/2019 to 12/31/2019
*Dates of service must fall within the plan year
dates.*

Plan designs vary by bank. Please check with
your HR Administrator for maximum amounts
and deadlines.

Processing frequency for manual claims :
Weekly on Friday.

Claims are due to LD&B's office by
Wednesday at 5:00 pm to be processed on
Friday.

GENERAL QUESTIONS

A1. *What expenses can I submit for reimbursement?*

In order to be considered for reimbursement, the expenses have to be incurred within the plan year and while you are an active participant in the plan (i.e. prior to your coverage termination date if you terminate mid-way through the year). Expenses are considered “incurred” at the time the services are provided, not when you are formally billed for or pay for the services.

A2. *What documentation is necessary to make a reimbursement claim?*

Health care claims must first be submitted to any available insurance plan for payment. After the insurance carrier has processed the charge, the participant’s portion of the charge can be submitted for reimbursement.

Third party documentation of the expense (e.g., an Explanation of Benefits from insurance or an itemized provider bill) must accompany the claim. The plan administrator must be able to determine:

- the date(s) the services were rendered;
- the patient name;
- the nature of the services; and
- the amount due minus any insurance adjustments or provider discounts.

For dependent care claims, the same information is necessary except that there is, of course, no insurance information. Your plan may require that the claim include the tax ID number of the dependent care provider. Again, there must be third-party documentation of the expense (e.g., an itemized bill or provider signature).

In addition, each claim for reimbursement (health or dependent care) must be accompanied by the participant’s signed statement that the expense is eligible for reimbursement and that the expense has not been, or is not reimbursable from, any other source.

A3. *Can elections be changed during the plan year?*

In general, once an election becomes effective, it can’t be changed until the next plan year. However, there are a few exceptions to this rule. The most common exception is called a “change in status.” When you have a change in status, you may revoke your election or submit a new election for the remainder of the plan year if the election is “consistent” with the change in status event. You have 30 days following a status change to submit a new election. Following are the allowable change in status events:

- Legal marital status (i.e., marriage, divorce, death of a spouse)
- Number of dependents (i.e., birth, adoption, death)
- Change in residence of yourself, your spouse, or dependent that affects eligibility for coverage
- Employment status of yourself, your spouse, or a dependent (i.e., termination or commencement of employment, leave of absence or other employment change that affects benefit eligibility)
- Dependent satisfies or fails to satisfy the eligibility requirements of a plan (i.e., the dependent reaches the limiting age for coverage).

A4. *Can I sign up for the plan at any time during the year?*

Generally, you can only sign up for the plan during the open enrollment period before the beginning of each plan year. However, if you have a change in status (see A3) you may be able to sign up for the plan during the plan year. New

employees or employees who were not eligible during the open enrollment period may sign up for the plan at the time they become eligible to participate. Refer to the Summary Plan Description for this information. Other than these instances, no mid-year enrollments are allowable.

A5. *What happens to my flex election if my employment terminates?*

Premium Conversion elections automatically stop with the last paycheck. You will have the right to continue health insurance (and in some states, group life insurance) on an after-tax basis through COBRA. For information on what COBRA laws apply to group health and life coverage, refer to the Summary Plan Descriptions for those benefits.

Dependent Care Reimbursement contributions automatically stop with the last paycheck. There is no COBRA continuation provision that applies to Dependent Care. If money remains in the account, you may continue to submit claims for reimbursement for services rendered through the end of the plan year.

For example: John Smith terminates employment on June 30. His dependent care account has a balance of \$175. Smith becomes employed by another company and incurs work-related dependent care expenses in August. He can submit claims for the August expenses against his \$175 available balance.

Health Care Reimbursement coverage automatically terminates on the date of the last paycheck (or in some plans, on the last day of the month), but you may have the right to continue coverage under COBRA (contact your Human Resources Department for more information). Unlike the rules that apply to dependent care spending accounts, claims incurred after termination of coverage are not reimbursable, unless you continue coverage. A claim is “incurred” on the date services are rendered. Claims incurred before termination of coverage are reimbursable regardless of whether you elect COBRA.

A6. *What happens to the money in the spending accounts if it is not used up by the end of the Plan Year?*

If your plan design allows for a rollover, health care funds remaining in the plan (up to \$500) will be rolled into the new plan year after the end of the run-out period. If your plan does not allow for a rollover, any funds remaining in your account at the end of the plan year will be forfeited. * ***Special Note Regarding the Carryover and HSA Eligibility:*** *If you participate in a High Deductible Health Plan and wish to maintain your eligibility to contribute to an HSA, you MAY NOT have your carryover amount applied to a general purpose Health FSA.*

Some plans that don’t allow the rollover may offer a grace period to incur services after the plan year ends and then a run-out period to turn in expenses for reimbursement. Remember that an expense is “incurred” on the date the service is provided, not when you are billed or pay for it.

See your benefit plan materials or contact your Administrator at LD&B for more information on your specific plan design.

HEALTH CARE SPENDING ACCOUNT

B1. *Can insurance premiums be reimbursed?*

No. Federal law prohibits reimbursement of premiums through a health care reimbursement plan. This includes COBRA premiums, individual insurance policy premiums, and any expense that functions as premium regardless of its label (e.g., vision service agreements).

B2. *Is massage therapy eligible?*

Massage therapy is eligible only if the massage is treating a diagnosed medical condition and you submit a letter of medical necessity from a physician. If the massage is for general health or well-being, it would not be eligible. Also, note that monthly membership fees to massage providers are not eligible – only the cost associated with the service itself is eligible.

B3. *Are my dependents’ and/or domestic partner’s health expenses reimbursable?*

You may be reimbursed for eligible health expenses incurred by yourself, your spouse, and your eligible dependents. Expenses for domestic partners are eligible only in *very limited* circumstances. The domestic partner must meet the definition of a “qualifying relative” under the regulations that govern the spending accounts.

B4. *Must the participant pay the provider before submitting for reimbursement?*

No. Claims must include proof that the expense was incurred and that the insurance company has processed the claim, but there is no legal requirement that you need to have paid the provider for the remaining balance on the bill prior to requesting reimbursement.

B5. Can the participant be reimbursed for an expense incurred before the plan began?

No. You may only be reimbursed for expenses incurred while a participant in the plan. Expenses incurred before the beginning of the plan year, before an election to participate in the plan, or after the end of the plan year are not eligible for reimbursement.

B6. Is a canceled check adequate documentation?

No. A canceled check does not contain adequate information to be considered third-party documentation of a claim.

B7. If there is money left over in a health care spending account, can it be used for daycare expenses?

No. Federal law prohibits moving money from one spending account to another.

B8. What happens to the employee's tax return at the end of the year?

For the Health Care account, you can't take expenses that are reimbursed under the Health FSA as itemized deductions on your Federal tax return.

B9. What is the difference between a Health Savings Account (HSA) and the Health Flexible Spending Account (FSA)?

HSA Contribution limits, eligibility requirements, and election change rules are all different than the traditional Health FSA, and are governed by the actual HSA contract and applicable IRS Regulations. You can only participate in an HSA if you are enrolled in a High Deductible Health Plan (HDHP). Also, the traditional Health FSA is considered "other disqualifying coverage" for the HSA, so you're not allowed to participate in both.

An HSA provides a tax break (either through pre-tax contributions under an employer-sponsored plan or on your income tax return if you contribute to an individual HSA) for certain eligible expenses. You may start or stop your HSA contribution, or increase or decrease your contribution, at any time as long as the change is effective prospectively (i.e., after the request for the change is received).

B10. How is a "Limited Purpose" Health FSA different than a traditional Health FSA?

The "Limited Purpose" Health FSA works just like a traditional FSA except that eligible expenses for reimbursement are limited to things that are not covered under a High Deductible Health Plan, such as dental and vision. You still get the pre-tax benefit, and the limited Health FSA won't disqualify you from participating in an HSA.

DEPENDENT CARE SPENDING ACCOUNT

C1. Can an employee use the dependent care tax credit and a dependent care spending account?

It is possible to use both a dependent care spending account and the dependent care tax credit. However, expenses reimbursed through a dependent care spending account offset dollar-for-dollar the maximum eligible expenses used to calculate the tax credit.

For example, if you have one child and if you are reimbursed \$5,000 for dependent care expenses through this plan, you cannot use the tax credit because you must reduce the \$3,000 tax credit maximum by your reimbursement, leaving a balance of zero. However, if you have two children, and incur \$6,000 for expenses, you may use the tax credit. The maximum eligible Tax Credit expense for two children is \$6,000, which you would then reduce by \$5,000, leaving a remaining balance of \$1,000. You would calculate your tax credit using an expense of \$1,000.

C2. Is there a greater tax advantage through a dependent care spending account?

In deciding whether the tax credit or a dependent care spending account will result in greater tax savings, you should consult a tax advisor. As a general rule of thumb, if you are married, filing a joint return and have two or more qualifying dependents, your family adjusted gross income will probably need to exceed \$39,000 before the dependent care FSA will yield greater tax savings than the tax credit.

If you have only one qualifying dependent and your eligible expenses exceed \$3,000, the Dependent Care FSA may yield greater tax savings, even at lower income levels. Eligible dependent care expenses for one dependent are limited to \$3,000 for purposes of the tax credit and \$5,000 for purposes of the Dependent Care FSA.

C3. What is the maximum that can be reimbursed each year for daycare expenses?

The maximum dependent care reimbursement is the lesser of:

- \$5,000 (or \$2,500 if married, filing separately); or
- The earned income of the lower earning spouse.

C4. Does a daycare provider have to be licensed?

No. The daycare provider does not have to be licensed unless he or she provides care for more than six non-resident persons.

C5. Can a daycare provider be a relative of the participant?

Yes, with some exceptions. The daycare provider can be a relative, but cannot be 1) your spouse; 2) your child under 19 years of age; 3) any person you can claim as a dependent on your income taxes.

C6. Are daycare expenses incurred during a maternity leave reimbursable?

No. Dependent care expenses incurred during maternity leave are not work-related, although they may be medically necessary. Only work-related dependent care expenses can be reimbursed through a dependent care spending account.

C7. Does the participant have to pay the provider first?

No. In order to be reimbursed, you must only provide a statement from the provider showing that the expense has been incurred. However, most providers will require payment at the time services are rendered.

C8. Can a canceled check be considered a receipt?

No. A canceled check does not contain adequate information to be considered a receipt. If the provider doesn't provide a bill or statement, they can complete a Verification of Expense on the back of the Dependent Care Claim Form.

C9. Must there be a claim submitted for every expense to be reimbursed?

Yes, a claim must be submitted for each expense for which you are requesting reimbursement. You may file a "recurring" claim one time at the beginning of the plan year that shows the date range for which services will be provided and the provider information. Once your recurring claim has been processed, LD&B will automatically reimburse you (via check or direct deposit) as funds in the account become available.

We will also accept claims throughout the plan year on any schedule (weekly, monthly, etc.) but they will only be reimbursed on your plan's specified reimbursement schedule. You cannot be reimbursed for future or projected expenses.

C10. How much will be reimbursed?

Dependent care claims will be reimbursed up to the amount of money accrued in your account as of the time the claim is processed. Reimbursement is limited to money already contributed to the account.

C11. Is preschool or latchkey an eligible expense?

Generally, both preschool and latchkey programs are eligible expenses. However, any educational expenses for education at the kindergarten level or above are not eligible.

C12. What happens to the employee's tax return at the end of the year?

The amount of the dependent care reimbursement will be shown on Form W-2 in Box 10 as non-taxable income. The amount of taxable income in Box 1 will not reflect any contributions made to the flexible benefit plan. You should file your tax return as normal. However, if you are taking the dependent care tax credit or participating in a dependent care spending account, you must file Form 2441 and get a Form W-10 (proof of tax payer identification numbers) from each daycare provider. Failure to comply with these reporting requirements may result in additional taxable income and interest.

C13. If the employee's spouse works part-time or is a student, can he or she participate in the plan?

Yes. If your spouse works part-time, you can still be reimbursed for work-related expenses incurred while both you and your spouse are working. If your spouse is a full-time student, and does not work, he or she will be deemed to have an income of \$200 per month if you have one child or \$400 per month if you have two or more children. The maximum election for dependent care reimbursement may be affected by the earned income of your spouse if he or she works part-time (see C3).

Please refer to our website, www.LDBbenefitsadmin.com, for a more extensive list of FAQs.

FLEX Worksheet

Health Care Reimbursement Account

Use this worksheet to estimate the health care expenses you expect to incur during the plan year which will not be paid by insurance.

| Expense Categories | Sub-Category Amount | Category Total |
|--|----------------------------|-----------------------|
| Insurance Deductibles/Office Co-Pays | | \$ |
| Medical | \$ | |
| Dental* | \$ | |
| Coinsurance Payments | | \$ |
| Medical | \$ | |
| Dental* | \$ | |
| Vision Expenses* | | \$ |
| Eye Exams | \$ | |
| Prescription Glasses/Sunglasses | \$ | |
| Contact Lenses and Solutions | \$ | |
| Laser Surgery | \$ | |
| Prescription Medications | | \$ |
| Over-the-Counter Medicines (require prescription) | | \$ |
| Over-the-Counter non-medicinal items | | |
| Dental Expenses* | | \$ |
| Preventative Care (cleaning, fluoride, etc.) | \$ | |
| Restorative (fillings, crowns, root canal, etc.) | \$ | |
| Orthodontia (Monthly payments x 12) | \$ | |
| Hearing Aid and Batteries | | \$ |
| Chiropractic Fees | | \$ |
| Mental Health Counseling Fees (Family and marriage counseling are not eligible) | | \$ |
| Other | | \$ |
| Total | | \$ |

***Individuals enrolled in the Health Savings Account (HSA)
are limited to the items in bold above.**

See the following pages for a more complete list of eligible and ineligible expenses for the Health Care Reimbursement Account.

ELIGIBLE EXPENSES – Health Care Reimbursement Account

In general, eligible expenses are those expenses you incur for medical care. Medical care means diagnosis, care, treatment or prevention of disease. Expenses incurred by you, your spouse, or your other eligible dependents that are not reimbursed from another source (such as insurance) are eligible for reimbursement.

- Acupuncture
- Alcoholism - payment to treatment centers
- Ambulance
- Artificial limbs
- **Braille - books or magazines (excess cost over Non-Braille materials)***
- Breast Pump & Supplies
- Chemical Dependency treatment
- Chiropractor's fees
- Crutches
- **Dental treatment (including dentures and orthodontia)***
- Doctor's fees (licensed medical practitioner)
- Diagnostic fees
- **Guide dog and its upkeep***
- Hearing aids and batteries
- Hospital services
- Insulin
- Insurance deductibles/co-payments
- In-vitro fertilization fees
- Laboratory fees
- **Laser Eye Surgery***
- Naturopathic Services
- Nursing Services Orthotic devices (if custom molded)
- Osteopathic fees
- Osmotic supplies
- Over-the-counter items (*non-medicinal only...see next page*)
- Physical exams
- Pregnancy kits / Ovulation predictors
- Prescription drugs and medical supplies that are not otherwise excluded
- Psychologist fees
- Sterilization fees (or reversal)
- Surgical fees
- Therapy received as medical treatment
- Tuition at special school for handicapped
- **Vision Expenses, including prescription glasses, contact lenses and cleaning supplies***
- Weight-loss medications & programs (ONLY if to treat diagnosed medical condition)
- Wheelchair
- X-rays

**Individuals enrolled in the Health Savings Account (HSA) are limited to the items in bold above.*

INELIGIBLE EXPENSES – Health Care Reimbursement Account

- Birthing Classes/Lamaze/Doula services
- Chiropractic Service Agreements/Wellness Programs/Supplements
- Cosmetic prescriptions, procedures, supplies
- Court ordered exams/treatment
- Dental Bleaching & Veneers
- Diapers
- Expenses for which there is no diagnosis
- Family Counseling
- Frames w/out prescription eyeglass lenses
- Infant Formula
- Insurance Premiums
- Marriage Counseling
- **Over-the-counter medications & drugs (See next page)**
- Toiletries
- Toothbrush/Toothpaste/Floss
- Vision Service Agreements
- Vitamins, one-a-day multiple
- Weight-loss medications & programs for general health
- **AND any other items that are primarily for personal use and/or general health**

Over-the-Counter Medicines and Drugs eligible ONLY with a prescription or letter of medical necessity.

If you have a prescription from a medical practitioner and the pharmacy enters it as a prescription, you may use your card to purchase these items if covered under your plan. Or, you may submit the prescription or letter with a manual claim and be reimbursed. (Please check your plan information to verify eligibility.)

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> ➤ Acid controllers ➤ Acne medications ➤ Allergy & sinus ➤ Antibiotic products ➤ Antifungal (Foot) ➤ Antiparasitic treatments ➤ Antiseptics & wound cleansers ➤ Anti-diarrheals ➤ Anti-gas ➤ Anti-itch & insect bite ➤ Baby rash ointments & creams ➤ Baby teething pain | <ul style="list-style-type: none"> ➤ Cold sore remedies ➤ Cough, cold & flu ➤ Denture pain relief ➤ Digestive aids ➤ Ear care ➤ Eye care ➤ Feminine antifungal & anti-itch ➤ Fiber laxatives (bulk forming) ➤ First aid burn remedies ➤ Hemorrhoidal preps ➤ Homeopathic remedies ➤ Laxatives (non-fiber) | <ul style="list-style-type: none"> ➤ Medicated nasal sprays, drops, & inhalers ➤ Medicated respiratory treatments & vapor products ➤ Motion sickness ➤ Oral remedies or treatments ➤ Pain relief (includes aspirin) ➤ Skin treatments ➤ Sleep aids & sedatives ➤ Smoking deterrents ➤ Stomach remedies ➤ Sunburn creams/ointments |
|--|---|---|

Eligible Over-the-Counter Items

OTC items that are not medicines or drugs remain eligible for purchase WITHOUT a prescription or letter of medical necessity through FSAs and HRAs. (Please check your plan information to verify eligibility.) You can use your card for these items if they are covered under your plan.

- | | | |
|---|---|--|
| <ul style="list-style-type: none"> ➤ Baby Electrolytes and Dehydration Pedialyte, Enfalyte ➤ Contraceptives Unmedicated condoms ➤ Denture Adhesives, Repair, and Cleansers PoliGrip, Benzodent, Plate Weld, Efferdent ➤ Diabetes Testing and Aids Ascencia, One Touch, Diabetic Tussin, insulin syringes; glucose products ➤ Diagnostic Products Thermometers, blood pressure monitors, cholesterol testing ➤ Ear Care Unmedicated ear drops, syringes, ear wax removal | <ul style="list-style-type: none"> ➤ Elastics/Athletic Treatments ACE, Futuro, elastic bandages, braces, hot/cold therapy, orthopedic supports, rib belts ➤ Eye Care Contact lens care ➤ Family Planning Pregnancy and ovulation kits ➤ First Aid Dressings and Supplies Band Aid, 3M Nexcare, non-sport tapes ➤ Foot Care Treatment Unmedicated corn and callus treatments (e.g., callus cushions), devices, therapeutic insoles ➤ Glucosamine &/or Chondroitin Osteo-Bi-Flex, Cosamin D, and Flex-a-min Supplements | <ul style="list-style-type: none"> ➤ Hearing Aid/Medical Batteries ➤ Home Health Care (limited segments) Ostomy, walking aids, decubitis/pressure relief, enteral/parenteral feeding supplies, patient lifting aids, orthopedic braces/supports, splints & casts, hydrocollators, nebulizers, electrotherapy products, catheters, unmedicated wound care, wheel chairs ➤ Incontinence Products Attends, Depend, GoodNites for juvenile incontinence, Prevail ➤ Prenatal Vitamins Stuart Prenatal, Nature's Bounty Prenatal Vitamins ➤ Reading Glasses and Maintenance Accessories ➤ Sunscreen with SPF 15 or above |
|---|---|--|

You may utilize the Dependent Care Tax Credit (DCTC) when you file your federal income tax return, or your qualifying dependent care expenses may be reimbursed from your contributions to the dependent care flexible spending account (DCFSA) on a before-tax basis. Both options will result in tax savings; however, the specific way in which taxes are reduced differs, and which option is better for you depends on your individual circumstances.

The DCTC applies to \$3,000 of dependent care expenses for one child, \$6,000 for two or more children. The DCFSA maximum remains at \$5,000. You may find through use of this worksheet that a blended approach will maximize your tax savings. For instance, two children in daycare costing \$7,000 would allow you to use DCFSA for \$5,000 of the expenses and DCTC for \$1,000 of the remaining expenses (\$6,000 is the maximum allowed when calculating tax savings).

This worksheet will help you compare options. The process described below involves comparing the total federal income tax savings (including Social Security) resulting from use of DCFSA with the tax savings resulting from the DCTC. Note that state income taxes and the Federal Earned Income Credit are not included in this analysis. Including state income taxes would increase the relative tax savings associated with the DCFSA. If you qualify for the Earned Income Credit, the DCRA may be more tax effective than the Tax Credit, even at lower incomes.

In general, eligible expenses are those that you incur for daycare that enables you (and your spouse, if you are married) to work. If you or your spouse are not employed, you must either be actively seeking employment or be a full-time student in order to claim dependent care expenses. Eligible Dependents are your children under age 13, or a spouse or other dependent who is incapable of caring for himself or herself and whose principal residence is your home. Preschool, latch-key programs, and day camps that substitute for your regular daycare are examples of eligible expenses. Registration fees and deposits are reimbursable, but only after the period for which the fee or deposit is paid begins. Educational expenses at the kindergarten level or higher, food, supply fees, overnight camp, special activity fees, and transportation fees are examples of ineligible expenses.

| STEP 1. Estimate Federal Income Tax and Social Security Savings from the Dependent Care Spending Account. | | |
|--|-----------|--------------|
| | With Flex | Without Flex |
| A. Projected family Adjusted Gross Income (same in both columns) | \$ | \$ |
| B. Dependent Care Expenses Enter the lesser of: 1) your anticipated dependent care expenses, 2) \$5,000 (\$2,500 if married filing separately) or 3) the earned income of the lower earning spouse. Earned income means income from employment such as wages, salaries and tips. If your spouse is a full-time student or incapable of self-care, you can assume an earned income of \$250/month for one qualifying individual or \$500/month for two or more qualifying individuals. | \$ | \$ 0 |
| C. New Adjusted Gross Income (Subtract B from A) | \$ | \$ |
| D. Estimated itemized deductions or the standard deduction (\$13,000 for married filing jointly; \$9,550 for head-of-household; \$6,500 for married filing separately) | \$ | \$ |
| E. Multiply number of Personal Exemptions times \$4,150. (1 for yourself; 1 for your spouse; and one for each dependent) | \$ | \$ |
| F. Taxable Income (Subtract lines D and E from C) | \$ | \$ |
| G. Federal Tax (based on line F, determine amount from the table on the back) | \$ | \$ |
| H. Social Security Tax (Multiply the amount of your income shown on line C up to \$128,700 by .0765 plus the amount over \$128,700 by .0145 plus the amount over \$200,000 by .009) | \$ | \$ |
| I. Total Taxes (add lines G and H) | \$ | \$ |
| J. Tax Savings (Subtract line I, Column 1 from Line I, Column 2) | \$ | |

For Step 1, Line G

| Filing Status and Taxable Income | | | | | |
|-----------------------------------|--|-----------------------------------|--|-----------------------------------|---|
| Married Joint | | Head of Household | | Married Separate | |
| Taxable Income | Tax | Taxable Income | Tax | Taxable Income | Tax |
| Not over 19,050 | 10% of taxable inc. | Not over 13,600 | 10% of taxable inc. | Not over 9,525 | 10% of taxable inc. |
| Over 19,050 but not over 77,400 | 1,905 plus 15% of the amount over 19,050 | Over 13,600 but not over 51,850 | 1,360 plus 15% of the amount over 13,600 | Over 9,525 but not over 38,700 | 952.50 plus 15% of the amount over 9,525 |
| Over 77,400 but not over 156,150 | 10,657.50 plus 25% of the amount over 77,400 | Over 51,850 but not over 133,850 | 7,097.50 plus 25% of the amount over 51,850 | Over 38,700 but not over 78,075 | 5,328.75 plus 25% of the amount over 38,700 |
| Over 156,150 but not over 237,950 | 30,345 plus 28% of the amount over 156,150 | Over 133,850 but not over 216,700 | 27,597.50 plus 28% of the amount over 138,850 | Over 78,075 but not over 118,975 | 15,172.50 plus 28% of the amount over 78,075 |
| Over 237,950 but not over 424,950 | 53,249.00 plus 33% of the amount over 237,950 | Over 216,700 but not over 424,950 | 50,795.50 plus 33% of the amount over 216,700 | Over 118,975 but not over 212,475 | 26,624.50 plus 33% of the amount over 118,975 |
| Over 424,950 but not over 480,050 | 114,959.00 plus 35% of the amount over 424,950 | Over 424,950 but not over 453,350 | 119,518.00 plus 35% of the amount over 424,950 | Over 212,475 but not over 240,025 | 57,479.50 plus 35% of the amount over 212,475 |
| Over 480,050 | 134,244.00 plus 39.6% of the amount over 480,050 | Over 453,350 | 129,458 plus 39.6% of the amount over 453,350 | Over 240,025 | 67,122.00 plus 39.6% of the amount over 240,025 |

| Step 2. Determine Dependent Care Tax Credit | | Tax Credit Table | |
|---|----------|-----------------------|----------|
| | | Adjusted Gross Income | % Credit |
| A. Based on your projected family adjusted gross income, select the appropriate tax credit % from the table at the right. | _____ % | < \$15,000 | 35% |
| | | \$15,001 – 17,000 | 34% |
| | | \$17,001 – 19,000 | 33% |
| | | \$19,001 – 21,000 | 32% |
| B. Qualifying Dependent Care Expenses: Enter the lesser of: (1) your actual expenses, (2) \$3,000 for one child or \$6,000 for two or more children, (3) earned income of the lower earning spouse. (See Step 1, B3) | \$ _____ | \$21,001 – 23,000 | 31% |
| | | \$23,001 – 25,000 | 30% |
| | | \$25,001 – 27,000 | 29% |
| | | \$27,001 – 29,000 | 28% |
| | | \$29,001 – 31,000 | 27% |
| | | \$31,001 – 33,000 | 26% |
| | | \$33,001 – 35,000 | 25% |
| | | \$35,001 – 37,000 | 24% |
| C. Estimated Tax Credit (multiply line A times line B) (Note: Cannot exceed Federal Tax calculated for Step 1, Line G, column 2 –“Without Flex”) | \$ _____ | \$37,001 – 39,000 | 23% |
| | | \$39,001 – 41,000 | 22% |
| | | \$41,001 – 43,000 | 21% |
| | | > \$43,000 | 20% |

Step 3. Compare the Tax Savings Estimated in step 1, Line J with the Tax Credit Estimated in Step 2, Line C:

FSA Savings: \$ _____

Tax Credit Savings: \$ _____

This worksheet is intended to help you decide whether to participate in the Dependent Care account, but should be used with the understanding that it has limitations. Each individual's circumstances are unique, and the worksheet is not a substitute for competent tax advice. If you have questions, you should talk to your personal tax advisor.

Note: All tax brackets and dollar figures shown above are based on 2018 rates.



1. What is the LD&B Benefits Card?

The card is a MasterCard® that gives you an easy, automatic way to pay for qualified health care expenses. The card lets you electronically access the pre-tax contributions you set aside in your Flexible Spending Accounts.

2. What should I do when I get my LD&B Benefits Card?

Before using it for the first time, you should sign your card and activate it by calling the toll-free activation number provided on the front of the card. Once you activate your card, you will be given the option to set up a PIN number for your card. If you do this, you will need to select "Debit" when swiping the card and enter your PIN for authorization. If you do not setup a PIN, you will swipe the card as "Credit" and sign to authorize the charge. *By signing and activating your card, you are certifying that you'll use it only for eligible Health Care and Dependent Care Flexible Spending Account expenses.*

3. How does the LD&B Benefits Card work?

It works like a MasterCard®, with the value of your account(s) contributions stored on it. When you have qualified eligible expenses at a business that accepts MasterCard®, simply use your card. The amount of your qualified purchases will be deducted from your account, and the pre-tax dollars will be electronically transferred to the provider/merchant for immediate payment.

4. Where can I use my LD&B Benefits Card?

You can use your card at any health-related location (e.g., pharmacy, dentist, doctor, chiropractor) that accepts MasterCard®. The card will NOT be accepted at non-healthcare facilities (e.g., department stores, hardware stores, restaurants, bookstores, gas stations, convenience stores).

If enrolled in the Dependent Care spending account, you may use your card at your daycare provider if they accept MasterCard®. Eligible dependent care expenses are custodial in nature, NOT educational.

5. How will my LD&B Benefits Card work at a daycare provider?

Your card is loaded each pay period with the amount of your payroll deduction. When you swipe your card, you will need to know your available balance. (You can check your account at www.LDBbenefitsadmin.com.) If you swipe your card for more than the available balance, it will decline.

6. Can I use my LD&B Benefits Card to make online purchases?

Yes, you can use your card to make an online or mail-order purchase, as long as it is for an eligible expense and is obtained through an eligible health care provider.

7. Is this just like other MasterCard® cards?

The LD&B Benefits Card is a special MasterCard® preloaded with your election. It is only for qualified expenses. There are no monthly bills and no finance charges.

8. How many LD&B Benefits Card will I receive?

You'll receive two cards.

9. Do I need a new LD&B Benefits Card each year?

Your card is good for 5 consecutive years. As long as the same employee benefit account(s) remain(s) part of your benefit plan and you elect to participate each year, your card will be loaded with your new annual election amount at the start of each plan year.

10. What if I lose my LD&B Benefits Card or need another one?

If you lose your card or need additional cards, you can order them through your LD&B Flexible Benefits Administrator at a fee of \$10 per two cards.

11. If asked, should I select "Debit" or "Credit"?

The card is automatically set up as a "Credit" card. With this option you simply swipe the card as "Credit" and sign. If you would like to use the card as a "Debit" card and enter a PIN, you will need to call (866) 898-9795 to set up your personalized PIN.

12. What are my responsibilities and obligations when using my LD&B Benefits Card?

It's your responsibility to use your card properly. Each time your card is swiped, you are certifying that the transaction is for an eligible Health Care or Dependent Care expense (see question #13).

13. What are eligible LD&B Benefits Card expenses?

You can use your card to pay for eligible Health Care or Dependent Care expenses only. An expense must meet the following conditions before it can be considered eligible:

- The expense must be eligible for reimbursement under your Health and Dependent Care FSA; and
- The expense has not been reimbursed (and you will not seek reimbursement for it) under any other health care benefit plan or insurance.

Each time you use your card, you are certifying that the transaction meets the above conditions.

14. Should I save my receipts and other documentation for LD&B Benefits Card transactions?

Yes. Under IRS rules, you must save documentation for each card transaction. Cards can be used in all major discount stores, supermarkets, and pharmacies only if the merchant utilizes an inventory information approval system or meets the 90% rule. A listing of both categories of merchants is available at www.LDBbenefitsadmin.com under Flexible Benefits Administration.

15. What happens if I use my LD&B Benefits Card for an expense that is determined to be ineligible?

If you use your card to pay for an expense that is determined to be ineligible, you must reimburse the plan. This also applies if you don't return the required documentation for a card transaction. If you don't reimburse the plan, the plan will take action to recover the ineligible expense. This may include cancellation of your card, reduction of a subsequent eligible claim, or deduction from your pay.

16. What happens if my LD&B Benefits Card balance won't cover a transaction?

If your card balance is less than the transaction amount, the transaction will be denied when the card is swiped. In this case, you can ask the clerk to charge the amount of your card balance, and pay the remainder in cash.

17. How do I know how much is in my account?

You can view your account balance and activity on the online Consumer Portal. Instructions and login information for the site are provided upon enrollment in the plan. We also have a Mobile App available for download; see pages 14 & 15 of the FSA Enrollment Kit or our website for information on the app. Balances may also be obtained by calling our toll-free number at (877) 532-5478.

18. Can my LD&B Benefits Card balance carry over from year to year?

If your plan design allows for a rollover, up to \$500 of health care funds will be rolled into the new plan on the first day of the plan year. If your plan does not allow for a rollover, any monies remaining in the account at the end of the plan year (including any grace or run-out periods) will be forfeited.

Most Health Care and Dependent Care FSA plans allow some time after the end of the plan year to submit claims for eligible expenses incurred during that year. (Remember that an expense is "incurred" on the date the service is provided, not when you are billed or pay for it.) See your benefit plan materials or contact your Flexible Benefits Administrator at LD&B for more information on your plan design.

19. Whom do I call if I have questions about my LD&B Benefits Card?

Call your Flexible Benefits Administrator at LD&B at the toll-free number shown on the back of the card.

20. How can I report a lost or stolen LD&B Benefits Card?

You can report a lost or stolen card and request a replacement via the online Consumer Portal or by contacting your Flexible Benefits Administrator at LD&B.

21. Can a LD&B Benefits Card transaction be declined when the provider swipes the card?

Yes. There are some situations in which a card transaction can be denied by a pharmacy or other location. This can happen if:

- You use your card before it is activated
- Your card account balance is less than the transaction amount
- The merchant is not a health-related facility (e.g., a gas station)
- AVS Decline: some online merchants use Address Verification Services and will enter all or part of a participant's address when processing the transaction. If the address does not match the information stored for your card, the transaction may be declined.
- The expiration date entered by the merchant does not match the expiration date stored for your card
- The merchant machine is encoded improperly

Imagine what you could do with the LD&B Benefits Card Mobile App



Manage your healthcare accounts from the palm of your hand.

Want to check your account balances and submit receipts from anywhere? There's an app for that!

The LD&B Mobile App lets you easily and securely access your benefit accounts, submit claims and upload receipts at any time. You have quick access to common tasks with an easy-to-use design that helps make sense of your health and financial information.

Stay up to speed

With the LD&B Mobile App, you can get to the account information you need—fast. Wondering whether you have enough money to pay a bill or make a purchase? The LD&B Mobile App puts the answers at your fingertips.

- Quickly check available balances and account details for medical and dependent care FSA, HSA, and HRA reimbursement plans
- Promptly file claims for reimbursement accounts
- View charts summarizing account information
- View claims requiring receipts
- Link to an external web page to obtain helpful information such as a list of eligible expenses
- Retrieve a lost username or password
- Use your device of choice – including iPhone®, iPad®, iPod touch® and Android™ smartphones and tablet devices

Tap and take action

Capture a receipt or take any number of actions – whether you're on the couch or waiting in line. With the LD&B Mobile App, you can get it done fast and enjoy the rest of your day:

- Submit claims for medical and dependent care FSA and HRA plans
- Snap a photo of a receipt and submit with a new or existing claim, or store in your camera roll for later use in claim filing
- Request a distribution from an HSA account
- Contribute funds to an HSA account
- Access your account funds to pay yourself
- Report a debit card as lost or stolen



Get Reimbursed Quickly

Let's face it – no one *really* likes to visit the doctor, dentists, pharmacy or other healthcare provider. But sometimes you do and you may forget to use your benefits card. So, when you pay for a qualified medical expense using your own money, you want to maximize your dollars and be reimbursed from your pre-tax account. File a FSA or HRA claim with a receipt/EOB or request a distribution from your HSA soon after it happens. Right from your phone. Right from wherever you are. Get the payment process started.



Check Balances

Wondering whether you can pay for a procedure or a mounting bill? Do a quick account check to see your current balance. No need to wait for an answer – it's right at your fingertips.

Also available- **Text Message alerts!** By opting-in to receive text message notifications, you can now be promptly alerted about claim statuses, receipts needed, payments issued and more.

To opt in to receive text message notifications, please go to your LD&B consumer portal > Accounts > Statements > Update Notification Preferences

Get started with the LD&B Mobile App in minutes.



Download the LD&B Mobile App for your chosen device from the Apple App Store or Google Play and log in using the username and password you use to access the LD&B Consumer Portal.

Direct Deposit Authorization Form

Please complete this form and return to LD&B with a voided check to have your FSA reimbursement deposited directly into your bank account rather than receiving a check. If you are already signed up for direct deposit, you do not need to complete this form again unless your bank account information has changed.

PLEASE ATTACH A VOIDED CHECK / DEPOSIT SLIPS NOT ACCEPTED.

• INSTRUCTIONS

1. PLEASE PRINT ALL INFORMATION CLEARLY.
2. Attach a voided check if you designate a checking account. DO NOT SUBMIT A DEPOSIT SLIP. If you designate a savings account, attach a completed Savings Account Direct Deposit Form from your financial institution.
3. Please sign and date the form. Omission of signature will delay processing.
4. Mail completed form to the address indicated at the bottom of the page.
5. Notify LD&B Benefits Administrators of any account changes or account closings.

Direct Deposit authorization requires that all account and bank routing numbers be verified for accuracy before any funds are transferred. Claims submitted during the 10-day verification period will be reimbursed with a check. After the verification period, reimbursements will be posted to your bank account on the scheduled reimbursement date. You will receive an Explanation of Benefits and a new Claim Form through the mail.

• PARTICIPANT INFORMATION

First Name _____ Last Name _____ Social Security Number _____ - _____ - _____

Daytime Telephone (_____) _____ - _____ Employer Name _____

• BANK INFORMATION

Check only one:

- | | |
|---|--|
| <input type="checkbox"/> Set-up Direct Deposit for: | <input type="checkbox"/> Change Account Information |
| <input type="checkbox"/> Checking (attach a voided check above) | |
| <input type="checkbox"/> Savings (attach a Savings Account Direct Deposit Form from your financial institution) | <input type="checkbox"/> Cancel Direct Deposit |

Full Bank Name _____ Telephone _____

Bank Routing Number (9-digit number on lower left of check) _____

Bank Account Number (to 17 digits) _____

IMPORTANT

- The designated account must be in your name.
- Processing of your Direct Deposit information will be delayed if you do not include both the bank account number **AND** the bank routing number. Call your bank if you are unsure of your bank account information.

• AUTHORIZATION

I hereby authorize LD&B Benefits Administrators to initiate credit entries for depositing my Flexible Spending Account reimbursements into my account designated above and, if necessary, make corrections for any entries made to my account in error. This authority is to remain in full force and effect until LD&B Benefits Administrators has received written notification from me of its termination in such time and in such manner as to afford LD&B Benefits Administrators a reasonable opportunity to act upon it.

Employee Signature _____ Date _____

Attach voided check and return to:

Mail to: **LD&B Benefits Administrators**
205-C South Liberty Street
Harrisonburg, VA 22801

Fax to: **540.438.4133 / 866.292.8331**
Phone support: **540.437.1425 / 877.532.5478** M – F 8:00 – 5:00 EST
Secure upload at: **www.LDBbenefitsadmin.com**

