

RCUH Benefits

Plan Year: July 1, 2022 – June 2023

NBS

Flexible Spending Accounts

RCUH

Research Corporation
of the University of Hawai'i





Today we are here to talk about the Flexible Spending Accounts or FSA benefits offered through RCUH and administered by National Benefits Services or NBS.

What is an FSA?

How does it work?

The Basics

By enrolling in the Flexible Spending Plan, employees can save money on taxes by using their FSA dollars for **everyday eligible expenses**.

The most important feature of the FSA benefits is that they allow you to pay for expenses you already plan on incurring, but you can **pay for those expenses with pre-tax funds which allows you to increase your take-home pay**.

How does it work?

- Calculate how much you expect to incur in eligible expenses
- Make your annual election
- Contributions are withheld from your paycheck on a pre-tax basis



If you're not familiar with what an FSA is, then let's take a look at the basics of how an FSA works. The benefits administered by NBS help RCUH employees to save on taxes. You can use pre-tax funds to pay for some of your everyday expenses. The most important feature of these benefits is that you are using the funds to pay for expenses you already plan on paying for, but by paying with pre-tax funds, you'll increase your spendable income from paycheck to paycheck. The way the FSA works is that you calculate how much you expect to incur in eligible expenses for the plan year for each particular benefit. You will make your annual election amount based on your estimated eligible expenses. Your contributions are withheld from your paycheck on a pre-tax basis and will be taken out consistently over the plan year.

Do you have any of these expense?

Medical Expenses

- Co-payments or deductibles
- Glasses or contacts
- Contact solution
- Daily prescriptions
- Routine doctor visits
- Allergy medication
- Menstrual care supplies
- Dental Care
- Orthodontist services
- Chiropractic services



Day Care Expenses

- Pre-school
- Child Day Care
- A+ Programs
- Day Camps
- Babysitting
- Adult Care Center



If you are already paying for these FSA eligible expenses, wouldn't it be great if you could save money at the same time? That is why an FSA account could be a great benefit for you.

Who is National Benefits Services, LLC?

NBS has been working with employers in Hawaii for over 15 years, including:

- State of Hawaii
- City & County of Honolulu
- Many other private sector Employers

NBS opened an office in Honolulu in March of 2018

- Honolulu office is located at 1314 S King St, Suite 305



If you aren't familiar with NBS, here is a brief overview of who we are and what we do. NBS is a TPA (or third-party administrator) located in Salt Lake City, UT, who has been in business for over 30 years. NBS works with thousands of employers throughout the United States. NBS administers many different types of employer-sponsored benefits including benefits related to health and welfare, retirement, and COBRA. NBS prides themselves on providing excellent customer service and making it simple and easy to use the benefits they administer.

NBS has been working with employers in the State of Hawaii for over 15 years. NBS helps administer benefits for the State of Hawaii, City & County of Honolulu, and many other private sector employers located in Hawaii. Because of the many important relationships that NBS has established in Hawaii, NBS wants to be sure that folks in Hawaii have the same access to get support as their clients on the mainland. NBS has an office in Honolulu as of March 2018. The NBS Honolulu office is open Monday through Friday from 8 – 5 HST. The office is in the Interstate Building at 1314 S King St, in Suite 305. Walk-in visits are welcomed if you'd like to drop off a claim form or another type of form, or if you want to speak to someone face to face about your account or any of your claims.

How Can I Contact the NBS Service Center?

- Our Service Center is available Monday - Friday from
- 2 AM through 5 PM HST
- Contact NBS directly:
 - Phone: (855)399-3035, option 2
 - Email: service@nbsbenefits.com
- Contact our Service Center for information regarding:
 - Balance Inquiry
 - Claims Status
 - Eligible Services or items
 - Online Portal or Mobile App Assistance
 - Debit Card Transactions



Because of their focus on customer service, specifically to folks in Hawaii, NBS has a service center available through the end of the business day, Hawaii Time. NBS's service center is open from 2am HST through 5 PM HST. NBS's service center contact information is listed here. You can call NBS to get help checking your balance, to ask questions about claims you may have submitted or plan to submit, or to get more information on any questions you might have related to the benefits they administer for RCUH. You can also contact NBS through your account online or by using our mobile app.

What Benefits Does NBS Administer?

Healthcare FSA

Maximum Contribution Limit is \$2,850 for the plan year

Allows you to set aside pre-tax dollars to be used for qualified out-of-pocket medical expenses not covered by your health plan.

Dependent Care FSA

Maximum Contribution Limit is \$5,000 per year, or \$2,500 if married filing separate

Allows you to set aside pre-tax dollars to pay for qualified day care expenses so you are able to go to work.

Transit & Parking

Monthly Maximum Contribution Limit is \$280

Use pre-tax funds to pay for eligible expenses related to transportation or parking incurred while traveling to and from work.

All limits are mandated by the IRS and reviewed/adjusted annually



RCUH offers 4 different types of accounts: Healthcare FSA, Dependent Care FSA, Transit, and Parking. The Healthcare FSA allows you to use pre-tax funds to pay for expenses related to medical, dental, and vision care. The maximum you can contribute to your Healthcare FSA is \$2850 per plan year. The dependent care FSA allows you to use pre-tax funds to pay for expenses related to day care. The maximum contribution for dependent care is \$5,000 per year or \$2,500 if you are married and filing separately. The transit and parking benefits allow you to pay for expenses related to travel to and from work that you might incur for mass transit (like the bus) or for parking while you are at work. The transit and parking benefits both have a monthly contribution limit of \$280.

Why Participate?

Save on Taxes!

Susan, has one child attending preschool.

She pays her pre-school provider \$400/month.

She is paid twice per month, so she pays her preschool provider \$200 every paycheck.

Employee Sample Savings

	No FSA	With FSA
Gross Pay	\$1,200.00	\$1,200.00
Contribution	—	\$200
Taxable Income	\$1,200.00	\$1,000.00
Taxes	\$261.41	\$201.36
Net Pay	\$938.59	\$798.64
Preschool Expense	\$200.00	—
Spendable Income	\$738.59	\$798.64

\$1441 in annual savings



One thing you are probably asking yourself is how you can increase your spendable income by having MORE money withheld from your paycheck. Here is an example of exactly how that works. The example is related to dependent care but keep in mind, it works exactly the same for all FSA types.

With the example here, Susan has 1 child attending preschool, she pays her preschool provider \$400 a month. Because she is paid twice a month, Susan decides to pay her preschool provider \$200 per paycheck.

1st example - let's say Susan is not using the FSA. Susan's gross pay is \$1200. Because she is not participating in the FSA there is no contribution withheld for her FSA therefore she is taxed on the full \$1200. Taxes she pays on the \$1200 is \$261.41 leaving her a net pay of \$938.59. Susan will pay her preschool provider \$200 1st from her net pay leaving her a spendable income of \$738.59 for the remainder of the pay period.

Our next example, Susan is participating in the FSA for her Dependent Care. Again, Susan's gross pay is \$1200. Her \$200 contribution for her dependent care FSA is withheld from her paycheck pretax, lowering her taxable income to a \$1000. The taxes she pays on the \$1000 is \$201.36 leaving her a net pay of \$798.64. Susan does not have to pay her preschool provider the \$200 from her net pay, because she has the contribution that was withheld from her paycheck pretax that she can pay directly to her preschool provider. Leaving her a spendable income of \$798.64 for the remainder of the pay period.

You can see that in both situations, Susan's gross pay remained the same. The amount that she paid to her preschool provider stayed the same, but by participating in the dependent care FSA, Susan is taking home about \$60 more in her paycheck. If you look at her full plan year savings, she is saving over \$1400.

Medical FSA: Eligible Expenses

Medical

- ▶ Deductible Expenses
- ▶ Copays (office visits, lab work, etc.)
- ▶ Prescription Drugs
- ▶ Chiropractic Care
- ▶ Acupuncture
- ▶ Physical Therapy
- ▶ Individual Counseling/Therapy
- ▶ First Aid Items
- ▶ Diabetic Supplies
- ▶ Vaccinations
- ▶ Hearing Aids & Batteries
- ▶ OTC Drugs and Medicine
- ▶ Feminine Care Products

Dental

- ▶ Copays
- ▶ Cleanings
- ▶ Fillings
- ▶ Crowns/Bridges
- ▶ Dentures
- ▶ Orthodontia

Vision

- ▶ Eye Exams
- ▶ Lenses/Frames
- ▶ Contact Lenses
- ▶ Contact Lens Solution
- ▶ Lasik Eye Surgery

ALLERGY & SINUS Afrin Allegra Benadryl Flonase Nefi Pot Visine Theraflu Sinus Ear Wax Removal 	BRACES & SUPPORTS Arthritis Gloves Ankle Brace Knee Brace Wrist Brace Tennis Elbow Support Strap 	COLD & FLU Cough Drops Sudocrem Mucinex Alka Seltzer Robitussin Thera Flu Tylenol Cold - Head 	CONTACT LENS CARE Cleaning Solution Rewetting Drops Saline Solution Lens Case 	FEMININE CARE Pamprin Midol Pads Pantyliners Tampons Menstrual Cup Period Underwear AZO Urinary Pain Relief Monistat 	FIRST AID Alcohol Wipes Burn Gel Band-Aid Neosporin Gauze Pads First Aid Kit Surgical Tape Wound Wash 
HEARING AIDS & ACCESSORIES Cleaning Wipes Hearing Aid Batteries Digital Hearing Amplifiers Personal Sound Amplifier 	HIGH BLOOD PRESSURE Blood Pressure Monitors & Accessories 	PAIN RELIEF Ibuprofen Tylenol Instant Cold Pack Heating Pad Icy Hot Triple Antibiotic Ointment 	READING GLASSES Blue-Light Reading Glasses Keychain Reading Glasses 3 pack Reading Glasses 	THERMOMETERS Ear Digital Thermometer Forehead Thermometer Digital Thermometer Infrared Non-Touch Thermometer 	COVID-19 Disposable Face Mask Sanitizing Wipes Hand Sanitizer Covid-19 at Home Virtual Detection Test 

FSA Eligibility List:
<https://fsastore.com/fsa-eligibility-list>

Expenses must be incurred in the plan year in order to be eligible



Now we are going to talk a little bit about what types of expenses are eligible for the Health Care FSA benefit. The Healthcare FSA allows you to use pre-tax funds for your medical, dental, and vision expenses. This is not a complete list but highlights many common eligible expenses. Please also keep in mind that the service date is key in determining if an expense is eligible or not. You can only be reimbursed for expenses that are performed in the plan year from July 1st – June 30th. Eligible items can be bought online.

Healthcare Ineligible Expenses

INELIGIBLE EXPENSES...

- Cosmetic Surgeries/Procedures
- Vitamins & Supplements
- Massage Therapy
- Teeth Whitening

Expenses that are usually for cosmetic purposes or for general healthcare are not eligible.



It is also important to be aware of some expenses that are not eligible. Many expenses that some people might assume are eligible when in fact, they are not, are listed here. Please note that just because an expense is not eligible for everyone, does not mean it can't be eligible for you. You can be reimbursed for items like vitamins and supplements and massage therapy if you can get a doctor's note explaining the item or service is treating a specific medical condition for you.

Eligible Dependent Care FSA Expenses

- ▶ Day Care Facilities
- ▶ Preschool
- ▶ Before and After School Care
- ▶ Day Camps
- ▶ Baby-sitter (neighbor, friend, family)
- ▶ Adult Day Care



Here you will see some examples of common eligible expenses related to the Dependent Care FSA. As noted, you can be reimbursed for expenses paid to a licensed day care facility or day care provider, but you can also be reimbursed if you are paying someone who is not licensed. That means you can be reimbursed for money paid to a neighbor, friend, or family member who might be caring for your child or children while you are at work.

Transit & Parking

Use pre-tax funds to pay for eligible expenses related to transportation/parking incurred while traveling to and from work.

Monthly maximum for transit & parking is \$280

Eligible Expenses

- Bus passes
- Parking fees at or near a public transportation for you to get to work
- Parking at or near your place of employment
- Metered parking
- VanPool trips to commute to work (vehicle that seats 6 or more not including the driver)

Ineligible Expenses

- Bicycle- related expenses
- Parking for business meetings
- Fuel
- Mileage
- Taxi, Uber, Lyft
- Expenses for your spouse or dependent's commuter expenses

Manual Reimbursement options:

Fax: 844-438-1496 Email: service@nbsbenefits.com
Mail: National Benefit Services, LLC P.O. Box 6980, West Jordan, UT 84084
Online: my.nbsbenefits.com Mobile App

Funds roll from year to year

**Check your balance – if you are currently enrolled and may have rollover funds, you might want to revise your contribution amount for the new year to ensure you use up your rollover funds!*



These benefits have a monthly contribution limit. The limit for both for 2022 is \$280. We have a list of some common eligible and ineligible expenses for this benefit. You must submit manual reimbursements for these expenses; we will cover those options later. Your leftover funds will roll from year to year. However, if you are currently enrolled and may have rollover funds, you might want to revise your contribution amount for the new year to ensure you use up your rollover funds.

Important Plan Year Deadlines

- Plan Year
 - July 1st, 2022 – June 30th, 2023
- Run-out Period
 - Last day to submit claims for prior year expenses
 - 90 days after plan year ends (or termination date if you terminate midyear)
- Transit & parking funds roll from year to year. **Healthcare FSA funds and Dependent Care Funds are forfeited**
- If you terminate midyear, you can only be reimbursed for services incurred while you were an active RCUH employee
 - The Healthcare FSA has a COBRA option if your account is not overspent.



Here we identify the important dates related to RCUH's plan year. The plan year for RCUH is July 1st through June 30th. This is when the funds will be withheld from your paychecks, and it is also when your expenses must be incurred in order to be eligible. RCUH also has a claims run-out deadline of 90 days. That means you have 90 days after the plan year ends to submit claims for expenses incurred in the previous plan year.

Please be conservative with your elections since, for the HealthCare FSA and Dependent Care FSA, any funds left over after the plan year ends will be forfeited. The parking and transit benefits allow you to roll funds from year to year, as mentioned before, but you'll still want to be conservative with your election for those benefits too so you don't have funds being withheld that you won't be able to access.

If you terminate midyear, you will only be able to claim expenses incurred while you were an active employee. You have 90 days after your termination date to submit claims. Anything leftover will be forfeited after that 90-day run-out ends. The Healthcare FSA does give you an option for COBRA unless you have used more than you have contributed.

Use your NBS Card for Healthcare FSA Expenses

When you use your NBS Card, the merchant code identifies the type of expense and allows you to use your card for eligible healthcare expenses.

Keep receipts if you use your card in case of an IRS audit or in case NBS needs more information to adjudicate your expense.

The card will work with most providers of eligible healthcare expenses.



Now we are going to talk about different ways to access your funds and some important tools and resources NBS has available to allow you to have the best experience if you enroll in one of the benefits they offer. The first and most convenient option for your healthcare FSA is the NBS MasterCard.

If you do not already have one, you will receive a NBS Mastercard that you can use to pay for eligible healthcare expenses. The card should arrive 7 – 10 days after NBS receives your enrollment information. Cards are good for 3 years. If you are still enrolled when your card is set to expire, you will automatically receive a new one.

If you do use your card, please keep your receipts in the case of an IRS audit. There also might be situations where NBS will ask you to send in documentation on your expense to verify the card swipe was eligible to be paid from your FSA. The card will work with most merchants who provide eligible healthcare services.

my.nbsbenefits.com

Participant self-service overview

- Check your balance
- Manage communications and alerts
- Access to education and planning tools
- Replace debit cards
- Submit claims
- Review your transaction history

When creating an account online, the Employer ID number is NBS526587 and the Employee ID is your SSN.

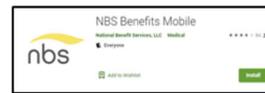
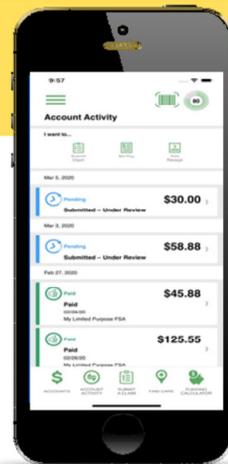


NBS has a website you can register for to get important information related to your account. NBS's participant portal allows you to check your balance, manage communications and alerts, get access to education and planning tools, request replacement cards, and review your transaction history. You can also use the portal to submit claims online.

Mobile Account Access

Mobile applications

- Supports Apple and Android smartphones and tablets
- Shared username and password with [my.nbsbenefits.com]
- View account balances
- View transaction history
- Attach receipts
- Submit claims by taking pictures of your receipts
- Edit Alerts
- Contact Administrator
- **Barcode Scanner**



NBS has a mobile app that has all the same functionality as the website we just talked about. The NBS mobile app is a simple and convenient way to submit claims. You will just need to enter a few pieces of information about the service you are requesting reimbursement for, then you can attach a picture of the receipt or itemized statement and submit the claim to NBS.

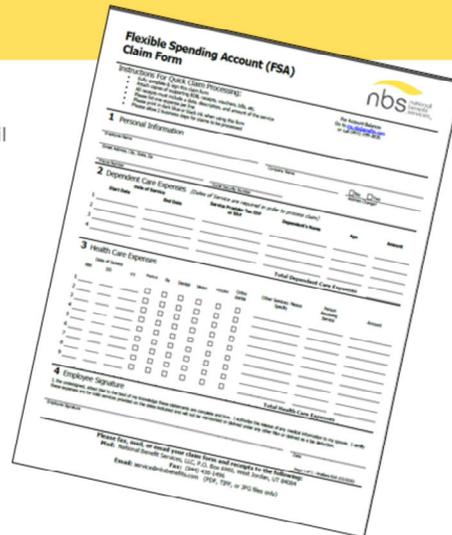
Manual Claim Reimbursement

You can submit a claim form for reimbursement either online, through our mobile app, via fax, mail or email.

The easiest way to submit your claims is online at my.nbsbenefits.com or through our mobile app.

You can also elect to have your reimbursement deposited directly into your checking or savings account by enrolling in direct deposit.

The paper claim form can be found on the NBS website or in Section VII. Under RCUH Flexible Spending Policy 3.530.



The image shows a 'Flexible Spending Account (FSA) Claim Form' from NBS. The form is titled 'Flexible Spending Account (FSA) Claim Form' and includes the NBS logo. It contains several sections: 'Instructions for Quick Claim Processing', '1 Personal Information', '2 Dependent Care Expenses', '3 Health Care Expenses', and '4 Employee Signature'. The form is tilted and partially overlapping the text on the left.

If you are someone who prefers doing things through paper forms, you have that ability too. You can complete a paper claim form and submit it via fax, mail, or email. The preferred way to submit your claims is online at my.nbsbenefits.com or through our mobile app but paper claims are still an option. The paper claim form can be found on the NBS website. All claims are processed within 24 – 48 hours of when they are received. You can choose to receive reimbursement by direct deposit to your checking or savings account or NBS can mail you a check. NBS also has an automatic reimbursement option for day care, transit, and parking called continual reimbursement. You can find a continual reimbursement form on the NBS's website.

Recap & Benefit Comparison

	Healthcare FSA	Dependent Care FSA	Transit & Parking
Annual Limit (per IRS)	\$2,850	\$5,000 or \$2,500 if married and filing separately	\$3,360 (maximum of \$280/month)
Deductions Taken	Semi-monthly	Semi-monthly	Monthly
Reimbursements	NBS debit card or Manual (email, fax, mail, online, mobile app)	Manual (email, fax, mail, online, mobile app)	Manual (email, fax, mail, online, mobile app)
Availability of funds	Total committed for the plan year available on July 1	As contributions are received	As contributions are received
Funds subject to forfeiture at the end of plan year?	Yes. Subject to forfeiture. 3.530 RCUH Flexible Spending Plan (Healthcare and Dependent Care)	Yes. Subject to forfeiture. 3.530 RCUH Flexible Spending Plan (Healthcare and Dependent Care)	No, funds roll over to the next plan year 3.530A Addendum RCUH Flexible Spending Plan (Parking and Transportation)
Mid-year changes to contribution amount	Changes only allowed during open enrollment or if change is consistent with a Family Status Change event	Allowed if change is consistent with qualifying event	Allowed at any time



We would like to finish with a recap and comparison of the benefits administered by NBS. There are some differences in the way each benefit works. The limits for each benefit are listed again here. With your Healthcare FSA and Dependent Care FSA, funds will be withheld each pay period on a semimonthly basis. Transit and Parking funds are withheld monthly. Your Healthcare FSA allows you to access your full election as soon as the plan year begins. With the Dependent Care FSA and Transit and Parking benefits, funds are only available as they are withheld. You'll want to be sure you use your full election for your Healthcare and Dependent Care FSAs by the end of the plan year. Anything left over after the plan year and run-out periods end will be subject to forfeiture while your transit and parking funds will rollover from year to year. Lastly, outside of open enrollment, you can't make changes to your Healthcare FSA or Dependent Care FSA unless you experience a qualified event for a change of status. For transit and parking, changes are allowed at any time for any reason.

- **If you have any questions regarding Open Enrollment, eligibility, assistance with forms or the different types of flexible spending accounts, please contact RCUH Benefits at:**
 - Email: rcuh_benefits@rcuh.com
 - Phone: (808) 956-2326 or (808) 956-6979
- **If you are a current member and have specific questions regarding your coverage, please contact NBS directly at:**
 - Email: service@nbsbenefits.com
 - Member Services Phone: (855) 399-3035
- **Relevant Policies/Form:**
 - [3.530 RCUH Flexible Spending Plan \(Healthcare and Dependent Care\)](#)
 - [3.530A Addendum RCUH Flexible Spending Plan \(Parking and Transportation\)](#)
 - [RCUH Group Health Plan Enrollment Form \(B-5Ha\)](#)