

**US ARMY NAF EMPLOYEE  
FLEXIBLE SPENDING ACCOUNTS  
Summary Plan Description**



# TABLE OF CONTENTS

<b>ELIGIBILITY</b>	2
<b>How to Enroll</b>	2
New Employees	2
Annual Enrollment	2
<b>When Participation Begins</b>	3
New Employees	3
<b>Making Changes</b>	4
Defining a Family Status Change for the Health Care FSA	4
Defining a Family Status Change for the Dependent Care FSA	4
If You Have a Family Status Change	5
<b>If You Take a Leave of Absence</b>	6
Paid Leave of Absence	6
Unpaid Leave of Absence	6
<b>When Your Employment Ends</b>	7
Health Care FSA	7
Dependent Care FSA	7
If You Are Rehired	7
Annual Enrollment	7
<b>HOW THE FLEXIBLE SPENDING ACCOUNTS WORK</b>	8
<b>How Much You Can Contribute</b>	8
<b>Limits and Restrictions</b>	8
Additional Limits on Dependent Care FSA Contributions	9-10
<b>How Participating in the FSAs Affects Taxes and Other Benefits</b>	10
The Tax Advantages	10
Limits on Deductions	11
Impact on Other Benefits	11
<b>Your Flexible Spending Account Statements</b>	11

<b>YOUR HEALTH CARE FSA</b>	12
Eligible Health Care Expenses	12-14
Ineligible Health Care Expenses	15-16
<b>YOUR DEPENDENT CARE FSA</b>	17
Eligibility	17
Who Qualifies as a Dependent	17
Eligible Dependent Care Expenses	18
Ineligible Dependent Care Expenses	19
<b>CLAIMING REIMBURSEMENT</b>	20
When You Can File Claims	20
Streamlined Submission	20
Auto Debit	20
Documenting Your Claim	22
Health Care Expenses	22
Dependent Care Expenses	23
Reimbursement	24
How to Appeal a Denied Claim	25
Health Care FSA Claims	25
Dependent Care FSA Claims	25
<b>PLAN INFORMATION</b>	
General Information About the Plan	26
Amendment or Termination of the Plan	26
Plan Documents	26

## SUMMARY OF BENEFITS

A Flexible Spending Account (FSA) allows you to set aside a portion of your salary in a special account. You can then use the money in your account(s) to reimburse yourself for qualified health care and/or dependent care expenses. Your taxable salary is reduced by the amount you set aside in your account(s), so you pay lower income taxes and Social Security taxes.

Participation in the FSAs is voluntary. You decide whether you'd like to participate and how much money you'd like to set aside, within the minimums and maximums shown below.

	Health Care Account	Dependent Care Account
<b>Your maximum annual contribution</b>	\$5,000	\$5,000* *See page 10 “Additional Limits on Dependent Care Contributions”
<b>Your minimum annual contribution</b>	\$200	\$200
<b>Your minimum reimbursement amount</b>	\$20	\$20
<b>Annual claim submission deadline</b>	All claims incurred between January 1st thru December 31st must be received at Aetna by February 15, each year	All claims incurred between January 1 <sup>st</sup> thru December 31 <sup>st</sup> must be received at Aetna by February 15, each year

## **ELIGIBILITY**

You can participate in the Flexible Spending Account (FSA) program if you are employed in a designated regular part-time or regular full-time position. Flexible and/or intermittent category employees are not eligible. You can sign up for the Health Care FSA only, the Dependent Care FSA only, both FSAs, or neither FSA. Participation is completely voluntary; it's up to you to decide which FSA (if any) meets your needs.

Only employees can enroll in the Flexible Spending Accounts, but the FSAs can be used to reimburse your **tax qualified** dependents' eligible expenses, as well as your own.

### **How to Enroll**

You can enroll in the FSAs during the announced annual enrollment period. Enrollment in the Plan may be processed electronically or with an enrollment form, per your employer's instructions. Your completed enrollment authorizes your employer to deposit a portion of your earnings into your FSAs before taxes are deducted.

Federal law requires that whatever election you make cannot be changed throughout the applicable Plan year unless you have a "family status change."

### **When to Enroll**

**New Employees:** You must enroll within 31 days of your date of hire \* (or the date you became eligible to participate\*) in order to participate in the FSAs. Your election stays in effect until the end of that Plan year.

**Annual Enrollment:** The annual enrollment period is your opportunity to review your benefit needs for the upcoming year and to change your benefit elections, if necessary. The elections you make will be in effect for the following Plan year.

You must re-enroll each year if you wish to continue your participation.

**Family Status Changes:** Approved Family Status Changes allow you to enroll in an FSA within 31 days of the event\*. See Making Changes on page 15.

**\*Anyone employed in an eligible position, or any eligible status changes (employment category and/or qualifying event) that occur after September 1 will require a participation election before the October 1 annual cut-off date.**

## **When Participation Begins**

### **New Employees**

For a newly-hired (or newly eligible) employee, participation begins the date you enroll within your 31 day eligibility period.

Employment in an eligible position or any eligible status changes (employment category and/or qualifying event) that occur after September 1 will require a participation election before the October 1 annual cut-off date.

Contributions will begin that same pay period. You must complete the enrollment process to participate.

### **Annual Enrollment**

Your annual election will go into effect on January 1st.

## Making Changes

The IRS requires that your FSA elections stay in effect throughout the full Plan year. Once made, you can't change your election during the year unless you experience a “qualified family status change.”

<b>FSA ELECTION CHANGES AVAILABLE WITHIN 31 DAYS</b>		
<b>Qualified Family Status Change</b>	<b>Health Care FSA</b>	<b>Dependent Care FSA</b>
<b>Marriage</b>	<b>Enroll, Increase, Decrease</b>	<b>Enroll, Increase</b>
<b>Divorce</b>	<b>Enroll, Decrease</b>	<b>Enroll, Decrease</b>
<b>Death of Spouse</b>	<b>Enroll, Increase, Decrease</b>	<b>Enroll, Increase, Decrease</b>
<b>Birth/Adoption of child</b>	<b>Enroll, Increase</b>	<b>Enroll, Increase</b>
<b>Gain custody/guardianship of child</b>	<b>Enroll, Increase</b>	<b>Enroll, Increase</b>
<b>Death of child</b>	<b>Decrease</b>	<b>Decrease</b>
<b>Lost custody/guardianship of child</b>	<b>Decrease</b>	<b>Decrease</b>
<b>Dependent child no longer eligible for health coverage</b>	<b>Decrease</b>	<b>N/A</b>
<b>Dependent care cost has changed</b>	<b>N/A</b>	<b>Increase, Decrease</b>
<b>Spouse lost health coverage under another plan</b>	<b>Enroll, Increase</b>	<b>Enroll, Increase</b>
<b>I'm no longer covered under spouse's health plan</b>	<b>Enroll, Increase</b>	<b>Enroll, Increase</b>
<b>Change in number of tax dependents</b>	<b>Enroll, Increase, Decrease</b>	<b>Enroll, Increase, Decrease</b>

**If you don't report the family status change within the 31-day period, you will not be allowed to make the change until the next FSA open enrollment period.**

## **If You Have a Family Status Change**

You have 31 days from the qualifying event to change your Health Care and/or Dependent Care FSA election. The change in your FSA election must be due to and consistent with the change in your family status. (For example, within 31 days of the birth or adoption of a child, you could enroll in the Health Care FSA if you were not already enrolled, or if you were enrolled you could increase your current annual election for the Health Care FSA, but you could not decrease your Health Care FSA election.) You should contact your Human Resources Representative immediately after the change takes place to make sure you allow yourself enough time to take the appropriate action. Your Human Resources Representative will explain the procedure to you.

Any qualified family status change that occurs after September 1 that provides an opportunity for a participation election or contribution change will require a participation election before the October 1 annual cut-off date.

## **Cutoff on Enrollments and Increases**

Effective October 1<sup>st</sup> through December 31<sup>st</sup> of each Plan year, the following actions will not be allowed for the current year:

- Enrollments, whether due to new hire event or qualifying Family Status Changes
- Increases due to Family Status Changes

## **Limit on Decreasing Elections**

If a Family Status Change allows you to decrease your Health Care and/or Dependent Care FSA election within 31 days, your new decreased election amount will be limited to the larger of:

- Your contributions as of the date you request the decrease, or
- Your reimbursements as of the date you request the decrease

For questions, refer to the office or website where your enrollment was processed.

## **If You Take a Leave of Absence**

### **Paid Leave of Absence**

Your participation in the FSAs will not be affected if you are granted a paid leave of absence. Payroll deductions will continue, and you can still use your FSAs to reimburse yourself for eligible expenses. You may elect a family status change as explained in *Making Changes* if your change in election is consistent with the circumstances of your leave.

### **Unpaid Leave of Absence**

#### ***During an unpaid leave of absence:***

Your contributions and participation in the Health Care and/or Dependent Care FSA will stop on the first day of the absence. You can continue to be reimbursed from your Health Care and/or Dependent Care FSA for eligible expenses you had incurred while you were actively at work. You will not be reimbursed for expenses incurred during the leave of absence. Any balance in your account from contributions made before your leave can be used for claims incurred upon your return to work.

#### ***Upon Return from an unpaid leave of absence:***

When you return, the contributions required to meet your election for the Plan year will be recalculated (and therefore will increase) over the remaining pay periods in the year.

Health Care FSA - You will be reinstated fully in the HCFSA Plan (retroactive to the date your absence began). After reinstatement, you may request reimbursement for expenses incurred at anytime in the year when enrolled.

Dependent Care FSA – You will be reinstated in the DCFSA Plan as of the date of return. You may request reimbursement for expenses incurred at anytime in the year when enrolled, except those incurred during a period of unpaid leave of absence.

## **When Your Employment Ends**

### **Health Care FSA**

If your employment ends during the year, your contributions to your Health Care FSA end. However, you can still be reimbursed for eligible expenses you incur up to your last day worked provided your account balance is sufficient. You have until February 15th of the next year to submit claims.

### **Dependent Care FSA**

If your employment ends during the year, your contributions to your Dependent Care FSA end. However, you can still be reimbursed for eligible expenses you incur up to your last day worked provided your account balance is sufficient. You have until February 15th of the next year to submit claims.

### **If You Are Rehired**

If you leave your employer and are rehired in an eligible status, you will have 31 days to enroll in an FSA. Rehires after September 1 will require a participation election before the October 1 annual cut-off date.

## HOW THE FLEXIBLE SPENDING ACCOUNTS WORK

You fund your FSA(s) by directing a portion of your earnings to your account(s) on a pre-tax basis. You cannot deposit cash directly into your account(s). Once you decide how much you'll contribute for the year, you cannot change your election unless you have a qualified family status change, nor can you transfer money from one FSA to another.

### How Much You Can Contribute

You can contribute from \$200 to \$5000 to your Health Care FSA each year, and you can contribute from \$200 to \$5000 a year to your Dependent Care FSA. Anyone employed in an eligible position, or any eligible status changes (employment category and/or qualifying event) that occur after September 1 will require a participation election before October 1, the annual cut off date.

**Carefully calculate the amount you contribute to your Flexible Spending Accounts. The IRS imposes a “use it or lose it” rule on FSA Plans: you forfeit any money that remains in your account after reimbursement of your eligible expenses for the year. See *Limits and Restrictions* for more information.**

### Limits and Restrictions

To preserve the favorable tax treatment of your contributions, there are several important limitations that you should understand before participating in the FSAs. First of all, an FSA is what is known as a “use it or lose it” arrangement, which means that if you do not spend all of the money in your account, you lose the unspent balance. Second, you cannot fund your account as you go along – you must decide on an election amount for the year before each year begins – so you have to be careful in calculating your anticipated expenses for the coming year. Once you decide your election amount, you cannot change it during the year unless you experience a qualified family status change, so you should plan to deposit only as much as you expect to spend in the upcoming year.

Having a **Health Care FSA** limits your tax deductions for health care expenses. Keep in mind that you can deduct unreimbursed health care expenses from your federal income tax only if you itemize your deductions and they exceed the threshold established by the Internal Revenue Service.

To be eligible for reimbursement from the **Health Care FSA**, the expenses must be for you, or a tax-qualified dependent. A tax-qualified dependent is someone for whom you can claim a tax exemption.

Having a **Dependent Care FSA** limits the tax credits you may be able to take for dependent care expenses. To be eligible for reimbursement from the Dependent Care FSA, the expenses must be for qualified dependents. See “Who Qualifies as a Dependent” on page 17. You can use both the FSA and tax credit, provided you do not claim the same expenses for both. However, federal regulations require that your dependent care tax credit be reduced dollar for dollar by whatever you put into your FSA. You should ask your tax advisor to help you choose the right alternative for your tax bracket.

**Establishing an FSA may have an impact on your cash flow until you receive reimbursement. First, your contributions to your account are deducted (pre-tax) from your paycheck. Then to receive a reimbursement\* from your account, you must send in a claim form with proof that you either paid for or incurred an eligible expense. Proof of payment would be a receipt, and proof of incurring would be something showing that you (or your dependent) received or were rendered the care or service, and that you have a responsibility to pay for it. You should send in claim reimbursements as soon as possible after you pay for or incur an expense, to reduce your overall cash outflow. Please consider this effect when deciding on your election amount.**

**\*Note: For FSA participants who are enrolled in the Department of Defense (DoD) Nonappropriated Fund (NAF) Aetna health plans, certain expenses can be reimbursed or paid automatically and will not require a claim form. See “Streamlined Submission” and AutoDebit” in the Claiming Reimbursement section, Page 20**

You cannot transfer funds between the Health Care and Dependent Care FSAs.

You cannot carry over any unclaimed FSA balances from one year to the next. Any funds remaining in your Health Care and/or Dependent Care FSA on December 31 will be forfeited unless they are used to cover expenses incurred during that calendar year and Aetna receives your claim for reimbursement by February 15.

In addition to the yearly limits on what you can direct to your FSAs, the Internal Revenue Service requires Plans to prove that they don’t favor “highly-compensated” employees. If your employer’s FSAs do not pass this test, the contributions made by highly-compensated employees may have to be reduced or reclassified as after-tax contributions. If this happens, your employer will notify those affected.

## **Additional Limits on Dependent Care FSA Contributions**

### **If Your Spouse Also Contributes to a Dependent Care FSA**

The IRS sets additional limits on your contributions if you're married and your spouse has a Dependent Care FSA through his or her employer:

You are limited to a **combined** Dependent Care FSA contribution of \$5,000 in a calendar year. This limit applies whether you have one or more dependents receiving care.

If you file **separate** federal income tax returns, the most you can contribute is \$2,500 a year.

If you file a **joint** return, you can't contribute more than you earn (or what your spouse earns, if it's less than what you earn for the year, with a \$5,000 limit).

### **If Your Spouse Is Either Disabled or a Full-Time Student**

The IRS considers your spouse's earnings to be \$250 a month if you have one eligible dependent and \$500 if you have more than one eligible dependent.

## **How Participating in the FSAs Affects Taxes and Other Benefits**

Establishing an FSA can also affect your tax strategy when you file your income tax return. You should consult with a tax advisor *before* signing up for the FSAs – you can't change your election once you've made it, unless you have a qualified family status change (as explained in *Making Changes on page 15*).

### **The Tax Advantages**

The Internal Revenue Code allows your employer to take the money you direct to your FSAs out of your pay before federal and Social Security (FICA) taxes are deducted. That lowers your taxable income, so you pay less federal income tax and Social Security tax. Depending on where you live, your tax savings could be even greater, since most states recognize the tax-free status of FSA funds. What's more, any reimbursements you receive from your FSAs are free from federal tax as long as you have not taken (or do not intend to take) a tax deduction or credit for related expenses when you file your federal tax return.

## **Limits on Deductions**

Participating in the FSAs can affect your tax strategy when you file your income tax return.

*Setting up a Health Care FSA limits your deductions for health care expenses.* Keep in mind, that you can deduct unreimbursed health care expenses from your federal income tax only if they exceed the annual threshold established by the Internal Revenue Service.

*Using your Dependent Care FSA for dependent care expenses limits the tax credits you can take for those expenses.* The federal income tax credit lets you subtract a percentage, based on your taxable income, of your expenses for dependent care from the federal taxes you owe. You can use both your Dependent Care FSA and the tax credit, but you can't claim the same expenses for both. Whatever you apply toward your federal income tax credit is reduced dollar for dollar by what you contribute to your Dependent Care FSA. Please consult your own tax advisor about changes in these amounts and your specific situation.

## **Impact on Other Benefits**

### **Employer-Sponsored Benefits**

While you are “reducing” your pay for tax purposes, your pay-related benefits (for example, any employer-sponsored life and pension benefits) are not reduced. Your benefits from these Plans will be based on your compensation before any amounts are deducted.

### **Social Security**

Since your Social Security (FICA) taxes are based on your reduced pay, your future Social Security benefits may be slightly lower.

## **Your Flexible Spending Account Statements**

The Explanation of Payment (EOP) that Aetna issues with each reimbursement is also a good source of information. The EOP details the amount reimbursed and your current account balance.

You can access information about your FSA account status 24 hours a day, 7 days a week using Aetna Navigator™. Access Aetna Navigator™ through the Aetna Internet website home page or directly via [www.aetnavigators.com](http://www.aetnavigators.com). In addition to finding information about your FSA account(s), you can register to have paper EOPs suppressed and receive an e-mail notification and an electronic EOP each time an FSA claim is paid.

Twice a year, Aetna will send you a statement showing the status of your FSAs. The statement will display accrued amounts and any account activity.

## YOUR HEALTH CARE FSA

The Health Care FSA lets you pay many of your otherwise unreimbursed health care expenses with tax-free dollars. Since not every health care expense you incur is eligible for reimbursement through your FSA, it's important to know which are reimbursable and which are not.

**If an expense is covered under any other plan(s), you cannot submit it for reimbursement under your Health Care FSA until the expense has been considered by the other plan(s).**

### Eligible Health Care Expenses

You can use your Health Care FSA to reimburse yourself for health care expenses that are considered "medical care" under section 213(d) of the Internal Revenue Code, as long as the expenses are not reimbursed by any health care plan. Tax rules change, so you should check with your tax advisor about the eligibility of specific expenses.

**You can find additional information about eligible health care expenses from IRS Publication 969 "Health Savings Accounts and Other Tax-Favored Health Plans", or Publication 502, "Medical and Dental Expenses," available from your local IRS office and on the IRS website at <http://www.irs.gov>.**

Acupuncture

Ambulance service

Artificial limbs

Auto equipment such as special hand controls to assist the physically disabled

Braille books and magazines

Chiropractic care

Contact lenses needed for medical reasons

Contraceptives

Crutches

Dental treatment

Drug abuse inpatient treatment

Drugs that do not require a physician's prescription (over-the-counter medications), as long as they are for medical care, and not merely beneficial to your overall general health. Examples of reimbursable expenses include charges for pain relievers, cold and fever remedies, antibiotic ointments, and allergy medications.

Eye exams, lenses and frames

Fertility enhancement, as follows:

- procedures such as in vitro fertilization (including temporary storage of eggs or sperm), and
- infertility surgery, including an operation to reverse a prior sterilization procedure

Guide dog or other animal used by a visually-impaired or hearing-impaired person

Health care copayment, deductible and coinsurance amounts

Health care expenses that are above the customary charge or health care plan maximums

Hearing exams and hearing aids

Hospital services

Laboratory fees

Laser eye surgery

Lead-based paint removal to protect a child who has, or who has had, lead paint poisoning from continued exposure

Legal fees directly related to committing a mentally ill person

Lodging while you receive medical care away from home. Care must be provided by a doctor in a licensed hospital or treatment facility, and the lodging must be primarily for, and essential to, medical care.

Long term care services required by a chronically ill person, if provided in accordance with a plan of care prescribed by a licensed health care practitioner

Medical information plan that maintains your medical information so it can be retrieved from a medical data bank for your medical care

Medical services and supplies

Mental health care

Organ donor expenses

Osteopathic services

Oxygen and oxygen equipment

Prescription drugs

Psychiatric care

Smoking cessation programs

Specialized equipment for the disabled, including:

- cost and repair of special telephone equipment that allows a hearing-impaired person to communicate over a regular telephone, and
- equipment that displays the audio part of television programs as subtitles for hearing-impaired people.

Sterilization surgery

Termination of pregnancy

Transportation expenses if primarily for, and essential to, medical care

Wheelchairs

**If you have any questions about what's considered an eligible expense under the Health Care FSA, you can call Aetna FSA Member Services at 1-800-416-7053**

**You can also contact your local IRS office or visit the IRS website at <http://www.irs.gov>.**

## **Ineligible Health Care Expenses**

Just as important as understanding what's eligible for reimbursement through your Health Care FSA is knowing what's not generally eligible, including the following:

Expenses for which you've already been reimbursed by other health care plans (including Medicare, Medicaid, and your employer's or any other Medical, Dental and Vision Care Plans)

Expenses incurred by anyone other than you or your qualified dependents

Expenses that are not deductible on your federal income tax return

Babysitting, child care and nursing services for a healthy baby. This includes the cost of a licensed practical nurse (L.P.N.) to care for a healthy newborn.

Controlled substances

Cosmetic dental work

Cosmetic surgery (any procedure to improve the patient's appearance that does not meaningfully promote the proper function of the body, or prevent or treat illness or disease)

Custodial care in an institution

Diaper service

Electrolysis

Funeral and burial expenses

Health care plan contributions, including those for Medicare, your spouse's employer's plan, or any other private coverage's

Health club dues

Household help, even if such help is recommended by a physician

Illegal medical services or supplies

Maternity clothing

Medical savings account (MSA) contributions

Over-the-counter health aids that do not treat a specific medical condition, including those recommended by your physician

Over-the-counter drugs that are beneficial to health, but are not prescribed for medical care (for example: vitamins, weight loss aids)

Nutritional supplements, unless obtained legally with a physician's prescription

Personal use items, unless the item is used primarily to prevent or alleviate a physical or mental defect or illness

Prescription drugs for cosmetic purposes

Weight-loss programs not prescribed by a doctor

Special schooling for a special needs child, even if the child may benefit from the course of study or disciplinary methods

Transportation to and from work, even if a physical condition requires special means of transportation

Up-front patient administration fees paid to a physician's practice

Vitamins or minerals taken for general health purposes

## **YOUR DEPENDENT CARE FSA**

You can use the Dependent Care FSA to reimburse yourself with tax-free funds for certain dependent care expenses incurred because you (and your spouse, if you are married) work or are looking for work. Tax rules change, so you should check with your tax advisor about the eligibility of specific expenses.

You can get additional information about Dependent Care FSAs from IRS Publication 503 “Child and Dependent Care Expenses”, which is available from your local IRS office and on the IRS website at <http://www.irs.gov>.

### **Eligibility**

If you are married, you may participate in the Dependent Care FSA only if your spouse:

Works full-time or part-time;

Is actively looking for work; or

Has no earned income for the year and:

- is a full-time student for at least five months of the year; or
- is incapable of caring for himself or herself or for the dependent.

### **Who Qualifies as a Dependent**

You can use your Dependent Care FSA to cover the expenses of dependents, who are defined as:

Children who are under age 13 when the care is provided and for whom you can claim an exemption on your federal income tax return;

Your spouse who is mentally or physically incapable of self-care; and

Your dependent who is physically or mentally incapable of self-care, and for whom you can claim an exemption (or could claim as a dependent if he or she didn't have a gross annual income of \$3,000 or more).

You can use your Dependent Care FSA to pay expenses for a qualifying child for whom you have joint custody if you pay more than half of the child's support and have custody during the year longer than the other parent. The costs associated with caring for the elderly also qualify for reimbursement if they live in your home at least eight hours a day and are completely incapable of caring for themselves.

## Eligible Dependent Care Expenses

The Dependent Care FSA is strictly monitored by the IRS, and only those expenses that comply with Section 129 of the Internal Revenue Code of 1986 are covered. Keep in mind that the expenses must be work-related to qualify as eligible expenses. The IRS considers expenses “work-related” only if they meet *both* of the following rules:

They allow you (and your spouse) to work or look for work; and

They are for the care of a qualified person.

You can pay the following work-related expenses through your Dependent Care FSA:

Wages paid to a baby sitter, unless you or your spouse claims the sitter as a dependent. Care can be provided in, or outside of, your home.

Services of a Dependent Care Center (such as a daycare center or nursery school) if the facility:

- provides care for more than six individuals (other than those who reside there),
- receives a fee, payment or grant for providing its services, and
- complies with all applicable state and local laws and regulations.

Cost for adult care at facilities away from home, such as family daycare centers, as long as you’re dependent spends at least 8 hours at home.

Wages paid to a housekeeper for providing care to an eligible dependent. Household services, including the cost to perform ordinary services needed to run your home which are at least partly for the care of a qualifying individual, are covered as long as the person providing the services is not your dependent under age 19 or anyone you or your spouse claim as a dependent for tax purposes.

**If you have any questions about what's considered an eligible expense under the Dependent Care FSA, you can call Aetna FSA Member Services at 1-800-416-7053.**

**You can also contact your local IRS office or visit the IRS website at <http://www.irs.gov>.**

## **Ineligible Dependent Care Expenses**

You cannot use your Dependent Care FSA to reimburse yourself for services that:

Allow you to participate in leisure-time activities;

Allow you to attend school part-time;

Enable you to attend educational programs, meetings or seminars; or

Are primarily medical in nature (such as in-house nursing care).

## CLAIMING REIMBURSEMENT

### When You Can File Claims

Only expenses incurred during the year are reimbursable through your FSA for that year; the previous year's expenses are *not* eligible for reimbursement. However, you do have until February 15th of the following year to submit a claim for expenses incurred the year before. *Claims must be received at Aetna by February 15th to be eligible for reimbursement.*

### Where to Find Claim Forms

Claim forms are available from the Aetna FSA website at [www.aetnafsa.com](http://www.aetnafsa.com), or from your Human Resources office. You may also call Aetna FSA Member Services at 1-800-416-7053 for assistance in obtaining a form.

### Streamlined Submission

Streamlined claim submission is a claim submission process that allows you to have your Department of Defense (DoD) Nonappropriated Fund (NAF) Aetna health care expenses automatically considered for reimbursement by your Health Care FSA. Each time a claim is submitted to Aetna for payment, any unreimbursed expenses are sent automatically to the Flexible Spending Account system for processing. You do not have to submit a claim form in most instances. (If Aetna cannot process a claim automatically, you will receive a request from Aetna to submit a paper claim.)

### AutoDebit

The AutoDebit feature further simplifies the FSA reimbursement process for your DoD NAF Aetna prescription drug benefit. When you fill a prescription at a participating Aetna pharmacy, show your Aetna ID card. Your prescription drug copay will be drawn from your Health Care FSA balance. You pay nothing out of your pocket at the time you purchase the prescription, and you do not have to submit a claim form.

### Streamline/AutoDebit Opt Out Option

If you make the decision to opt out of the Streamline/AutoDebit feature, you will cancel both features (for example, you can not opt out of streamline feature and keep autodebit feature). If you choose to opt out of these features, you can do so by contacting Aetna FSA Member Services at 1-800-416-7053 or through the Aetna Navigator™ member website at [www.aetnavigators.com](http://www.aetnavigators.com) (the streamline claims options is under the “Claims and Balances” section).

If you are not a participant of the DoD NAF Aetna health and/or dental plan, the Streamlined submission and AutoDebit features are not applicable at this time.

**Important note:**

- **If you are eligible for coverage under another health care plan, the other plan(s) must also consider any expense before it is submitted for reimbursement by your Health Care FSA. You should therefore submit paper claims; the streamlined submission and AutoDebit processes are not appropriate for your situation.**

## Documenting Your Claim

### Health Care Expenses

When you submit a claim for reimbursement from your Health Care FSA, you must provide a copy of:

The Explanation of Benefits (EOB) you received from your (or your dependent's) health care plan showing how much, if any, of your claim was paid; or

Itemized bills from suppliers for expenses not covered by any health care plan. The itemized bill should include the following information:

- patient name,
- diagnosis,
- service or service provided,
- amount charged, and
- date of service.

Your claim will not be accepted if the required information is not provided. You can use the “Flexible Spending Account Health Care Reimbursement” form to ensure that your claim submission contains all of the required information. Copies of the form are available from Member Services, on Aetna’s website (visit the Forms Library on Aetna Navigator), and from your Human Resources Representative.

Your Health Care FSA includes a minimum (refer to the *Summary of Benefits*). If your claim for reimbursement is less than the Plan’s minimum, the claim will be processed, but reimbursement will not be issued until:

You submit additional covered expenses, and the accumulated total reaches the Plan’s minimum;

or

The end of the Plan year.

## Dependent Care Expenses

To file a claim for reimbursement, complete the “Dependent Care Reimbursement” form. Copies of the form are available from Aetna Member Services, on the Aetna website and from your Human Resources Representative. You must provide the following information in your claim submission:

Dependent’s name

Provider’s name, address and tax ID (or Social Security) number

The cost, nature and place of the service(s) performed

Proof of payment\*

An indication of whether the provider is related to you and, if so, how (if the provider is your child, you must also include the child's age)

\* You can ask your dependent care provider to sign the claim form as verification of payment. Detailed bills or receipts are also considered acceptable documentation for dependent care expenses.

You are also required to report your provider's taxpayer identification number or Social Security number when you file your tax return.

## Reimbursement

Aetna processes FSA claims as they are received, and issues FSA claim payments weekly on Wednesdays.

You can be reimbursed through your Health Care FSA for qualifying health care expenses up to the annual amount you elected at enrollment – even if all of it hasn't been deducted from your paychecks.

You can be reimbursed for dependent care expenses only up to the amount in your Dependent Care FSA when you file a claim. Any unpaid amounts still due you will be processed in the next claim cycle when (and if) you have enough money in your Dependent Care FSA to cover them.

You will receive an Explanation of Payment (EOP), which reflects the status of your account, each time you receive a reimbursement (for example, the amount of the claim, how much of it is eligible for reimbursement, what's been paid to date from your FSA, any amounts still payable, and any balance remaining in your Account).

## Qualified Reservist Distributions

The Heroes Earnings Assistance and Relief Tax (HEART) Act of 2008, H.R. 6081 provides a special rule for unused benefits in health flexible spending accounts for individuals called to active duty (if criteria apply as defined by the law).

## Year End Balances

If any balance is left in your FSA(s) at the end of the year, and claims for that balance are not filed with Aetna by February 15th of the following year, ***the remaining balance will be forfeited to the Plan (except in approved cases in compliance with USERRA, H.E.A.R.T of 2008, H. R. 6081).***

**If you have any questions about your Health Care or Dependent Care FSA claims, call Aetna FSA Member Services at 1-800-416-7053.**

## How to Appeal a Denied Claim

If your claim is entirely or partially denied the reason(s) for the denial will appear on the Explanation of Payment (EOP) you receive from Aetna.

**Please note: If Aetna does not process your FSA claim because information is missing from your claim submission, Aetna will notify you in writing of the specific information needed to complete processing. This is not considered a denied claim.**

### Health Care FSA Claims

If you think your claim has been wrongfully denied, you have 180 days after receiving the written denial to request a review. Your request for a review, called an appeal, must be submitted to Aetna in writing. Be sure to explain why you think you are entitled to reimbursement, and attach any documentation that will support your claim. **You may have a qualified person represent you at your own expense, and you have the right to examine the relevant portions of any documents that Aetna referred to in its claim processing.** The Plan's named fiduciary for appeal of denied claims must respond to your written request for a review within 30 days of receiving it, explaining the reasons for their decision in clear, understandable language. The decision of the Plan's named fiduciary for appeal of denied claims is final and binding.

You can also follow this procedure if you do not receive any response to your claim within 30 days after you've initially filed it with Aetna.

### Dependent Care FSA Claims

You can also follow this procedure if you do not receive any response to your claim within 90 days after you've initially filed it with Aetna.

If you think your claim has been wrongfully denied, you have 60 days after receiving the written denial to request a review. Your request for a review, called an appeal, must be submitted to Aetna in writing. Be sure to explain why you think you are entitled to reimbursement, and attach any documentation that will support your claim. You may have a qualified person represent you at your own expense, and you have the right to examine the relevant portions of any documents that Aetna referred to in its claim processing. Normally, the Plan Sponsor will send you its written decision within 60 days, explaining the reasons in clear, understandable language. (If a longer period is required, you will be told, in writing, how much longer it will take.) The Plan Sponsor's decision is final and binding.

**If you have any questions regarding the claims appeal process, or if you need assistance filing your appeal, contact Aetna FSA Member Services at 1-800-416-7053.**

## General Information About the Plan

Employers/Plan Sponsors	<b>Marine Corps Community Service (MCCS)</b> <b>3044 Catlin Avenue</b> <b>Quantico, VA 22134-5103</b>  <b>Army Air Force Exchange Service (AAFES)</b> <b>PO Box 650428</b> <b>Dallas, TX 75235-0428</b>  <b>US Army NAF Employee Benefits Office</b> <b>4700 King Street, 3<sup>rd</sup> Floor</b> <b>Alexandria, VA 22302-4407</b>
Plan Year	The Plan Year runs from January 1 <sup>st</sup> to December 31st
Plan Administrator	Aetna, Inc. P.O. Box 4000 Richmond, KY 40476-4000 1-800-416-7053

## Amendment or Termination of the Plan

The Plan Sponsor has the right to amend or terminate the Plan, in whole or in part, at any time. If a change is made, you will be notified.

The establishment of an employee benefit plan does not imply that employment is guaranteed for any period of time or that any employee receives any nonforfeitable right to continued participation in any benefits plan.

## Plan Documents

This Plan description covers the major features of the Flexible Spending Account program administered by Aetna Life Insurance Company, effective January 1, 2009. The Plan description has been designed to provide a clear and understandable summary of the Plan, and serves as the Summary Plan Description (SPD). Receipt of this document does not entitle you to a benefit for which you may not otherwise be eligible.

