

# Enroll in your employer's *flexible benefit plan* and you could save up to **\$25** on every **\$100** you spend.

Whether it's increased premiums, co-pays, deductibles you may be required to pay before your insurance begins to pay your health care expenses, or the cost of prescription medications, out-of-pocket health care expenses continue to soar.

**THERE'S A REMEDY FOR THAT.** Enroll in your employer's flex benefit plan.

**Take home more of the money you earn.**

The following are some of the more common out-of-pocket expenses that qualify for payment with your flex benefit dollars. (This list does not cover all qualified expenses. For a more comprehensive list, go to CPN's website [www.cpnflex.com](http://www.cpnflex.com))

## Prescriptions & co-pays

Prescription drugs & co-pays  
Diabetic supplies & insulin  
Prescribed over-the-counter medicines

## Doctor fees & co-pays

Doctor office visits, co-pays, and deductibles  
Emergency room co-pays  
Outpatient surgery co-pays  
Inpatient admission co-pays  
Routine check-ups  
Non-diagnostic services or treatments  
Diagnostic & lap fees  
Psychologist & psychiatrist fees  
Obstetrics  
Chiropractor & podiatrist fees  
Physician & osteopath fees  
Acupuncture fees  
Radiology, x-ray, and MRI  
Surgical fees  
Reconstructive surgery in connection with birth defects, disease, or accident

## Vision services & supplies

Office visits & routine eye exams  
Prescribed sunglasses & eyeglasses  
Contact lenses, solutions, and supplies  
Corrective eye surgery, LASIK & cataract surgery  
Optometrist & ophthalmologist fees

## Dental services & supplies

Dentist, dental co-pays & deductibles  
Office visits & routine check-ups  
Cleanings, x-rays, sealants, and fillings  
Dentures, crowns, and bridges  
Braces, spacers, and retainers  
Wisdom teeth, implants, and oral surgery  
Orthodontist & periodontist  
Endodontist & oral surgeon

## Health-related expenses

*Generally, these items require a doctor's prescription to qualify.*  
Oxygen, humidifiers, and vaporizers

Pill boxes & thermometers  
Shower protection for casts, prostheses  
Therapeutic support gloves  
Elevated toilet seat  
Special schooling for disabled child  
Artificial limbs & braces  
Arches & orthopedic shoes  
Wigs for hair loss caused by disease  
Hearing devices & batteries  
Crutches & canes  
Wheelchairs, walkers, and shower chairs  
Medical alert bracelet & fees  
Bedpans & ring cushions  
Travel to health care facilities  
Ambulance expenses

## Dependent care expenses

Nanny & babysitter  
Pre-K or nursery, before & after care  
Day care for disabled adult  
Elder day care for parent or dependent

**Save on items not covered by your insurance.**

## SAVE on your Expense Receipts

Whether you pay for qualified expenses with your CPNFLEX card or with personal funds, IRS rules require you to keep all itemized statements and/or EOBs for expenses paid for with your flex dollars. The IRS requires us to obtain specific information in order for us to 1) approve a claim reimbursement or 2) verify a purchase made with a flex benefit card.

There will be instances when you use your CPNFLEX card that you will be required to provide detailed documentation to verify a purchase or expense. This may include payments you made for co-pays that do not match the co-pay amount linked to your flex benefit, or for services received at a medical provider. This is because some medical providers perform services that are not qualified to be paid with flex benefit dollars, so the IRS requires CPN to verify medical expenses paid for with your CPNFLEX flex benefit card.

# HERE'S HOW THE PLAN WORKS

## SAVE UP TO \$25 ON EVERY \$100 YOU SPEND

Take a look at three typical examples. While everyone is different, they all enjoy big tax savings. So relax, and enjoy the tax savings and increased take-home pay.



### Young couple with two children

<input type="checkbox"/> Co-pays to doctors & pharmacies	\$ 50
<input type="checkbox"/> Drugs Rx & (prescribed over-the-counter)	\$ 100
<input type="checkbox"/> Eye exams & LASIK	\$ 25
<input type="checkbox"/> Prescribed sunglasses & eyeglasses	\$ 150
<input type="checkbox"/> Dental cleanings, filling & x-rays	\$ 300
<input type="checkbox"/> Sealants, crowns & bridges	\$ 200
<input type="checkbox"/> Braces, spacers & retainers	\$ 1,500
<input type="checkbox"/> Chiropractor & podiatrist fees	\$ 175
<input type="checkbox"/> After-school care, day camp & pre-k	\$ 4,080
<b>TOTAL BUDGETED EXPENSES</b>	<b>\$ 6,580</b>

\*Annual Savings of \$1,645 based on 25% tax rate.

\*Annual savings are determined by multiplying your total budgeted expenses by the percentage of payroll taxes you pay.

### Single person no children

<input type="checkbox"/> Co-pays to doctors & pharmacies	\$ 135
<input type="checkbox"/> Drugs Rx & (prescribed over-the-counter)	\$ 540
<input type="checkbox"/> Eye exams & LASIK	\$ 80
<input type="checkbox"/> Prescribed sunglasses & eyeglasses	\$ 200
<input type="checkbox"/> Dental cleanings, fillings & x-rays	\$ 165
<input type="checkbox"/> Quit-smoking program	\$ 120
<b>TOTAL BUDGETED EXPENSES</b>	<b>\$ 1,240</b>

\*Annual Savings of \$310 based on 25% tax rate.

### Mature couple with dependent elder

<input type="checkbox"/> Co-pays to doctors and pharmacies	\$ 100
<input type="checkbox"/> Rx Drugs & (prescribed over-the-counter)	\$ 300
<input type="checkbox"/> Prescribed sunglasses & eyeglasses	\$ 200
<input type="checkbox"/> Eye exams, surgery & LASIK	\$ 75
<input type="checkbox"/> Dental cleanings, fillings, & x-rays	\$ 250
<input type="checkbox"/> Dentures, sealants, crowns & bridges	\$ 500
<input type="checkbox"/> Chiropractor & podiatrist fees	\$ 250
<input type="checkbox"/> Physical therapy	\$ 500
<input type="checkbox"/> Quit-smoking program	\$ 125
<input type="checkbox"/> Weight-loss program (for specific disease)	\$ 200
<input type="checkbox"/> Elder daycare for dependent adult	\$ 5,000
<b>TOTAL BUDGETED EXPENSES</b>	<b>\$ 7,500</b>

\*Annual Savings of \$1,875 based on 25% tax rate.

Here's an example of how a typical employee's take-home pay will increase as a result of participating in the plan. An employee makes \$2,000 each month and decides to participate in her employer's plan. She pays her insurance premiums and health and daycare expenses through the plan with tax-free dollars – and she saves \$100 each month!

### Her paycheck without the plan

Salary	\$2,000
FICA, federal	-\$500
Insurance premium	-\$100
Health & daycare expenses	-\$300
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Net pay without the plan	\$1,100

### Her paycheck with the plan

Salary	\$2,000
Insurance premium*	-\$100
Health & daycare expenses*	-\$300
Adjusted earnings	\$1,600
FICA, federal & state taxes	-\$400
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Net pay with the plan	\$1,200
*Paid through the plan	



After you've decided how much money you want to set aside from each paycheck and how you want to spend it, enroll in the plan. Then when you're ready to use the money in your flex account, simply swipe your CPNFLEX benefits card for qualified purchases. When you use your CPNFLEX card for qualified purchases, the money is instantly deducted from your flex benefit account.

You won't have to reach into your pocket to pay for qualified expenses, file a claim, and then wait to get reimbursed. If your provider does not accept Visa, you may pay your provider directly, then submit an EOB or itemized statement and wait for a reimbursement check. Or have the money deposited directly into your bank account.

# CPNFLEX WORKSHEET



Take a moment to fill out this worksheet to determine how much money you'll save annually by participating in your employer's flex benefit plan. Simply check off the items you wish to save for and budget how much you'll spend in the upcoming year on those products and services. Fill in the estimate in the space next to each item. Then add up each category and place those totals in the corresponding section below the checklist. Then enroll in your plan.

## HEALTH CARE EXPENSES (estimated) FOR EXPENSES NOT PAID BY INSURANCE

### PRESCRIPTIONS & CO-PAYS

- Prescription drugs & co-pays \$ \_\_\_\_\_
- Diabetic supplies & insulin \$ \_\_\_\_\_

### DOCTOR FEES & CO-PAYS

- Doctor co-pays \$ \_\_\_\_\_
- Office visits & checkups \$ \_\_\_\_\_
- Psychologist & psychiatrist fees \$ \_\_\_\_\_
- Obstetrics \$ \_\_\_\_\_
- Lab tests & body scans \$ \_\_\_\_\_
- Chiropractic & podiatrist fees \$ \_\_\_\_\_
- Reconstructive surgery \$ \_\_\_\_\_  
(birth defect, disease)

### OVER-THE-COUNTER

Medicines & supplies  
(OTC drugs and medicines must be accompanied by a physician's prescription in order to be reimbursed by your plan.)

### DENTAL SERVICES & SUPPLIES

- Dental cleanings, fillings & x-rays \$ \_\_\_\_\_
- Sealants, crowns, bridges & dentures \$ \_\_\_\_\_
- Braces, spacers & retainers \$ \_\_\_\_\_
- Wisdom teeth, implants & oral surgery \$ \_\_\_\_\_

### VISION SERVICES & SUPPLIES

- Prescribed sunglasses & eyeglasses \$ \_\_\_\_\_
- Contact lenses, solutions & supplies \$ \_\_\_\_\_
- Eye exams, surgery & LASIK \$ \_\_\_\_\_

### HEALTH IMPROVEMENT PROGRAMS

- Physical & speech therapy \$ \_\_\_\_\_
- Weight-loss program \$ \_\_\_\_\_  
(Prescribed by doctor)
- Quit-smoking program & medications \$ \_\_\_\_\_
- Alcoholism & drug treatment \$ \_\_\_\_\_

### HEALTH-RELATED EXPENSES

(Generally, these items require a doctor's prescription)

- Hearing aids, batteries & exams \$ \_\_\_\_\_
- Artificial limbs & braces \$ \_\_\_\_\_
- Arches & orthopedic shoes \$ \_\_\_\_\_
- Walkers, canes & wheelchairs \$ \_\_\_\_\_
- Medical alert bracelet & fees \$ \_\_\_\_\_
- Wigs for hair loss caused by disease \$ \_\_\_\_\_
- Travel & mileage to doctor or hospital \$ \_\_\_\_\_

TOTAL HEALTH CARE

1	\$
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## DEPENDENT CARE EXPENSES (estimated)

SO YOU CAN WORK

- Nanny & babysitter thru age 12 \$ \_\_\_\_\_
- Pre-K or nursery school \$ \_\_\_\_\_
- Before & after-school care thru age 12 \$ \_\_\_\_\_
- Day camp thru age 12 \$ \_\_\_\_\_
- Day care for disabled adult or child \$ \_\_\_\_\_
- Elder day care for parent or dependent \$ \_\_\_\_\_

TOTAL DEPENDENT CARE

2	\$
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## INSURANCE PREMIUMS (estimated)

DEDUCTED FROM YOUR PAYCHECK

- Health insurance (your share only) \$ \_\_\_\_\_

TOTAL INSURANCE PREMIUMS

3	\$
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## ESTIMATED ANNUAL EXPENSES AND TAX SAVINGS

1	+	2	+	3	=	\$
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Save up to 25% on FICA, federal & state income tax  
(in applicable states).

x 25%

YOU SAVE

\$
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# IMPORTANT INFORMATION

## What is the Flex Benefit Plan?

It's a benefit provided by your employer that lets you set aside a certain amount of your paycheck into an account before paying income taxes. Then, during the year, you can use funds in the account to pay for qualified expenses with the untaxed dollars. You are not taxed on the dollars you use in your account(s).

## What are the benefits of participating in a Flex Plan?

Your biggest benefit is saving payroll withholding taxes. What that means to you is that you could save up to \$25 on every \$100 you budget to pay for qualified expenses with the money in your flexible benefit account. That's because you don't pay taxes on the money you set aside each pay period for your flex account. (Your savings are based on the percentage of payroll taxes you would have paid had you not put your money into a flex account.)

## What expenses qualify for payment with my Flex Dollars?

Most qualified expenses are for goods or services that you'll buy anyway. They include health care costs such as co-pays and doctors' fees, prescribed over-the-counter drugs and prescriptions ([click here](#) for the **FSA Store**), dental and eye care expenses, and day care expenses for dependents so you can work.

## How do I pay for qualified expenses?

Your CPNFLEX benefits card is the most convenient way to pay. And what's best, you don't have to reach into your pocket when you use the card to pay qualified expenses. By paying with the card, your purchase is deducted from the appropriate balance in your account(s).

## Do I need to file claim forms?

You only need to file a claim when the merchant or provider does not accept your card, or you happen to pay for an expense out-of-pocket. It is easy to file a claim. Just complete a claim form, attach a copy of the itemized statement/EOB, and then send to CPN. You'll receive your TAX-FREE reimbursement in a short time. Even if you use your CPNFLEX card, you are required to keep your statements. Occasionally, you may be asked to provide documentation of purchases made with your CPNFLEX card.

## How do I know how much is available for me to spend?

Your balance and other account details are always available online [www.cpnflex.com](http://www.cpnflex.com) / Employee Login or by contacting CPN's customer service hotline by [pressing option 1](#) at (local) 901.756.8244 / (toll free) 800.737.0125. Or you may contact CPN via email: [claims@cpnflex.com](mailto:claims@cpnflex.com)

## Must money be deposited in my account before I file a claim?

NO. The entire annual amount you elect for the Health Flexible Spending Account (FSA) is available on the first day and throughout the plan year. However, funds in the Dependent Care Account are available ONLY when they are deposited into your account.

## I already have health insurance. Why should I participate in the Health FSA Account?

The Health FSA Account is used to pay for expenses not covered by insurance. These include co-pays, prescribed over-the-counter medications, glasses, contacts, orthodontics, and prescription drugs, just to name a few.

## I don't use my employer's health insurance. Can I still save?

YES. You can still set aside money through regular payroll deductions (before taxes are taken out) to budget and pay for qualified expenses. Remember, a qualified expense paid from this plan cannot be reimbursed from another plan.

## I take a dependent care credit on Form 1040. Will this Dependent Care Account save more?

The more you earn, the more you'll save. In addition, you'll also save social security tax (FICA) with a Dependent Care Account. So don't wait until April 15<sup>th</sup> to take the credit. Now you can save taxes on every paycheck. Which is best for you?

## If I set aside part of my pay, won't I make less money?

NO. For every dollar you set aside to pay qualified expenses, you save FICA, federal income tax and (where applicable) state withholding. Your net take-home pay will increase by the taxes you save. Plus, when you pay a qualified expense or receive a cash reimbursement, it's TAX-FREE.

## Can I change my contributions during the year?

Only in certain situations. For the Health Account and Dependent Care Account, you can change your election if you have a change in status or a change in your employment or the employment of your spouse or a dependent.

## What if I don't use all of the money in my account?

Unused FSA balances may not be paid to you in cash or used in a later year. However, for the Health FSA or Dependent Care Account, your employer may have elected to allow you to incur expenses up to 2-1/2 months after the plan year end and use the remaining plan year balance to reimburse those expenses. Or, for the Health FSA plans, up to \$500 of unused dollars could potentially carryover to the next plan year.

## What happens to my account if I terminate employment?

You may request reimbursement from your FSA for qualified Expenses incurred prior to your termination. Check your Employer's Summary Plan Description for additional rights provided by your employer's plan.

## What is the difference between the 2 1/2 month extension and \$500 carryover provisions?

**2 1/2 Month Extension** – Allows for two and a half months after prior plan year is over, an employee may claim expenses, and funds will disburse from their prior year funds first.

**\$500 Carryover** – After prior plan year "run-off" period\* has expired, up to \$500 unused Medical FSA funds from that prior year will carry over to their next "current" plan year to be used for "current" plan year dates of service.

\*Consult your HR/Benefits Department for your "run-off" period dates.