

Enroll in your employer's *flexible benefit plan* and you'll save **\$25 to \$40*** 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)

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 **take care®** Expense Receipts

Whether you pay for qualified expenses with your **take care®** 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 **take care®** 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 **take care®** flex benefit card.

*Your actual savings on the contributions you make to your flex benefit plan is based on the percentage of payroll taxes you would have paid had you not put your money into a flex account. Your annual savings are determined by multiplying your total budgeted expenses by the percentage of payroll taxes you pay.

take care® OF YOURSELF 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

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	\$
---	----

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	\$
---	----

INSURANCE PREMIUMS (estimated)

DEDUCTED FROM YOUR PAYCHECK

- Health insurance (your share only) \$ _____
- Other (your share only)

TOTAL INSURANCE PREMIUMS

3	\$
---	----

ESTIMATED ANNUAL EXPENSES AND TAX SAVINGS

1		+	2		+	3		=	\$
---	--	---	---	--	---	---	--	---	----

Save between 25% and 40% on FICA, federal & state income tax (in applicable states)

Based on national averages, you'll save 25% if your annual household earnings are less than \$30,000,

36% if you earn \$30,000 to \$60,000, or 40% if you earn more than \$60,000.

Federal and/or plan limits apply to all options. See your Summary Plan Description for plan limits.

x 25%

YOU SAVE

\$

IMPORTANT INFORMATION

What is the take care® 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 [take care](#) 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'll save \$25-\$40 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 [take care](#)® Visa® flex 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 [take care](#) account(s). Note: Effective January 1, 2011, you will not be able to use the [take care](#) card to pay for over-the-counter (OTC) medicines. These items must be paid for with a personal check, cash, credit or debit card and then a claim must be submitted with a doctor's prescription for the OTC item(s) and a receipt, in order to be reimbursed from your flex account.

Do I need to file claim forms?

You only need to file a claim when purchasing OTC items or when the merchant or provider does not accept your [take care](#) card. 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 [take care](#) card, you are required to keep your statements. Occasionally, you may be asked to provide documentation of purchases made with your [take care](#) 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 / 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

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 Account?

The Health 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 15th 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?

YES, but 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?

Generally, unused 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, \$500 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 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.

www.cpnflex.com



HERE'S HOW THE **take care**® PLAN WORKS

SAVE 25% TO 40% 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

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

TOTAL BUDGETED EXPENSES

\$ 6,580

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

Single person no children

- Co-pays to doctors & pharmacies \$ 135
- Drugs Rx & (prescribed over-the-counter) \$ 540
- Eye exams & LASIK \$ 80
- Prescribed sunglasses & eyeglasses \$ 200
- Dental cleanings, fillings & x-rays \$ 165
- Quit-smoking program \$ 120

TOTAL BUDGETED EXPENSES

\$ 1,240

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

Mature couple with dependent elder

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

TOTAL BUDGETED EXPENSES

\$ 7,500

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

*Annual savings are determined by multiplying your total budgeted expenses by the percentage of payroll taxes you pay. In these examples, the smallest savings is based on a 25% rate and the largest savings is based on a 40% tax rate.

Here's an example of how a typical employee's take-home pay will increase as a result of participating in the **take care** 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

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

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 to spend it, enroll in the plan. Then when you're ready to use the money in your flex account, swipe your **take care**® Visa® flex benefits card for qualified purchases. When you use your 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.