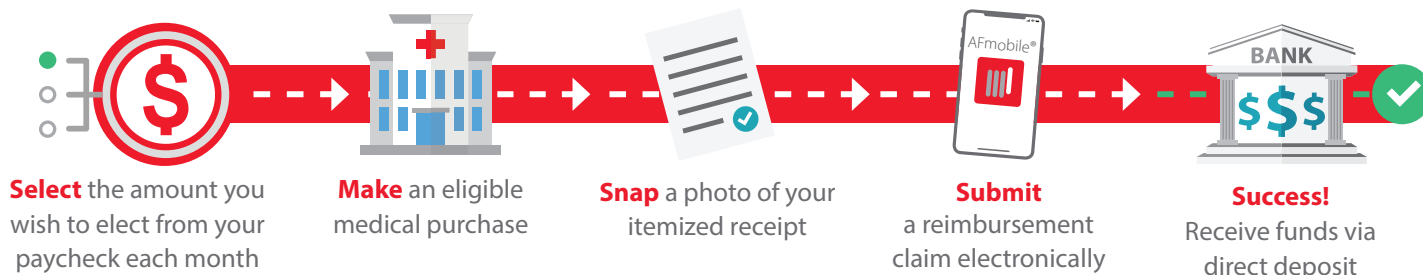


Plan Today for Tomorrow's Costs.

With medical costs continuing to rise, tools to help manage out-of-pocket medical expenses can be a popular choice.

One option is a Healthcare Flexible Spending Account (HCFSA). Healthcare FSAs allow you to set aside money tax-free for eligible medical costs, such as doctor visits, prescription drugs, prescription contact lenses, and dental procedures. Additionally, your entire election amount is available to you at the beginning of your plan year.

Here's How It Works



Learn how to file reimbursement claims at americanfidelity.com/fileclaim

Paycheck Savings Example

In the example to the right, Jane makes \$2,000 per paycheck and is paid twice a month. By participating in an HCFSA, she would save \$82.96 a month.

That's a savings of \$995.52 a year.

To calculate your possible savings, visit americanfidelity.com/s125-calculator

Earnings & Hours	Without FSA	With FSA
Gross Pay	\$2,000	\$2,000
Health Insurance	-\$150	-\$150
Health FSA Contribution	N/A	-\$150
Taxable Income	\$1,850	\$1,700
Taxes (Federal & State @ 20%)	-\$370	-\$340
Less Estimated FICA (7.65%)	-\$141.53	-\$130.05
Out-of-Pocket Medical Expenses	-\$150	N/A
Take Home Pay	\$1,188.47	\$1,229.95

Examples of Eligible Expenses

Over-the-counter drugs and medicines without a prescription

Prescription contacts
Prenatal care
Copays/Co-insurance
Physical exams

Asthma treatments
Dental services
Laser eye surgery
Chiropractic care

Eye exams/eyeglasses
Physical therapy
Deductibles
Menstrual products

For a list of eligible expenses visit americanfidelity.com/eligible-expenses

Internal Revenue Code (IRC) Requirements

IRC guidelines are strict where tax breaks are made available. As your plan provider, we are required to follow IRC rules.

! **First, the money you set aside operates under a “use or lose” system.** That means you’ll want to use all of your funds prior to the next plan year or you will lose whatever amount is left.

Ask if your employer’s plan includes a Runoff Period and Carryover Provision or Grace Period.

- **Runoff Period**
A period typically up to 90 days after the plan year ends when you can submit claims that you incurred during the previous plan year, but have not been submitted for reimbursement.
- **Carryover Provision**
This provision allows you to carry over up to \$500 of unused contributions from one plan year to the next.
- **Grace Period**
An additional two and a half months following the end of the plan year in which you can incur claims and receive reimbursement.

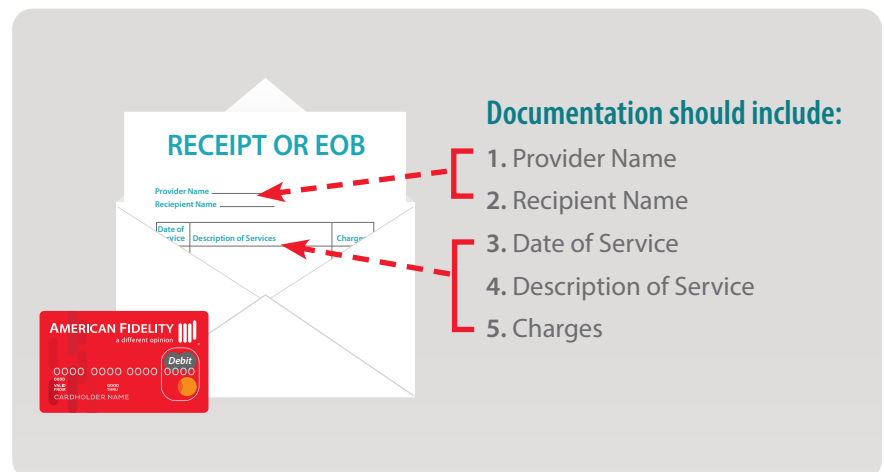
! **Second, the IRC requires proof for eligible expenses.** For expenses that aren’t validated at the time of debit card swipe, an itemized receipt or Explanation of Benefits (EOB) must be submitted to prove eligibility of the expense. Submitting documentation through AFmobile® or online is the fastest way to validate a claim.

Using your Benefits Debit Card

A Benefits Debit Card allows you to pay for eligible medical expenses using the funds in your Healthcare FSA. The card may be used at locations who accept Mastercard® and have been identified as an authorized medical merchant.

To verify transactions, submit an EOB or itemized receipt after your transaction or if you receive a documentation request letter.

Learn more about your debit card at americanfidelity.com/debit-card



RECEIPT OR EOB

Provider Name
Recipient Name
Date of Service
Description of Services
Charge

AMERICAN FIDELITY
a different opinion
Debit
0000 0000 0000
CARDHOLDER NAME

Documentation should include:

1. Provider Name
2. Recipient Name
3. Date of Service
4. Description of Service
5. Charges



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