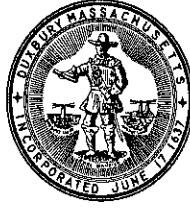


Town of Duxbury, Massachusetts

OFFICE OF HUMAN RESOURCES



DATE: November 17, 2011
TO: All Benefit Eligible Employees
FROM: Jeannie Horne, Human Resources Officer *JH*
SUBJ: New 'Benny Card' for Medical Flexible Spending Account, Extended Flexible Spending Account Annual Enrollment Deadline, Fitness Reimbursement and 'Employee Notices' Reminder

Medical and Dependent Care Flexible Spending Accounts (FSAs) Update- I'm pleased to announce a significant enhancement to the Medical FSA benefit. *Effective January 1, 2012 all participants in the Medical FSA will receive the 'Benny Prepaid Benefit Card'; a debit card for eligible medical expenses eliminating the need for claims forms and reimbursements.* You'll have quick access to the money you've set aside on a pre-tax basis in your medical FSA for qualified medical expenses not covered by your health insurance. (See the attached 'Benny' brochure for details.) Note: The 'Benny Card' is not available for the Dependent Care FSAs. Set up your Medical and/or Dependent Care FSA with Cafeteria Plan Advisors, Inc., pay the \$5.00 monthly administrative fee through payroll deductions and reduce your Federal and State taxes by 28-34%. *Enroll before November 30, 2011 December 2, 2011 for the January 1 – December 31, 2012 plan year.*

To enroll, complete the below steps before December 2, 2011:

1. Contact CPA, Inc. at 1-800-544-2340 or <http://www.cpa125.com/> if you have questions, or want more information
2. Complete the attached 'Authorization For Pre-Tax Payroll Reduction' form
3. Mail/fax your completed 'Authorization For Pre-Tax Payroll Reduction' form to CPA, Inc. using the instructions on the form

MEDICAL FLEXIBLE SPENDING ACCOUNT (FSA)

The Medical FSA allows you to set aside up to \$5,000 on a pre-tax basis for expenses not covered by insurance. Some examples of reimburseable out-of-pocket expenses include co-payments for office visits, prescriptions, and emergency rooms. (See the attached 'Health Care FSA Eligible and Ineligible Expenses' for details).

DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT (FSA)

The Dependent Care FSA allows you to set aside up to \$5,000 on a pre-tax basis for expenses related to care for your child or elderly parents. In most instances participation in the Dependent Care FSA results in a greater tax savings than the Dependent Care Tax Credit (but speak with your tax advisor to determine which option would provide the greatest tax benefit for you). Some examples of eligible Dependent Care Expenses include: daycare, before/after school care, pre-school, and summer day camp.

IMPORTANT: FSA forms received after the new extended deadline of December 2, 2011 cannot be included in the 2012 plan.

Submit your Fitness Benefit Reimbursement Requests - Participants of the Town/School Blue Cross Blue Shield PPO or HMO health plans can request a reimbursement of up to \$300 per calendar year for qualified health club membership fees. (See the attached 'Fitness Benefit Form' for details.)

Subscribe to 'Employee notices' to Stay Informed About Benefits and Events - All employees can go to the Town website and sign up for 'Employee notices' using this link: <http://www.town.duxbury.ma.us/subscriber> Whenever a new event or document is posted to the website you will receive a in your personal email box, automatically. If you decide that you no longer want to receive notices automatically, you can use the following form to remove your name from the list.

To subscribe, or unsubscribe, to 'News & Announcements' you are required to supply the following information:

- Select an action: Add My Name or Remove My Name
- Select from the Mail Lists: e.g. News & Announcements
- Your e-mail address: e.g. yourname@yahoo.com

If your email address is correct then the Subscriber will respond to your request promptly and you will receive an email confirmation in your incoming mailbox. In order to protect your privacy, you **MUST** reply to this email in order to receive postings from the list. This is a receive-only list and you may remove your name from it at any time by using this form.



Uncle Sam Wants to Help You!

Did you know that you can deduct medical expenses from your federal tax return? But, only 8% of U.S. taxpayers have enough medical expenses to qualify. That means 92% get NO tax benefit.

However, there is a tax-saving benefit that 100% of employees can enroll in – a Flexible Spending Account! You can sign up for an FSA and set aside tax-free funds for your out-of-pocket medical expenses. With an FSA, your health care contribution amount is deducted from your paycheck each pay period, in equal installments throughout the year – before federal, Social Security, and (in most cases) state income taxes are taken out. So, every dollar you put in an FSA means **more tax-free, spendable income.**

Now that you know that FSAs are a smart move, see how The Benny Prepaid Benefits Card makes it easy!

The easy way to pay is in the Cards.

Having a Health Care Flexible Spending Account (FSA) is a good idea. The Benny® Prepaid Benefits Card makes it fast and convenient to access the money you've set aside in your FSA. Benny contains the value of your annual health care FSA election amount, and you can use Benny to pay for qualified medical expenses not covered by your health insurance. Benny automatically deducts the cost of your eligible expenses from your FSA just swipe and go. It's that easy!

Benny® helps you save time, money and paperwork!

Using Benny helps keep cash in your wallet. You'll never "pay twice" – first from your paycheck into your FSA and then again at the time of purchase. You'll have no claim forms to complete, and you won't have to wait to get a check in the mail. You can check balances or account details online anytime or with a quick phone call.

And, there are tens of thousands of merchant locations where you can use the Card for the purchase of eligible prescription out-of-pocket and eligible over-the-counter (OTC) expenses, and you won't have to routinely submit receipts to verify the purchase. But, it's always a good idea to save your receipts for easy reference, and the IRS may require them.

You can use the Card to pay for:

- Prescription and health plan copayments, deductibles and coinsurance
- "Amount Due" on medical and dental statements
- Orthodontics
- Mail-order or online prescription invoices
- Vision services and eyeglasses
- LASIK surgery
- Eligible over-the-counter (OTC) items** such as:
 - First Aid, Dressings and Supplies – bandages, rubbing alcohol
 - Contact Lens Solutions/Supplies
 - Diagnostic Products like thermometers, blood pressure monitors, cholesterol testing
 - Insulin and Diabetic Testing Supplies

** The list of eligible OTC items has changed per the Patient Protection and Affordable Care Act of 2010. Contact your Plan Administrator for more information.

And how do you get your Benny?

Look for details during open enrollment, or ask your Human Resources representative for more information.

How do you want to pay for your out-of-pocket health care expenses?

With dollars that haven't been taxed?

Or with dollars that have been taxed?



The average family of four in the U. S. can expect to pay almost \$3,300 a year on out-of-pocket medical expenses.

Out-Of-Pocket Expenses	Annual Average	Taxes Saved (27% tax bracket)*
Physician	\$1,030	\$278
Inpatient Hospital	\$1,045	\$282
Pharmacy	\$560	\$151
Outpatient Hospital	\$525	\$142
Other	\$120	\$32
TOTAL:	\$3,280	\$885

If that \$3,280 were put into a Health Care FSA, the family could save over \$855 in taxes.

Out-of-pocket expenses through member cost sharing at time of service. Per Milliman Medical Index 2011, published May 2011.

For additional information, go to

Cafeteria Plan Advisors, Inc.

420 Washington Street

Suite 100

Braintree, MA 02184

781-848-9848

www.cpa125.com

Learn more during your open enrollment!

Benny

4000 1254 5678 9010

EV 15
BENNY CARD

*The amount you save in taxes with a Flexible Spending Account will vary depending on the amount you set aside in the account; your annual earnings; whether or not you pay Social Security taxes; the number of exemptions and deductions you claim on your tax return; your tax bracket and your state and local tax regulations. Check with your tax advisor for information on how participation will affect your tax savings.

This brochure highlights some of the benefits of the Benny® Prepaid Benefits Card. If there is a discrepancy between this material and your official plan document, the plan document will govern. Evolution reserves the right to amend or modify the services at any time.

This document is confidential to Evolution¹, Inc. (formerly known as Evolution Benefits, Inc.) and may not be used, copied or disclosed except with express prior written consent of Evolution¹, Inc. Evolution¹ makes no warranties, expressed or implied in connection with its content. Benny is a registered service mark of Evolution¹, Inc. The Benny® Prepaid Benefits Card is issued by The Bancorp Bank, pursuant to license from Visa U.S.A. Inc. or MasterCard International Incorporated. The Bancorp Bank, Member FDIC. Copyright © 2011 Evolution¹, Inc., all rights reserved. Business processes protected under US Patents 7,174,302, 7,197,468 and 7,680,679 with additional patents pending.

EC-071 081511

Isn't It Time To Save On Your Health Care Expenses?



Sign up for a flexible Spending Account and save all year long!

Benny

And, get the Benny® Prepaid Benefits Card to make it easy.

CPA, Inc.
420 Washington St. Suite 100
Braintree, MA 02184
781.848.9848 (Phone)
www.CPA125.com

AUTHORIZATION FOR PRE-TAX PAYROLL REDUCTION

SIGNED FORM MUST BE RETURNED BY:

781.848.8477 (Fax)

Name _____

Street _____

City, State, Zip _____

E-Mail Address: _____

I am a: Municipal Employee School Employee

I am paid: Weekly Bi-Weekly 26 Bi-Weekly 21

Employer: _____

Plan Year: _____
(expenses must be incurred between these dates)

SSN: _____

Phone: _____

Department/Location: _____

Semi-Monthly Monthly Other: _____

Benefits Selected:

FSA Dependent Care Account/Daycare (\$5,000 maximum) I elect to contribute \$ _____ for the Plan Year.
(requires dependent care certification form – available online)

FSA Medical/Dental Care Account (\$ plan maximum) I elect to contribute \$ _____ for the Plan Year.
(does not include insurance premiums)

FSA Administrative Fee: \$ _____ for the Plan Year.

Direct Deposit Information: (REQUIRED, unless already on file with CPA, Inc.)

I hereby authorize Cafeteria Plan Advisors, Inc. to deposit my claim reimbursements directly to my bank. I also authorize drafts to adjust any over deposits that were credited to my account. I will contact CPA, Inc. immediately with any bank information changes.

Name of Bank: _____ Checking Savings

Routing Number (9 digits): _____ Account Number: _____

I hereby authorize a salary reduction for the amount(s) shown above. I understand that:

- This election cannot be revoked or changed during the plan year without a qualifying event as defined in the IRS regulations.
- Dependents must qualify under regulations set forth by the IRS.
- Services must be consistent with allowable medical deductions under the IRS Code.
- Failure to return this signed form to CPA, Inc. by the deadline will result in termination from the plan.

Signature: _____ Date: _____

Note: Effective 1/1/2011, over-the-counter medicines will no longer be an eligible expense per the Health Care Reform Act.

Health Care FSA Eligible and Ineligible Expenses

Maximize the Value of Your Reimbursement Account

Your Health Care Flexible Spending Account (FSA) dollars can be used for a variety of out-of-pocket health care expenses. The following is based on a list of eligible and ineligible expenses used by federal employees.

Eligible Expenses

BABY/CHILD TO AGE 13

- Lactation Consultant*
- Lead-Based Paint Removal
- Special Formula*
- Tuition: Special School/Teacher for Disability or Learning Disability*
- Well Baby /Well Child Care

DENTAL

- Dental X-Rays
- Dentures and Bridges
- Exams and Teeth Cleaning
- Extractions and Fillings
- Oral Surgery
- Orthodontia
- Periodontal Services

EYES

- Eye Exams
- Eyeglasses and Contact Lenses
- Laser Eye Surgeries
- Prescription Sunglasses
- Radial Keratotomy

HEARING

- Hearing Aids and Batteries
- Hearing Exams

LAB EXAMS/TESTS

- Blood Tests and Metabolism Tests
- Body Scans
- Cardiograms
- Laboratory Fees
- X-Rays

MEDICAL EQUIPMENT/SUPPLIES

- Air Purification Equipment*
- Arches and Orthotic Inserts
- Contraceptive Devices
- Crutches, Walkers, Wheel Chairs
- Exercise Equipment*
- Hospital Beds*
- Mattresses*
- Medic Alert Bracelet or Necklace
- Nebulizers
- Orthopedic Shoes*
- Oxygen*
- Post-Mastectomy Clothing
- Prosthetics
- Syringes
- Wigs*

MEDICAL PROCEDURES/SERVICES

- Acupuncture
- Alcohol and Drug/Substance Abuse (inpatient treatment and outpatient care)
- Ambulance
- Fertility Enhancement and Treatment
- Hair Loss Treatment*
- Hospital Services
- Immunization
- In Vitro Fertilization
- Physical Examination (not employment-related)
- Reconstructive Surgery (due to a congenital defect, accident, or medical treatment)
- Service Animals
- Sterilization/Sterilization Reversal
- Transplants (including organ donor)
- Transportation*

MEDICATIONS

- Insulin
- Prescription Drugs

OBSTETRICS

- Doulas*
- Lomaze Class
- OB/GYN Exams
- OB/GYN Prepaid Maternity Fees (reimbursable after date of birth)
- Pre- and Postnatal Treatments

PRACTITIONERS

- Allergist
- Chiropractor
- Christian Science Practitioner
- Dermatologist
- Homeopath
- Naturopath*
- Optometrist
- Osteopath
- Physician
- Psychiatrist or Psychologist

THERAPY

- Alcohol and Drug Addiction
- Counseling (not marital or career)
- Exercise Programs*
- Hypnosis
- Massage*
- Occupational
- Physical
- Smoking Cessation Programs*
- Speech
- Weight Loss Programs*

Note: This list is not meant to be all-inclusive, as other expenses not specifically mentioned may also qualify. Also, expenses marked with an asterisk (*) are "potentially eligible expenses" that require a Note of Medical Necessity from your health care provider to qualify for reimbursement.

The IRS does not allow the following expenses to be reimbursed under Health Care FSAs, as they are not prescribed by a physician for a specific ailment.

Ineligible Expenses

- Contact Lens **Insurance** or Eyeglass **Insurance**
- Cosmetic Surgery/Procedures
- Electrolysis
- Insurance Premiums and Interest (FSA Ineligible Only)
- Long Term Care Premiums (FSA Ineligible Only)
- Marriage or Career Counseling
- Personal Trainers
- Sunscreen (spf less than 30)
- Swimming Lessons

Note: This list is not meant to be all-inclusive.

Please Note: The IRS will not allow OTC medicines or drugs to be purchased with Health Care FSA or HRA funds unless accompanied by a prescription.

Eligible Over-the-Counter Items

Note: Products that do not have a prescription are eligible for purchase with Health Care FSAs and HRAs.

The following is a high level list of Over-the-Counter (OTC) items that clearly are not medicine or drugs and are eligible for purchase with Health Care FSA Plans.

- **Antiseptics, Wound Cleaners**
Alcohol, peroxide, Epsom salt,
- **Baby Electrolytes**
Pedialyte, Enfalyte
- **Denture Adhesives, Repair, and Cleaners**
PoliGrip, Benzodent, Efferdent
- **Diabetes Testing and Aids**
Insulin, Ascencia, One Touch, Diabetic Tussin, insulin syringes; glucose products
- **Diagnostic Products**
Thermometers, blood pressure monitors, cholesterol testing
- **Elastics/Athletic Treatments**
ACE, Futuro, elastic bandages, braces, hot/cold therapy, orthopedic supports, rib belts
- **Eye Care**
Contact lens care
- **Family Planning**
Pregnancy and ovulation kits
- **First Aid Dressings and Supplies**
Bond Aid, 3M Nexcare, non-sport tapes
- **Hearing Aid/Medical Batteries**
- **Incontinence Products**
Attends, Depend, GoodNites for juvenile incontinence
- **Reading Glasses and Maintenance Accessories**

Fitness Benefit Form

PLEASE PRINT ALL INFORMATION CLEARLY

**DO NOT WRITE IN THIS SPACE
OFFICE USE ONLY**

Subscriber Information (Person in whose name coverage is held)					
Identification Number (including alpha prefix)	Subscriber's Last Name	First Name	Middle Initial		
Address—Number and Street		City	State	Zip Code	
Employer's Name					
Member Information					
Member's Last Name	First Name	Middle Initial	Date of Birth: Mo.	Day	Yr.
Mailing Address (if different from subscriber's) Number and Street		City	State	Zip Code	
Gender	Claimant is (check one):				
<input type="checkbox"/> Male	<input type="checkbox"/> Subscriber (coverage holder)	<input type="checkbox"/> Child (age 18 or younger)	<input type="checkbox"/> Student (age 19 or older)		
<input type="checkbox"/> Female	<input type="checkbox"/> Spouse (of coverage holder)	<input type="checkbox"/> Handicapped Dependent (age 19 or older)	<input type="checkbox"/> Stepchild		
	<input type="checkbox"/> Other (specify) _____				
When to Submit this Form:					
<ul style="list-style-type: none"> • After you have been a member of a health club and Blue Cross Blue Shield of Massachusetts for a full four months in a calendar year. • Once per calendar year, filed by March 31 of the following year. 					
Health Club Information Required:					
Attach 8.5" x 11" photocopies of dated, paid health club receipts, and your health club agreement/contract.					
Name and Address of Health Club				Benefit Year	

Total Number of Receipt Copies Attached: _____ Total Amount Submitted: \$ _____

Certification and Authorization (This form must be signed and dated below.)

I authorize the release of any information to Blue Cross and Blue Shield of Massachusetts, Inc., about my health club membership. I certify that the information provided in support of this submission is complete and correct and that I have not previously submitted for these services.

Subscriber's/Member's Signature: _____ Date: _____

Please print, fold, and mail this form (including copies of paid receipts and your health club agreement or contract) to:

Blue Cross Blue Shield of Massachusetts
Local Claims Department
PO Box 986030
Boston, MA 02298

Questions?

To verify this benefit is within your plan or for further information, please call the Member Service number on the front of your ID card.





MASSACHUSETTS

Fitness Benefit

If you have a Blue Cross Blue Shield of Massachusetts health plan, we've got a healthy incentive for you.

As a Blue Cross Blue Shield of Massachusetts subscriber, your Fitness Benefit can save you or your family up to \$300¹ per calendar year in qualified health club membership fees. You can claim your Fitness Benefit after you've belonged to your health club and been a Blue Cross Blue Shield of Massachusetts member for a full four months (in a calendar year).

What types of health clubs qualify?

When selecting a health club, you'll need to pick a full-service club with a variety of cardiovascular (i.e. treadmills, bikes, elliptical machines, etc.) and strength-training (i.e. free weights, weight machines, etc.) exercise equipment. To receive the Fitness Benefit for a qualified health club that doesn't require monthly or annual fees for aerobic or fitness activities, just make sure to get full documentation from the club.

Please note that martial arts centers; gymnastics facilities; country clubs; tennis, aerobic, or pool-only facilities; social clubs; and sports teams or leagues do not qualify. You cannot receive the Fitness Benefit for any aerobic/fitness activity fees paid to a non-qualified health club (including those paid for personal training, lessons, coaching, exercise equipment, or clothing).

What do I need to do?

First, check to be sure that your coverage includes the Fitness Benefit. Second, you'll need to have been a member of your health club and Blue Cross Blue Shield of Massachusetts for a full four months (in a calendar year).

Simply send us:

- **The Completed Fitness Benefit Form** (please note that the \$300¹ is per individual or family membership. Submit only once per calendar year, by March 31 of the following year).

- **A copy of your health club agreement or contract** that includes the name and address of the health club and the membership or class dates.
- **8.5" x 11" photocopies of dated, paid receipts**, or your bank or credit card statements, or paycheck stub if your club fees are automatically deducted from those accounts. Receipts or statements should include the name of the family member enrolled in the club and the individual charges for a full four months of health club membership or class fees.

Finally, mail the form and copies of your health club contract and paid receipts or statements to the address at the bottom of the attached claim form. If you have any questions, please call the Member Service number on your ID card.

Note: We encourage you to keep copies of all the paperwork you send us. Any services denied for payment will be noted on your Claim Summary. We do not return any receipts or contract copies, even if they are denied for payment.

Be sure to check with your provider before starting an exercise program.

1. Please be aware that the dollar amount you receive may be considered taxable income. Consult your tax advisor regarding the tax treatment of this reimbursement.