

## PayFlex® Reimbursement Account

Take advantage of all the online features and tools available to you. This guide will help you easily manage your account online.

### Get started

- Go to [stateoftn.payflexdirect.com](http://stateoftn.payflexdirect.com)\* and click **Login**.
- If you're a new user, click **Register Now** and complete the required fields.

### View eligible expense items

After you log in, the list of common eligible expense items is found in **My Resources**.

### View your account balance, deposits and payments

- Click on the **Financial Center** tab.
- From the drop-down menu, select the account you wish to view.
- To view all of your claims, select **Claims**.
- To view all of your payments and deposits, select **Transactions**.

### How to file a claim

You can pay yourself back for an eligible out-of-pocket expense, or you can pay your provider directly from your PayFlex account (if offered). Simply click on **File a Spending Account Claim** under *Quick Links*.

To pay yourself back, select **Pay Me**.

- Enter your claim information. To add additional claims, select **Add Another Claim**.
- Once you enter in all of your claims, click **Next**.
- Confirm all expense details and click **Next**. To make changes, click **Previous**.
- Select **Fax** or **Upload**.
  - To "Fax," click on **Create Coversheet**. Print and sign the form. Fax it with your documentation to the number on the coversheet. When you sign the fax coversheet, you certify that your claim is for an eligible expense.
  - To "Upload," use the **Browse** button. Select your documentation from your computer. To add additional documents, click on **Add Additional Document**.  
**Note:** Each document must be uploaded in PDF format.
- Check the signature box to sign your claim and confirm your submission is for an eligible expense.
- Click **Submit**.

\*If you're an Aetna member, log in at [www.aetna.com](http://www.aetna.com). Click **Access Your Account** to get to your PayFlex member website.

## How to file a claim (continued)

To pay your provider directly, select **Pay Them**.

- Select your payee from the drop-down menu and click **Next**. To add a new payee, click on the + symbol.
- If you add a new payee, complete all the required fields. Click **Save**, then click **Next**.
- Enter your contact number, statement date and invoice number (if applicable); patient name; and any comments you may have. Click **Next**.
- Fill in your claim information and click **Next**.
- Verify that your claim information is correct. Click **Next**.
- Select **Fax** or **Upload**.
  - To “Fax,” click on **Create Coversheet**. Print and sign the form. Fax it with your documentation to the number on the coversheet. When you sign the fax coversheet, you certify that your claim is an eligible expense.
  - To “Upload,” use the **Browse** button. Select your documentation from your computer. To add additional documents, click on **Add Additional Document**.  
**Note:** Each document must be uploaded in PDF format.
- Click **Submit**.

**Note:** Be sure to sign up for the “Explanation of Payment” electronic notification through **My Settings**. This informs you when your claim has been processed.

## Order an additional PayFlex Card®, your account debit card

You can order an additional card for your spouse or dependent.

- Under *Quick Links*, click **Manage My Debit Card(s)**.
- Click on **Order a Dependent Card**.
- Enter the spouse or dependent name and click **Submit**.

## Account notifications

- From **My Dashboard**, click on **My Settings**.
- Click on the notifications link.
- Enter your e-mail address and choose the notifications you wish to receive. You can also choose when and how you'd like to get them. Then click **Submit**.

## For fast reimbursement, enroll in direct deposit

- From **My Dashboard**, on the left side of the screen, click on **My Accounts and Services**. Then click on **Enroll in Direct Deposit**.
- Select your employer (if applicable) and bank account type. Enter your account number, routing number and bank name. Click **Next**.
- Review your account information. If the information is correct, click **Confirm**. If you need to make a change, click **Previous**.

PayFlex Systems USA, Inc.

This material is for informational purposes only. It contains only a partial, general description of plan benefits or programs and does not constitute a contract. It does not contain legal or tax advice. In case of a conflict between your plan documents and the information in this material, the plan documents will govern. Eligible expenses may vary from employer to employer. Please refer to your employer's Summary Plan Description (“SPD”) for more information about your covered benefits. Information is believed to be accurate as of the production date; however, it is subject to change. For more information about PayFlex, go to [payflex.com](http://payflex.com).

Swipe your way to smart savings

## The PayFlex Card®, your account debit card

### Instant access to your money

The PayFlex Card helps make it easier for you to spend the money in your applicable tax-advantaged account. When you use the debit card, it uses the money in your account/s to pay for eligible expenses. Check your plan details at [stateoftn.payflexdirect.com](http://stateoftn.payflexdirect.com) to find out what expenses are eligible under your plan.

### Frequently asked questions

#### How does the card work?

Your PayFlex Card can be used to pay for eligible products and services under your plan. When you receive the PayFlex Card in the mail, call the number on the card to activate it and get your personal identification number (PIN).

To use your card, simply swipe and select either “debit” or “credit.” Please note that some merchants may ask you to select “debit.” This means you’ll need to enter your PIN to complete the transaction.

- If your spouse or dependent also has a PayFlex Card, they will use the same PIN you use.
- You can call Card Services for help if you forget your PIN or want to change your PIN.

After you swipe the card, our system automatically checks to see if you have enough funds to pay for the expense.

**Important Note:** If you’re a State or Higher Education employee and enrolled in both the Health Savings Account (HSA) and Limited Purpose Flexible Spending Account (LPFSA), you’ll use one PayFlex Card for both accounts. Eligible LPFSA expenses will automatically pull from your LPFSA funds first, before using your HSA funds.

\*If you want to use your account funds for OTC drugs and medicine, you’ll need a written prescription from your doctor. After you get the prescription, pay for the expense out of pocket. Then submit a claim to pay yourself back. You can’t use the PayFlex Card.

#### Where can I use the card?

You can use your card at qualified merchants where MasterCard® is accepted, and where merchants can process health care cards. This includes doctor and dental offices, hospitals, pharmacies and hearing and vision care centers. You can also use your card at some discount and grocery stores.

#### What can I pay for with my card?

You can use the card to pay for eligible expenses allowed under your plan. These generally include:

- Deductibles, copays and coinsurance
- Prescriptions and certain over-the-counter (OTC) items\*
- Dental and vision costs

To view the list of common eligible expense items, visit your PayFlex® member website.

**Note:** Some cards might only be able to be used for specific expenses. Check your plan details in your member handbook to confirm before using your card.

#### What if I don’t use my card to pay for an expense?

You can pay for an eligible expense with cash, check or a personal credit card. You can then use features online or through the PayFlex Mobile® app to pay yourself back. You can also fill out a paper form and fax or mail it to PayFlex.

**Note:** Remember to include supporting documentation when you submit your claim.

## Quick tips

**Spending made simple for the family** — If you're a new member, you'll automatically receive one card. You can order additional cards online for your spouse or dependent(s) at no cost.

**Save your receipts** — If you receive a Request for Documentation letter or see an alert message on your account, this means we need documentation for a card purchase.

**Access your account balance** — Log in at [stateoftn.payflexdirect.com](http://stateoftn.payflexdirect.com) to view your available balance on My Dashboard.

**Check your card's expiration date** — Your card is valid for five years, as long as you're an active member. Before your card expires, you'll receive a new card in the mail.

**Replace lost or stolen cards** — Please call us right away at **1-888-879-9280** to report a lost or stolen card.

## Request for Documentation alerts and letters

There may be times that we need documentation from you to verify that your card was used to pay for an eligible item or service. If this happens, we'll post an alert message online or send you a Request for Documentation letter.

To help stay up to date on your card transactions, we encourage you to sign up for debit card notifications through e-mail, web alert or both. Log in to [stateoftn.payflexdirect.com](http://stateoftn.payflexdirect.com) and click on "My Settings." Then click on "Manage Notifications" and select the notifications you wish to receive. Be sure to sign up for the Debit Card Substantiation Notification.

## How to respond to a Request for Documentation alert or letter

If we need more information on a debit card purchase, you have three options.

1. Send us the Explanation of Benefits (EOB) statement or itemized receipt for the card payment. You can upload your documentation to the PayFlex site, send through the PayFlex Mobile app, or fax or mail it to us.
2. Substitute another expense for the one in question. Upload, fax or mail\* the EOB or itemized receipt for another eligible item or service incurred in the same plan year. (Note: This option is only available if you haven't been reimbursed for the item or service. And if you haven't already paid for it with your PayFlex Card.)
3. Pay back your account for the amount in question. Send a personal check or money order directly to PayFlex.

Note: If you don't respond to the request, your card may be suspended until you either send in the requested documentation or pay back the account.

## Questions?

Visit [stateoftn.payflexdirect.com](http://stateoftn.payflexdirect.com), or call us directly at **1-855-288-7936**. We're here to help Monday – Friday, 7 a.m. – 7 p.m. CT, and Saturday, 9 a.m. – 2 p.m. CT.

## New identity theft services

All MasterCard debit card holders now have access to Identity Theft Resolution Services at no cost. If your PayFlex Card is lost or stolen and you believe you're a victim of identity theft, this service can assist you with the process of restoring your identity.

For more information, call the MasterCard Assistance Center at **1-800-MC-ASSIST (1-800-622-7747)**.

\*If you choose to fax or mail documentation, include a copy of your Request for Documentation letter.

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## Medical Program Details

The Medical Expense Reimbursement Account is one of the tax saving options available to The University of Tennessee employees through the Flexible Benefits Plan. The Medical Expense Reimbursement Account is generally beneficial to anyone who has predictable out-of-pocket medical expenses. There is a maximum contribution limit of \$2,550.

## Eligible Medical Expenses

As a general rule, any categories of expenses that could be deducted on an IRS Form 1040 for medical expenses, **except insurance premiums**, can be paid for with pre-tax dollars through the Medical Expense Reimbursement Account. You may file medical expenses for yourself, your spouse (if filing a joint tax return), and any other person you claim as a dependent on your federal income tax return.

The Medical Expense Reimbursement Account allows you to use tax-free money to pay for almost all medical expenses incurred by you and your family that are not already covered by an insurance policy. While everyone has such expenses, the attractiveness of the reimbursement account depends upon the amount of such expenses you and your dependents pay out-of-pocket each year. You may use the account for reimbursement of your co-payments, co-insurance and deductible amounts on dental and vision care not covered by insurance, prescription drugs, the costs of some elective procedures, and a host of other expenses. A complete list is available in IRS Publication 502.

### Examples of eligible medical expenses:

Acupuncture	Immunizations
Birth control Pills	Laboratory fees
Braille books and magazines	Lasik's Surgery
Co-insurance amounts	Lodging for medical treatment (max \$50 per night)
Contact lenses	Nursing home medical expenses
Reconstructive surgery	Orthodontic care
Deductibles – Insurance	Over-the-counter (OTC) items excluding medicines*
Dental expenses (not cosmetic)	Prescription Drugs
Expenses for alcohol/drug addiction treatment	Massage Therapy (with letter of medical necessity)
Eye examinations	Medical Equipment (for medical condition)
Oxygen	Prescribed foods (with prescription and letter of medical necessity)
Eye glasses	Smoking Cessation Programs
Guide dogs	Special schools for handicapped
Health screening examinations	Therapy received as medical treatment
Hearing aids/batteries	Transportation to receive medical care
Hospital services	X-ray fees

**\* Section 9003 of the Affordable Care Act established a new uniform standard for medical expenses. Effective Jan. 1, 2011, distributions from health FSAs will be allowed to reimburse the cost of over-the-counter medicines or drugs only if they are purchased with a prescription and a letter of medical necessity. This new rule does not apply to reimbursements for the cost of insulin, which will continue to be permitted, even if purchased without a prescription. The new rule does not apply to items for medical care that are not medicines or drugs. Thus, equipment such as crutches, supplies such as bandages, and diagnostic devices such as blood sugar test kits will still qualify for reimbursement if purchased after Dec. 31, 2010, regardless of whether the items are purchased using a prescription.**

## **Medical Expenses that are NOT ELIGIBLE:**

The following items are *not* eligible for reimbursement under the Medical Expense Reimbursement Account:

- **Over the Counter Medicines are no longer eligible effective January 1, 2011**
- Premiums for health insurance coverage such as major medical, dental, vision, cancer, life, accidental death, disability, or hospital indemnity insurance
- Health club dues or exercise programs for services not related to a particular medical condition
- Nonessential cosmetic surgery
- Bleaching or other forms of whitening of teeth or cosmetic dentistry
- Diaper service
- Funeral expenses
- Household help
- Advance reimbursement of future or projected medical expenses
- Expenses incurred in a prior plan year and paid during the current plan year
- Medical expenses claimed on your tax return
- Marriage and family counseling
- Massage Therapy to reduce stress or improve general help (it is only eligible if prescribed by a physician for a specific illness, injury, trauma or condition and is accompanied by a letter of medical necessity)

## **Over the Counter Medicines (OTC)**

### **\*\*Important changes that went into effect January 1, 2011\*\***

Effective January 1, 2011 over-the-counter drugs will no longer be reimbursable under the health flexible spending account (FSA), unless the drugs are prescribed by a physician.

**Section 9003 of the Affordable Care Act established a new uniform standard for medical expenses. Effective Jan. 1, 2011, distributions from health FSAs will be allowed to reimburse the cost of over-the-counter medicines or drugs only if they are purchased with a prescription. This new rule does not apply to reimbursements for the cost of insulin, which will continue to be permitted, even if purchased without a prescription. The new rule does not apply to items for medical care that are not medicines or drugs. Thus, equipment such as crutches, supplies such as bandages, and diagnostic devices such as blood sugar test kits will still qualify for regardless of whether the items are purchased using a prescription.**

## Dependent Care Program Details

The Dependent Care Reimbursement Account (for child care) is another of the tax saving options available to The University of Tennessee employees through the Flexible Benefits Plan. Dependent Care expenses make up a significant part of many family budgets. The tax free Dependent Care Reimbursement Account lets you use tax free dollars to pay for such care if it is necessary to allow you to work and, if you are married, to allow your spouse to work or attend school full-time. (If married, both spouses must be employed unless your spouse is a full-time student for at least five months during the year, or mentally or physically disabled and unable to provide self care.)

## Dependent Care Contribution Limits

Depending upon your circumstances, you can contribute up to \$5,000 a year into your Dependent Day Care Reimbursement Account. If you file your income taxes as "head of household," "single" or "married, filing jointly" you may put the full \$5,000 a year into your account. If you are married but file a separate federal income tax return, you may deposit a maximum of \$2,500 to your Dependent Day Care Reimbursement Account.

## Dependent Care Expenses

In order to qualify as **eligible** expenses, the amounts you spend on dependent day care must meet the following IRS rules:

- You may be reimbursed for charges for day care services either inside or outside your home for eligible dependents under the age of 13. Services must be for the physical care of the child and must not be provided by a spouse or dependent.
- You may be reimbursed for charges for the care of a dependent adult or child who is mentally or physically incapable of self care. To be eligible, services may not be provided by a spouse or dependent and the eligible dependent must regularly spend at least eight hours per day in your household.
- If you use the Dependent Care Reimbursement Account to pay for day care or claim the Child or Dependent Care Tax Credit, you will need to complete Form 2441 when you complete your 1040 tax return (or Schedule 2 for a 1040A tax return).

## Dependent Care Expenses that are Not Eligible

The following items are **not** eligible for reimbursement under the Dependent Care Reimbursement Account:

- Days you and your spouse are not working – including sick leave, vacation days, or breaks in semesters – or days when you do not meet the eligibility requirements
- Care provided by your children who are under the age of 19 or by anyone you claim as a dependent on your federal income tax return
- Transportation, education, clothing, or entertainment
- Baby-sitting for social events
- Any additional costs for educational workshops or camps offered by day care centers or schools
- Overnight camps are generally not allowed, unless the expenses can be divided by the camp into daytime and nighttime portions
- Kindergarten tuition payments

## **OTHER ITEMS TO CONSIDER**

Retirement Benefits – There will be no impact on your retirement benefits. Retirement contributions and calculations of retirement benefits will be made on the basis of your gross salary.

Maximum amount deferrable under the University's deferred compensation program – Participation in the flexible benefits program will not have an impact on your deferred income limitations for the 403(b) and 401(k) plans, or 457 plans.

Social Security Benefits – Your social security benefits are based on your social security gross wages, and the Flexible Benefits Plan reduces those wages by the amount of your reimbursement account reductions. Social Security benefits are based on your social security earnings averaged over most of your working lifetime. If you elect to participate in the Flexible Benefits Plan, your social security earnings will be less and you may receive a smaller social security benefit when you retire. This only applies, however, if your reduced salary is less than the social security wage base. The reduction due to reimbursement accounts could be substantial if you participated in the plan for a number of years and elected the maximum reduction allowed by law.

## **WHAT HAPPENS IF I END MY ACCOUNT DUE TO A LIFE CHANGING EVENT**

If you choose to end an account due to a life changing event, your flex plan will be shut down as of the date you request (This date must be within 30 days of the life changing event). You will then have 90 days from the date your account is shut down to submit claims for expenses incurred prior to the end date of your account.

## **WHAT HAPPENS IF I GO ON LEAVE OF ABSENCE WITHOUT PAY, CHANGE TO TERM, RETIRE, OR OTHERWISE TERMINATE EMPLOYMENT**

If you go on leave of absence without pay, change to term, retire, or otherwise terminate your employment, your flex plan will be shut down as of the date you terminate or are placed on leave. You will have 90 days to submit claims for expenses incurred prior to the leave, retirement, or termination date. In the event of your death, your beneficiary or estate may be reimbursed for expenses incurred prior to your death. Claims for those expenses may be filed through April 30th of the following year. An employee returning from a Leave of Absence will not automatically be re-enrolled in a reimbursement account program. The employee must request re-enrollment and complete a new enrollment form within the first 30 days after returning.

## **IMPORTANT REMINDERS**

- Even if you had participation in the reimbursement accounts this or any other year, you must re-enroll.
- Canceled checks, credit/debit card receipts, and cash register receipts cannot be used as proof of medical or dependent care service.
- Receipts which only show balance forward, received on account, or payment on account cannot be used. Date of service must be shown.
- The service must have been rendered during the calendar year of the plan. You can only carry over a \$500.00 balance into the next year.
- Expense reimbursement requests for prior year plans must be filed by April 30 of the current year for reimbursement.
- Employees participating in the Dependent Care Reimbursement Account are required by the Internal Revenue Service to complete Part III of Form 2441 or Schedule 2 on your income tax return to claim the exclusion. Expenses reimbursed through this Flexible Benefits Program may not be used as tax credits or deductions on your annual federal income tax return.
- Care should be taken to submit each expense only once.