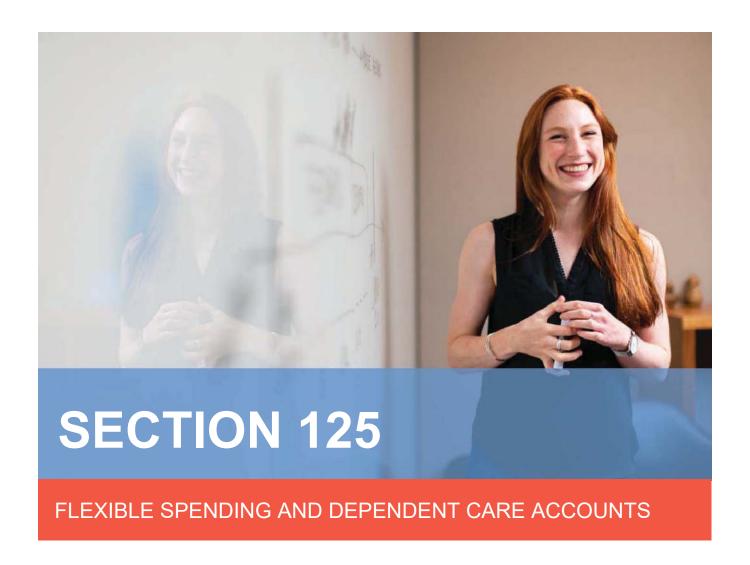
Plan administered by





HELP RESOURCES

flexservices.higginbotham.net 866-419-3519



TABLE OF CONTENTS

| Important Information | 1 |
|--|----|
| How FSAs Work | 2 |
| Health Care Expenses | 3 |
| Over-the-Counter Items | 4 |
| FSAStore | 6 |
| Health Care Spending Account Worksheet | 7 |
| Tax Savings | 8 |
| Dependent Care Spending Account | 9 |
| Portal Information | 10 |
| Submitting Claims / Direct Deposit Information | 11 |
| Mobile App | 12 |
| The FSA Benefit Card | 13 |
| Health Care Spending Account Reimbursement Form | 15 |
| Dependent Care Spending Account Reimbursement Form | 16 |

IMPORTANT INFORMATION

What is a Flexible Spending Account? A Flexible Spending Account (FSA) is 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 the funds in the account to pay for qualified expenses with untaxed dollars.

Why should I participate in the plan? Your biggest benefit is savings on payroll withholding taxes. You will save \$25 to \$40 on every \$100 you budget to pay for qualified expenses.

What expenses qualify for payment? Most qualified expenses are for goods or services that you'll buy anyway. They include health care costs such as copays, doctors' fees, over-the-counter items and prescriptions, dental and eye care expenses and day care expenses for dependents so you can work.

How do I know how much is available for me to spend, and how do I file a claim?

Your balance and claim forms are available 24/7 online at *flexservices.higginbotham.net* or by calling *866-419-3519*. Filing claims is easy. Just complete a claim form, attach a copy of the bill and then send it

to us. You'll receive your tax-free reimbursement within 72 hours.

Must money be deposited in my account before I pay expenses or file a claim? No. The entire annual amount you elect for the Health Care Spending Account (Health FSA) is available on the first day. However, only amounts contributed to date are available for the Dependent Care Spending Account (Dependent Care FSA).

lalready have health insurance. Why should I participate in the Health FSA? The Health FSA is used to pay for expenses not covered by insurance. These include copays, overthe-counter medications, glasses, contacts, orthodontics, prescription drugs and more.

I don't use my employer's health insurance. Can I still save? Yes. You can still set aside money before taxes to budget and pay for qualified expenses. But remember, a qualified expense paid from this plan is not eligible for reimbursement from another plan.

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 and federal income tax withholding. Your net take-home



pay will increase by the tax you save. Plus, when you pay for a qualified expense or receive a cash reimbursement, it's tax-free.

Can I change my contribution during the year? Yes, but only in certain situations. For the Health FSA and Dependent Care FSA, you can change your election if you have a change in status or if there's a change in employment for you, your spouse or a dependent.

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

Generally, contributions that aren't used during the plan year are forfeited back to your employer, but changes to IRS may allow extra time to spend your money or to carryover up to \$610. Check with your employer to learn your options.

What happens to my accounts if I terminate employment?

You may request reimbursement for qualified expenses incurred prior to your termination date.

HOW FSAs WORK

When you pay for these expenses with pre-tax dollars, you pay **no social** security or federal income tax on your contributions. Your taxable income and your taxes are reduced.

Case Study

Let's say you earn \$25,000 per year. And you are paid semi-monthly, so each paycheck is for gross compensation of \$1,041.67. You have insurance premiums and other expenses eligible for payment through the Health FSA of \$62.50 per pay period. Here is a comparison of what your paycheck looks like with and without the Flexible Spending Account:

| | Without Plan | With Plan |
|-----------------------------|--------------|--------------------------------------|
| Gross Earnings | \$1,041.67 | \$1,041.67 |
| Plan Contributions | \$0 | \$62.50 |
| Taxable Income | \$1,041.67 | \$979.17 |
| FICA | (\$79.69) | (\$74.91) |
| Federal | (\$105.42) | (\$93.41) |
| Take Home Pay | \$856.56 | \$810.85 |
| Health Care Expenses | (\$62.50) | (\$0) |
| Remaining Income | \$794.06 | \$810.85 |
| Savings | | \$33.58 Monthly \$402.96 Annually |

When you pay for your expenses with pre-tax dollars, your net income is increased!

When you incur a medical, dental or vision expense, you'll be reimbursed the full amount of the expense at that time, up to your yearly contribution election.

For example, you're going to contribute \$500 for the plan year (\$41.67 per month). On January 15, you visit your eye doctor and receive your exam and contact lenses for a total charge of \$200. Submit that receipt online or by fax, email, mail or the mobile app and receive your full \$200 back within 24-72 hours, even though you don't have the \$200 in your account at the time. You are entitled to the entire \$500 from day one of the planyear.

Orthodontia Expenses

If you're currently paying on an orthodontia contract for yourself, your spouse or your children, you can put that payment aside in your Health FSA and use the Higginbotham debit card to make the payment each month to your orthodontist. All we need is a copy of your current contract and the first payment receipt made with the Higginbotham debit card. Your monthly orthodontic payments will be substantiated automatically for the current plan year.

Your account information is available online at *flexservices.higginbotham.net* or by calling 866-419-3519.

HEALTH CARE EXPENSES

That Qualify for Reimbursement

Acupuncture

Alcoholism treatment

Ambulance

Artificial limbs/teeth

Chiropractics

Christian Science Practitioner's fees

Contact lenses and solutions

Copayments (doctor, dental, vision,

pharmacy)

Costs of physical or mental illness

confinement

Crutches

Deductibles

Dental fees (cosmetic procedures

not eligible)

Dentures

Diagnostic fees

Drug and medical supplies

(syringes, needles, etc.)

Endodontist fees

Eye examination fees

Eyeglasses prescribed by your

doctor

Eye surgery (cataracts, LASIK, etc.)

Hearing devices and batteries

Home health care

Hospital bills

Insulin

Laboratory fees

Lasereyesurgery

Obstetrics and fertility

Office visits

Oral surgery

Orthodontic fees

Orthopedic devices

Osteopath fees

Oxygen

Periodontist fees

Physician fees (cosmetic

procedures not eligible)

Podiatrist fees

Prescribed medicines

Psychiatric care

Psychologist and psychiatrist fees

Radiology

Routine physicals and other non-

diagnostic services ortreatments

Smoking cessation programs

Surgical fees

Wheelchair

Vitamins with doctor's letter

X-rays and MRI

That Qualify with a Doctor's Prescription



Only qualified health care expenses NOT reimbursed by insurance can be claimed on a Flexible Spending Account plan.

That Do Not Qualify for Reimbursement

Concierge medical subscriptions

Cosmetic surgery, procedures and/or

medications

Dental bleaching and electronic

toothbrushes

Hair restoration (procedures, drugs or

medications)

Health club or gym memberships for general health

Mail order prescriptions from another country

Marriage and family counseling

Premiums you or your spouse pay for insurance coverage (payroll-

deducted premiums sponsored by your employer are eligible under the Premium Only Plan)

Weight loss program food supplements

Weight loss programs for general health or appearance

OVER-THE-COUNTER ITEMS

That Qualify with a Doctor's Prescription

Antiseptics

Antiseptic wash or ointment forcuts or scrapes

Benzocaine swabs
Boric acid powder
First aid wipes
Iodine tincture

Sublimed sulfur powder

Asthma Medications

Bronchodilator/expectorant tablets/ asthma inhalers

Cold, Flu and Allergy Medications

Allergy medications

Cold relief, cough relief or flu relief (liquid, tablets or drops)

Homeopathic sinus medications

Medicated chest rub Nasal

decongestant (drops, inhaler,

spray or strips)

Sinus medications, sinus and allergy

nasal spray

Vapor patch cough suppressant

Ear/Eye Care

Airplane ear protection
Ear drops for swimmers
Ear water-drying aid
Ear wax removal drops

Homeopathic earache tablets

Health Aids

Anti-fungal treatments
Diuretics and water pills
Hemorrhoid relief

Lice control

Medicated bandages

Motion sickness tablets

Respiratory stimulant ammonia

Sleeping aids

Pain Relief

Arthritis pain reliever

Bunion and blister treatments

Itch relief

Orajel

Pain reliever, aspirin and non-aspirin

Throat pain medications

Skin Care

Acne medications

Anti-itch lotion

Cold sore/fever blister medications

Corn and callus removal

Eczema cream

Medicated bath products
Wart removal medications

Stomach Care

Acid reducers
Antacid gum
Antacid liquid
Antacid tablets

Anti-diarrhea medications

Gas prevention (liquid, tablets or

drops)
Ipecac syrup
Laxatives

Pinworm treatment

Prilosec

Upset stomach medications

That Do Not Qualify for Reimbursement

Aromatherapy

Baby bottles and cups

Baby oil Baby wipes

Blistex/Chapstick
Breast enhancement system

Cosmetics
Cotton swabs
Dental floss

Deodorants

Facial care products

Feminine care fragrances

Feminine hygiene products

Hair regrowth

Insoles

Low calorie foods Low "carb" foods

Mouthwash/oral care/toothbrushes

Petroleum jelly

Shampoo and conditioner

Skin care Spa salts Sun clips

Sun tanning products

OVER-THE-COUNTER EXPENSES

That Qualify Without a Doctor's Prescription

Bandages, gauze and related items

Blood pressure monitors

Cholesterol test kits and supplies

Colorectal cancer screening tests

Condoms and other OTC

contraceptives

Contact lens cleaning solutions

Crutches, canes, walkers and

wheelchairs

Denture adhesives

Diabetic supplies, including Insulin

Fertility monitors

First aid kits

Hearing aids and batteries

Heat wraps and cold packs

Home drug tests

Hydrogenperoxide

Incontinence supplies (Depends and

Serenity pads)

Latex gloves

Occlusal guards (for teeth grinding)

Oral syringes

Ovulation predictor kits

Pregnancy test kits

Reading glasses and other OTC

eyeglasses

Rubbing alcohol

Thermometers

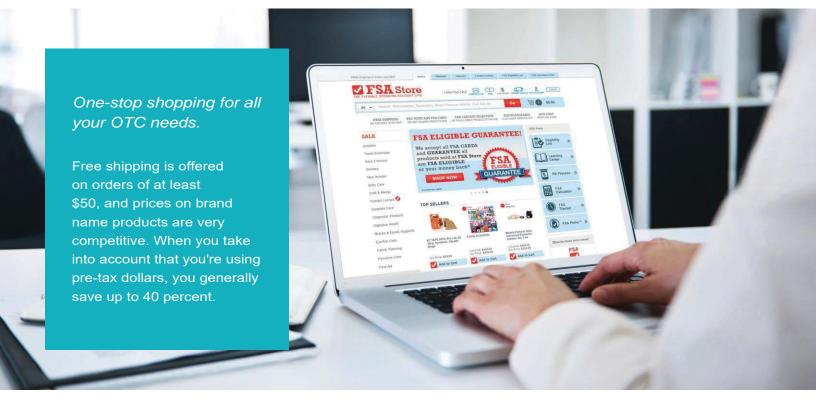
Reimbursements are as simple as 1, 2, 3!

- 1. Complete a claim form.
- 2. Provide required documentation.
- 3. Submit online or by fax, email, mail or the mobile app.



FSA STORE FOR ELIGIBLE PRODUCTS

The thousands of products that are available at FSAStore are all FSA and HSA eligible or eligible with a prescription and can be purchased with your FSA/HSA debit card or any major credit card.



FSA Store makes spending your FSA funds easy.

The *services channel* allows you to search for nearby eligible services, such as acupuncture and chiropractic care. You can browsethrough a database of more than 300,000 health care providers by zip code.

A *learning center* gives you instant access to common FSA questions and answers and is focused on keeping you informed about ongoing changes to FSA and HSA benefits.

Over-the-Counter Prescriptions

Easily shop for FSA eligible prescription products using your FSA/HSA debit card. You can choose to have your physician submit prescriptions to FSAStore, have FSAStore call your physician to obtain the prescription or you may mail the prescription directly to FSAStore to enjoy the tax-free benefit of overthe-counter products that require a prescription in order to be reimbursed.

Visit FSAStore by logging into www.fsastore.com.



Accurate budgeting of out-of-pocket medical expenses notreimbursedor covered by insurance is necessary to gain maximum benefit from the HealthCare Spending Account. Only expenses that you know you or your family will incur during the plan year can be included in the program. You should consider your cost of deductibles and coinsurance features of any medical and dental insurance policies as well as those costs not covered by insurance.

This is only a worksheet and just for your use. Visit flexservices.higginbotham.net for more information.

HEALTH CARE SPENDING ACCOUNT WORKSHEET

Planned Medical Expenses

Deductibles - Coinsurance

Known annual medical expenses (not covered by insurance that your entire family will incur during the plan year for the following services):

| Prescriptions and Doctor Visits (Copays) | |
|--|---|
| Over-the-Counter Medications (with RX) | |
| Massage Therapy (RX needed) | |
| LASIK EyeSurgery | |
| Medical Supplies and Equipment | |
| Therapist, Psychologist or Chiropractor Fees | _ |
| Hearing Aids and Supplies | |
| Laboratory and X-ray Expenses | |
| Planned DentalCare | |
| Your portion of these expenses: | |
| Deductibles | |
| Fillings and Crowns | |
| Extractions, Dentures and Bridgework | |
| Oral Surgery | |
| Orthodontic Expenses | |
| Planned Vision Care | |
| Examination | |
| Glasses/RX Sunglasses | |
| Contact Lenses, Solution and Materials | |
| Total \$ | |
| Total Expenses/ (# of pay periods) = \$ | |

REASONS TO TAKE ADVANTAGE OF THE TAX SAVINGS NOW



Taking advantage of the Health FSA and Dependent Care FSA doesn't change what you do at tax time. You actually get a "tax refund" on every paycheck after electing the benefits because you pay no tax on the money you set aside each pay period.

You decide how much money to put into the plan and where and when to spend the money in your account. This is a great way to budget. A regular amount is deducted from your paycheck, but the entire annual election is always available

for you to spend on eligible expenses from day one of the plan year.

Note: Health Care Reform limits the annual election for Health FSAs. Check with your employer to learn the maximum amount you can contribute.

Once you have enrolled in the plan, everything you need can be found on the Higginbotham website. You can even enter your claim online. Then you just print the claim form and submit it along with your detailed receipts. It only takes a few moments to familiarize yourself with the reimbursement plan online.

Don't worry that you cannot afford to have any more money taken out of your paycheck. Did you know you can get money out of the plan before you put it in? By joining the plan, you can have it pay your health care expenses in full at the time of service, even before you make your contribution.

It's OK if both you and your spouse enroll in a similar plan at work. There is no IRS limiton the amount of medical expenses that can be reimbursed per household. Each employer sets the annual limits for the Health FSA plan.

Flexible Spending Accounts aren't just for people who need prescription drugs and have children — everyone has medical expenses, not justfamilies. And with the IRS Revenue ruling, anyone who buys over-the-counter (OTC) drugs may be reimbursed through the plan. The plan isn't just for prescription drugs. Things like cough syrup, pain relievers, allergy medicine, etc. are included.

Don't worry about it making your social security benefits smaller. Social security benefits are based on your lifetime earnings history. Yours may be slightly reduced by participating in the plan. However, tax advisors will tell you that the tax savings you earn today will far outweigh any reduction in social security benefits.

Do you take a deduction for medical expenses on a Form 1040? If so, you can only do so after you spend in excess of 7.5-10 percent of your adjusted gross income for them. The first dollar you pay for unreimbursed medical expenses is not deductible on your Form 1040. But through the Health FSA, the very first dollar you spend will earn you 25-40 percent in tax savings.

DEPENDENT CARE SPENDING ACCOUNT

How it Works

You and your spouse must be employed in order to participate, or one of you can be a full-time student, actively looking for work or disabled.

Your care provider cannot be your dependent.

The debit card cannot be used for dependent child care.

The maximum flex deduction per family per year is \$5,000 when filing jointly or head of household and \$2,500 when married filing separately. However, the maximum limit for the child tax credit on your federal income tax return is \$6,000 and \$3,000-whatever amount you don't deduct from your Flexible Spending Account, you may be able to deduct the difference (up to \$3,000 or \$6,000 total) on your income tax return.



I take a dependent care credit on Form 1040. Will the Dependent Care Spending 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 Spending Account. So, don't wait until April 15 to take the credit. You can save taxes on every paycheck now.

Which is best for you? Visit *flexservices*. *higginbotham.net* and use the easy calculator to determine your savings.

Expenses That Qualify for Reimbursement

- · Before and after school care
- Household service if part of the service is for the care of a qualifying person
- Any care for your children whom you claim as tax dependents under the age of 13 (a child may qualify for only part of the year if he/she turns 13 mid-year)
- Care for spouse or dependents of any age who spend at least eight hours a day in your home and are mentally or physically incapable of self-care

Expenses That Do Not Qualify for Reimbursement

- Kindergarten, unless it can be determined that the educational part is incidental and cannot be separated from the cost of care
- Overnight camps (only day camps can be considered)

Are there any negatives?

Because you won't pay social security tax on the amount of gross pay you set aside to pay for qualified expenses, your social security benefits at retirement may be slightly reduced. However, most tax advisors recommend taking advantage of current tax-savings opportunities like the Health FSA and Dependent Care FSA. Also, if disability insurance is paid on a pre-tax basis, any future benefits you receive will be taxable.

MEMBER PORTAL

As you may know, we have a website available for online access to your FSA account. This is completely optional. You may still prefer to:

- email us at flexclaims@higginbotham.com
- fax to 1-866-419-3516
- or call customer service at 1-866-419-3519 to get your balance and ask questions

If you would like online access, please go to flexservices.higginbotham.net

To set up your online account, click **Register**. Follow the Instructions & scroll down to enter your information.

- You will be asked for your name, zip code and Social Security Number
- You will then be asked a few security questions
- You will then be asked to create your password

If you have any questions or concerns, please call us toll free at 1-866-419-3519; or you can email us at flexclaims@higginbotham.com

MOBILE APP

- Pull up Higginbotham in search
- Find Higginbotham FSA app
- Download and register

KEYS TO SUBMITTING YOUR CLAIMS TO AVOID DENIAL



We need to know the date of service in order to pay the claim when you submit a dental or doctor bill. Please do not submit "balance forward" or "previous balance" statements.



On your doctor visit copays, we need the actual statement from the doctor if the charge is anything other than a copay amount. They will print a statement for you. We need date of service, service rendered, patient's name, insurance payments, etc. If the statement is pink or yellow, please make a dark copy before faxing. The pink and yellow copies are not legible when faxed.



OTC items are eligible for reimbursement. If your card gets denied at the Provider, pay out of pocket, and submit your receipt for reimbursement. Some of the debit card machines do not have the OTC codes connected to their machines.



When submitting a statement for a coinsurance, deductible or hospital expense, please make sure the Explanation of Benefits (EOB) states very clearly the date of service, patient name and procedure. The best document to submit is the EOB from your health insurance provider, as all these details will be included once insurance has been processed.

Direct Deposit

Receive your payments quickly and safely by signing up for direct deposit through the online portal. Click on Accounts, then Banking to add your bank account information.



MOBILE ACCESS

Benefits at Your Fingertips

You can access your employee account information on your smartphone with the mobile app for iPhone and Android.

Locating and Loading the Mobile App

Simply search for "Higginbotham" on the App Store™ for Apple products or on the Google Play™ Store for Android products, and then load as you would any other app.

What You Can Do with the Mobile App

- View detailed account and balance information
- View card activity
- File a claim and upload receipt photos directly from yoursmartphone
- Set up email notifications to keep you up-to-date on all account and health debit card activity

How to Use the Mobile App

Logging In

Use the same username and password you use to login to flexservices.higginbotham.net.

After logging in, you will be on the home page, which will list your options.

Getting Help

Click the Help button at the bottom right of all pages to access contact information for your administrator, who will be able to provide assistance.

Going Home

Press the Home button at the bottom left corner of any page to return to the home page and start over.



DEBIT CARD ACCESS

The FSA debit card is a quick and easy way to pay for qualified expenses from your Flexible Spending Account. You have no out-of-pocket expense—the money is taken directly out of your account. Plus, you don't have to wait on reimbursement.

- Access plan documents, letters and notices, forms, account balances, contributions, investments and other plan information or cafeteria plans, health reimbursement arrangements and transit plans
- · Change personal information/census data
- Find contact information or the administrator
- Use 125 tax calculators



Debit CardProcedure

Use your debit card at the time of service (doctor's office, hospital, pharmacy, etc.).

The debit card cannot be used for child care.

Make sure you get an Explanation of Benefits (EOB) or itemized statement for the service rendered.

- Hospital: EOB/itemized statement from the doctor with the procedure code and diagnosis code, date of service, name of patient and name and address of the provider
- Dental/Vision: EOB/itemized statement with the procedure code, date of service, name of patient and name and address of the provider

Submit the EOB or itemized statement online or by fax, email, mail or the mobile app.

You can either submit the documents after you have received your services, or you can wait until you receive an email from the plan requesting that you send an EOB or itemized statement.

You won't get an email for all of your swipes—
the copays for your doctor visits, prescription copays and vision expenses will automatically substantiate. However, any time you swipe the card for a dental service or any amount other than a copay, you will need to submit the itemized statement or an EOB.

Very Important: If you do not submit the documentation within 60 days from the date you receive the email, your debit card will be suspended until proper substantiation is received.

DEBIT CARD FAQS

What items are auto substantiated?

Certain transactions involving dollar amounts that are consistent with predetermined copay under the plan.

Certain recurring, previously approved expenses (i.e. orthodontia).

Certain charges that are substantiated at the time of the sale or if the vendors that participate are in the inventory information system (IIAS).



Purchases at pharmacies and medical providers that don't subscribe to the IIAS are treated as conditionally approved and paid at the time of service; statements must be faxed to substantiate that the purchase was for a qualified expense. i.e.:

A dentist office could charge you \$200 for teeth bleaching. The \$200 would be approved at the time of sale, but the member must submit the statement with the required information. Since teeth bleaching is not a covered expense, the claim would be denied, and the member would pay back \$200 to the plan.

A physician could charge \$150 for a consult for cosmetic surgery. The \$150 would be approved at the time of purchase, but cosmetic surgery is not a covered item, and the claim is not eligible for reimbursement under IRS guidelines. You would owe the plan \$150.

A member pays \$125 for a qualified medical expense. He/she uses the debit card, sends in the form with the required information, and it is marked as eligible in the system.

Can I use the card to pay for over-the-counter drugs?

Yes, at most pharmacies and FSA Store and Amazon accepts the card as a rule. If the Provider denies the purchase, simply pay out of pocket and submit your receipt for reimbursement.

How do I renew my debit card?

Your debit card will work for three years initially. Check the expiration date on front of the card.

If your company has the "grace period" or "carryover provision" on the prior plan year, the balance will be loaded to your debit card—the system will automatically look back at the old plan year and apply these expenses to that plan year first.

If your card is "suspended" on the last day of your "submission" deadline date, you will be taxed on the amount not substantiated. A letter will be sent to your home on the last day of your plan year to let you know that you will need to substantiate these by submission deadline to avoid being taxed on this amount.



| Flex Debit Card |
|-----------------|
| Reimbursement |

Health Care Spending Account Reimbursement Form

| Employer Name | | | |
|---|--|---|---|
| Employee Name | | | |
| EmployeeSSN | | | |
| Address | City | State | Zip |
| Phone | Email | | |
| Patient Name and Relationsh | nip to Employee | | |
| Do you have medical insuran | ce? Yes No | | |
| Do you have dental insuranc | e? (check only if submitting dent | tal expenses) | Yes No |
| explanation of expense. Crewill require either an Explaineceipts for RXs are not accent include payments under a | eceipts that include date of serviced it/debit card receipts are accordation of Benefits (EOB) or an ite pted —we need the receipt that is any other health care plan or progrey other policy or health insurance | epted for the copay am emized statement of ch stapled to your RX bag. gram, federal, state or g | ount only. All others arges. Cash register Amounts covered do |
| is eligible for reimbursement. reimbursement for them under my spouse's or dependent's be used to claim any federal organization or person having | lation is correct to the best of my I certify that these expenses haver a major plan or any other health health plan. I understand that the income tax deduction or credit. If g any records, data or information turnish such records, data or information. | ve not been reimbursed, th plan, such as an indiv e expense for which I am authorize any physician n concerning health hist | and I will not seek idual policy or reimbursed may not , hospital or other ory or other insurance |
| Employee Signature | | Date | |
| Fax or mailto: | Attn. Flex Depa c/o Higginbot 1300 Summit Ave | tham | |

Fax: 817-882-9267
Toll-Free Fax: 866-419-3516
Email: flexclaims@higginbotham.com

Fort Worth, TX 76102 Phone: 866-419-3519



Dependent Care Spending Account ReimbursementForm

| Employer Name | | | |
|------------------------------|---|-----------|-----|
| Employee Name | | | |
| EmployeeSSN | | | |
| Address | City | State | Zip |
| Phone | Email | | |
| Child(ren)Name(s) | | | |
| Date(s) of Service | | Charge(s) | |
| Name and Address of Facility | or Provider | | |
| | | | |
| Provider's Tax ID orSSN | | | |
| Signature of Provider | | | |
| · | es hereby presented for reimbumbursed through any other dependents. | · | |
| Employee Signature | | Date _ | |

Fax or mailto:

Attn. Flex Department c/o Higginbotham 1300 Summit Ave, Ste 750 Fort Worth, TX 76102 Phone: 866-419-3519

Fax: 817-882-9267 Toll-Free Fax: 866-419-3516

Email: flexclaims@higginbotham.com