



PAYPRO BENEFITS CARD™

FREQUENTLY ASKED QUESTIONS

What is the Card and how does it work?

1. What is the PayPro Benefits Card™?

The PayPro Benefits Card™ is a special-purpose MasterCard® or Visa® Card that gives participants an easy, automatic way to pay for eligible health care/benefit expenses. The Card lets participants electronically access the pre-tax amounts set aside in their respective employee benefits accounts such as Flexible Spending Accounts (FSAs), Health Reimbursement Accounts (HRAs), and Health Savings Accounts (HSAs).

2. How does the PayPro Benefits Card™ work?

It works like a MasterCard® Card or Visa® Card, with the value of the participant's account(s) contribution stored on it. When participants have eligible expenses at a business that accepts MasterCard or Visa debit cards, they simply use their Card. The amount of the eligible purchases will be deducted – automatically – from their account and the pre-tax dollars will be electronically transferred to the provider/merchant for immediate payment.

3. Is the Benefits Card™ just like other MasterCard® Cards or Visa® Cards?

No. The Benefits Card™ is a special-purpose MasterCard® Card or Visa® Card that can be used only for eligible health care/benefits expenses. It cannot be used, for instance, at gas stations or restaurants. There are no monthly bills and no interest.

4. How many Benefits Card™ will the participant receive?

The participant will receive one Card. If participants would like additional Cards for other family members, contact the Plan Administrator and provide them with names, addresses and Social Security Numbers of the new cardholders to get personalized cards linked to your existing account. The first two cards are free. Any additional Cards will be \$10.00 per card.

5. Will participants receive a new Benefits Card™ each year?

No, participants will not receive a new Card each year. If the participant will again have a benefit associated with the Card for the following plan year – and he/she used the Card in the current benefit year – the participant will simply keep using the same Card the following year. The Card will be loaded with the new annual election amount at the start of each plan year or incrementally with each pay period, based on the type of account(s) the participant has.

6. What if the Benefits Card™ is lost or stolen?

Participants should call their Plan Administrator to report a Card lost or stolen as soon as they realize it is missing, so the Administrator can turn off their current Card(s) and issue replacement Card(s). We will provide a new card at no charge once a year. If there are any additional requests for lost/stolen card within that year, then there will be a \$10.00 charge.

IMPORTANT INFORMATION ON Using the Card

1. Where may I use my Benefits Card™?

Per the IRS, you can use your Benefits Card™ in participating pharmacies, mail-order pharmacies, stores, and supermarkets that can identify FSA/HRA-eligible items at checkout and accept MasterCard® prepaid cards or Visa® prepaid cards. Many transactions are fully substantiated, especially for RX, co pays, and in most cases, no paper follow-up is needed. However, certain expenses can't be substantiated by just swiping the card so you may receive a letter or email that requires you to submit copies of itemized receipts. It may be frustrating – but the IRS requires that we see and verify the specific *nature* of the expense. Not just the cost – but the exact services that were performed or provided.

You may also use the Card to pay a hospital, doctor, dentist, or vision provider that accepts MasterCard® or Visa®. Again, save your itemized receipts as they may be requested.

2. Are there places the Benefits Card™ won't be accepted?

Yes. The Card will not be accepted at locations that do not offer the eligible goods and services, such as hardware stores, restaurants, bookstores, gas stations and home improvement stores.

3. If asked, should I select "Debit" or "Credit"?

The Benefits Card™ is actually a prepaid card. But, since there is no "prepaid" selection available, you should select "Credit." You do not need a PIN and cannot get cash with the Prepaid Benefits Card™.

4. How does the Benefits Card™ work in participating pharmacies, stores and supermarkets?

- a. Bring prescriptions, vision products, and other eligible purchases to the register at checkout to let the clerk ring them up. *(Please note: Effective 1/1/11 OTC drugs or medicines cannot be purchased with the card. However, if your doctor writes you a prescription for a drug or medicines, you may be able to purchase it and pay for it yourself – then submit for a manual reimbursement check. Contact your Plan Administrator for more information.)*
- b. Present the Card and swipe it for payment.
- c. If the Card swipe transaction is approved (e.g., there are sufficient funds in the account and at least some of the products are FSA/HRA-eligible), the amount of the FSA/HRA-eligible purchases is deducted from the account balance and no receipt follow up is required. The clerk will then ask for another form of payment for the non-FSA/HRA-eligible items.

- d. If the Card swipe transaction is declined, the clerk will ask for another form of payment for the total amount of the purchase.
- e. The receipt will identify the FSA/HRA-eligible items and may also show a subtotal of the FSA/HRA-eligible purchases.
- f. In most cases, the participant will not receive requests for receipts for FSA/HRA-eligible purchases made in participating pharmacies, stores, or supermarkets.

5. Why do I need to save all of your itemized receipts?

You are required to save itemized receipts for FSA and HRA purchases made with the Benefits Card™ per IRS regulations. You may be asked to submit receipts to verify if the expenses comply with IRS guidelines. Each receipt must show: the merchant or provider name, the service received or the item purchased the date and the amount of the purchase. The IRS requires that every card transaction must be substantiated. This can occur through automated processing as outlined by the IRS (e.g. copay matching, etc.). If the automated processing is unable to substantiate a transaction, the IRS requires that itemized receipts must be submitted in order to validate expense eligibility.

6. How long do I need to save their itemized receipts?

Participants should save itemized receipts for FSA and HRA until the end of the benefit year and/or grace period (if applicable). HSA participants should save receipts for three years to comply with IRS document retention rules. Please check with your accountant.

7. What if I lose the receipts or accidentally swipe the BenefitCard™ for something that's not eligible?

Usually the service provider can recreate an account history and provide a replacement receipt. In the event that a receipt cannot be located, recreated, or if the expense is ineligible for reimbursement, the participant can send a check or money order to the Plan Administrator for the amount so it can be credited back to the participant's FSA/HRA account.

8. May I use the Benefits Card™ if I receive a statement with a Patient Due Balance for a medical service?

Yes. As long as you have money in your account for the balance due, the services were incurred during the current plan year, and the provider accepts MasterCard® debit cards or Visa® debit cards, you can simply write the Card number on the statement and send it back to the provider.

9. How do I know how much is in my account?

Please refer to the materials enclosed with the Benefits Card™ for login information at <http://benefitpaymentsystem.com>, to view account activity and current balance. Or, call PayPro Administrators at 951-656-9273.

10. What if I have an expense that is more than the amount left in my account?

By checking your account balance often – you will have a good idea of how much is available. When incurring an expense that is greater than the amount remaining in their account, you may be able to split the cost at the register. (Check with the merchant.) For example, participants may tell the clerk to use the Benefits Card™ for the exact amount left in the account, and then pay the remaining balance separately. Alternatively, you may pay by another means and submit the eligible transaction manually via a claim form with the appropriate documentation to their PayPro Administrators.

11. What are some reasons that the Benefits Card™ might not work at point of sale?

The most common reasons why a Card may be declined at the point of sale are:

- a. The Card has not been activated.
- b. The Card has been used before the 24-hour period after activation is over.
- c. The participant has insufficient funds in his or her employee benefit account to cover the expense.
- d. Non-eligible expenses have been included at the point-of-sale. (Retry the transaction with the eligible expense only.)
- e. The merchant is encountering problems (e.g. coding or swipe box issues).
- f. The pharmacy, store or supermarket cannot identify FSA/HRA-eligible items at checkout according to IRS rules.

12. Am I responsible for charges on lost or stolen Benefits Card™?

If PayPro Administrators & the issuing bank are notified within 2 business days, you will not be responsible for any charges. If the notification is after 2 days, you may be responsible for the first \$50 or more. Replacement Cards may be purchased.

13. Who do I call if I have questions about the Benefits Card™?

Call PayPro Administrators at 951-656-9273 or the phone number shown on the back of the Card.

14. Can I use the Benefits Card™ to access last year's money left in the account this year?

If it is a part of your specific plan, it may allow for a grace period in the current year to use up funds carried over from the prior year. Check with your employer or call PayPro Administrators at 951-656-9273

15. How do I know if I need to submit receipts to verify a charge?

You will receive a letter or email notification from the Plan Administrator if there is a need to submit a receipt. All receipts should be saved per the IRS regulations.

16. What if I don't submit a receipt that has been requested?

If receipts are not submitted as requested, the Benefits Card™ will automatically be suspended until receipts are received. You may be required to repay the amount charged. PayPro Administrators will advise you that the Card has been suspended, if a receipt is not received. Submitting a receipt or repaying the amount in question will allow the Card to become active again.

PayPro Administrators

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