



**& Miscellaneous NonAppropriated Funds Activities**

## **Flexible Spending Accounts**

**February 2012**

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# Introduction

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We are pleased to provide you with this summary plan description (SPD) of the Marine Corps NAF Health Care and Dependent Care Flexible Spending Accounts (FSAs). These plans became effective 1 January 2009. Aetna is the administrator for the FSAs.

The FSAs are the latest addition to your Marine Corps NAF (MC NAF) total compensation package and are evidence of our continuing commitment to provide eligible MC NAF employees with a modern, well-rounded, and comprehensive benefits package that is responsive to you and your family's needs.

Participation is voluntary in the FSAs and is a smart way for you to save on health and dependent care costs while lowering your federal income and Social Security (FICA) taxes.

We strongly encourage you to take advantage of this valuable benefit program.

## Summary of Benefits

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A Flexible Spending Account (FSA) allows you to set aside a portion of your salary in a special account. You can then use the money in your accounts(s) to reimburse yourself for qualified health care and/or dependent care expenses. Your taxable salary is reduced by the amount you set aside on your account(s), so you pay lower income taxes and Social Security taxes.

Participation in the FSAs is voluntary. You decide whether you would like to participate and how much money you would like to set aside, within the minimums and maximums shown below.

|                                   | Health Care FSA Account (HFSA)   | Dependent Care FSA Account (DFSA)  |
|-----------------------------------|--|--|
| Your maximum annual contribution  | \$5,000  | \$5,000<br>See "Additional Limits on Dependent Care FSA Contributions" on page 7.  |
| Your minimum annual contribution  | \$200  | \$200  |
| Your minimum reimbursement amount | \$20   | \$20   |
| Annual claim submission deadline  | All claims incurred Jan 1 - Dec 31, including any grace period claims, must be received by Aetna by February 15 each year. | All claims incurred Jan 1 - Dec 31, including any grace period claims, must be received by Aetna by February 15 each year. |
| Plan Year                         | January 1 - December 31  | January 1 - December 31  |

# Eligibility

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You can participate in the Flexible Spending Account (FSA) program if you are employed in a regular full-time or regular part-time position. See “Your DFSA” section for additional DFSA eligibility requirements. You can sign up for Health Care FSA only, the Dependent Care FSA only, both FSAs, or neither FSA. Participation is completely voluntary. It is up to you to decide which FSA (if any) meets your needs.

Employees can enroll in the FSAs when first eligible or during the announced Annual Enrollment period by completing an enrollment form. Your completed enrollment authorizes your Marine Corps NAF employer to deposit a portion of your earnings into your FSAs before taxes are deducted.

## How to Enroll

You may enroll in the FSAs by completing an enrollment form OR electing coverage via PeopleSoft Self Service. Your completed enrollment authorizes your MC NAF employer to deposit a portion of your earnings into your FSAs before taxes are deducted.

Federal law requires that whatever election you make cannot be changed throughout the applicable Plan year unless you have a “qualified family status change.”

## When you May Enroll

**New Employees:** You have 31 days from your date of hire or the date you are eligible to participate in the FSAs. Your election stays in effect until the end of that Plan year. If you do not enroll when initially eligible, you must wait until the Annual Enrollment period.

**Annual Enrollment:** The Annual Enrollment period is your opportunity to review your benefit needs for the upcoming year, and to change your benefit elections, if necessary. The elections you make will be in effect for the following Plan year. Plan year begins on 1 January of each year.

You must re-enroll each year if you wish to continue your participation.

**Family Status changes:** Qualified Family Status Changes allow you to enroll in an FSA within 31 days of the event. See the “Making Changes” section below.

## Annual Cutoff Date

Effective October 1 through December 31 of each Plan year, actions listed below will not be allowed for the current plan year:

- Enrollment, whether due to a new hire event or a Qualified Family Status Change.
- Increases in contributions due to a Qualified Family Status Change.

## When Participation Begins

**New Employees:** For a newly-hired (or newly eligible) employee, participation begins the date you enroll within your 31-day eligibility period.

Employment in an eligible position or any eligible status changes (employment category and/or qualifying event) that occur after September 1 will require a participation election before the October 1 annual cutoff date.

Contributions will begin the first day of the next pay period following enrollment. You must complete the enrollment process to participate.

**Annual Enrollment:** Your annual election will go into effect on January 1.

## Making Changes

The IRS requires that your FSA elections stay in effect throughout the full Plan year. Once made, you can't change your election during the year unless you experience a "qualified family status change"

### Defining a Family Status Change for Health Care and Dependent Care FSA

The following are examples of qualified status changes for the FSAs:

- Marriage
- Divorce
- Birth or adoption of a child
- Death of a spouse; child; or parent (providing that the parent is a qualified dependent and claimed on your Federal Tax Form)
- Termination of your spouse's employment
- Commencements on your spouse's employment
- Transition from part-time to full-time work, or from full-time to part-time work
- An unpaid leave of absence taken by you or your spouse
- If you do not make the family status changes within the 31-day period, you will not be allowed to make the change until the next FSA Annual Enrollment period.

### If You Have a Family Status Change

You have 31 days from the qualifying event to change your Health Care and/or Dependent Care FSA election. The change in your FSA election must be due to, and consistent with, the change in your family status. (For example, within 31 days of the birth or adoption of your child, you could enroll in the Health Care FSA if you were not already enrolled, or if you were enrolled, you could increase your current annual election for the Health Care FSA but you could not stop your contributions.) You should contact your Human Resources Office (HRO) immediately after the change takes place to make sure you allow yourself enough time to take the appropriate action. Your HRO will explain the procedure to you.

### Same Sex Domestic Partnership

The IRS does NOT recognize a Same Sex Domestic Partnership (SSDP) as a tax qualified dependent UNLESS they meet the criteria of section 152. It does not matter if the employee and their SSDP were married in a state that recognizes same sex marriages. The Federal Government must comply with Defense of Marriage Act (DOMA) and therefore does not recognize same sex marriages at this time. SSDPs are not eligible for enrollment in FSA- as a dependent for claim reimbursement UNLESS they qualify under Sec 152. This applies to both Health and Dependent Care FSA plans.

Employees that have enrolled an eligible SSDP in Aetna medical/dental and are also enrolled in FSA are requested to turn off their auto streamline and auto debit to ensure there is no claim reimbursement violation. Please visit your local NAF HRO if you have any questions.

### If You Take a Leave of Absence

**Paid Leave of Absence:** Your participation in the FSAs will not be affected if you are granted a paid leave of absence. Payroll deductions will continue, and you can still use your FSAs to reimburse yourself for eligible expenses. You may elect a family status change, as explained in "Making Changes" if your change in election is consistent with the circumstances of your leave.

**Unpaid Leave of Absence:** Your contributions and participation in the Health Care and/or Dependent Care FSA will stop on the first day of the absence. You can continue to be reimbursed from your Health Care and/or Dependent Care FSA for eligible expenses you incurred while you were actively at work and making FSA plan contributions. You will not be reimbursed for expenses incurred during the leave of absence. Any balance in your account from contributions made before you leave can be used for claims incurred upon your return to work.

**Upon Return from an unpaid leave of absence:** When you return, the contributions required to meet your election for the Plan year will be recalculated (and therefore will increase) over the remaining pay periods in the year.

Health Care FSA (HFSA) - You will be reinstated fully in the HFSA Plan (retroactive to the date your absence began). After reinstatement, you may request reimbursement for expenses incurred at any time in the year when enrolled, provided premiums are paid.

Dependent Care FSA (DFSA) - You will be reinstated fully in the DFSA Plan as of the date of your return. You may request reimbursement for expenses incurred at any time in the year when actively participating, except those incurred during a period of unpaid leave of absence, provided premiums are paid.

## When Your Employment Ends

HFSA: If your employment ends during the year, your contributions to your HFSA end. However you can still be reimbursed for eligible expenses you incur up to your last day worked, provided your account balance is sufficient. You have until February 15 of the next year to submit claims.

DFSA: If your employment ends during the year, your contributions to your DFSA end. However you can still be reimbursed for eligible expenses you incur up to your last day worked, provided your account balance is sufficient. You have until February 15 of the next year to submit claims.

If You Are Rehired: If you separate from employment and are rehired in an eligible position within the same calendar year, your bi-weekly election for your FSA account(s) will be reinstated. This includes employees rehired after the annual cutoff date.

# How the Flexible Spending Accounts Work

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You fund your FSA(s) by directing a portion of your earnings to your accounts(s) on a pre-tax basis. You cannot deposit cash directly into your account(s). Once you decide how much you'll contribute for the year, you cannot change your election unless you have a qualified family status change, nor can you transfer money from one FSA to another.

## How Much You Can Contribute

You can contribute from \$200 to \$5,000 to your HFSA each year and you can contribute \$200 to \$5,000 a year to your DFSA. Anyone employed in an eligible position, or any eligible status changes (employment category and/or qualifying event) that occur after September 1 will require a participation election before October 1, the annual cutoff date.

Carefully calculate the amount you contribute to your Flexible Spending accounts. The IRS imposes a "use it or lose it" rule on FSA Plans: you forfeit any money that remains in your account after reimbursement of your eligible expenses for the year. See "Limits and Restrictions" (below) for more information.

**Limits and Restrictions:** To preserve the favorable tax treatment of your contributions, there are several important limitations that you should understand before participating in the FSAs. First of all, an FSA is what is known as a "use it or lose it" arrangement, which means that if you do not spend all of the money in your account, you lose the unspent balance. Second, you cannot fund your account as you go along, you must decide on an election amount for the year before each year begins, so you have to be careful in calculating your anticipated expenses for the coming year. Please use the Aetna Calculator at [www.aetnafsa.com](http://www.aetnafsa.com) if you need assistance in calculating how much money you should set aside for health expenses. Once you decide your election amount, you cannot change it during the year unless you

experience a qualified family status change. So, you should plan to deposit only as much as you expect to spend in the upcoming year.

Having an HFSA limits your tax deductions for health care expenses. Keep in mind that you can deduct unreimbursed health care expenses from your federal income tax only if you itemize your deductions and they exceed the threshold established by the Internal Revenue Service.

To be eligible for reimbursement from the HFSA, the expenses must be for you or for anyone eligible for coverage under the medical and/or dental plans.

Having a DFSA limits the tax credits you may be able to take for dependent care expenses. To be eligible for reimbursement from the DFSA, the qualified expenses must be for qualified dependents. See “Who Qualifies as a Dependent” on page 10. The federal income tax credit lets you subtract a percentage, based on your taxable income, of your expenses for dependent care from the federal taxes you owe. You can use both the FSA and tax credit, provided you do not claim the same expense for both. However, federal regulations require that your dependent care tax credit be reduced dollar for dollar by whatever you put into your FSA. You should ask your tax advisor to help you choose the right alternative for your tax bracket.

Establishing an FSA may have an impact on your cash flow until you receive reimbursement. First, your contributions to your account are deducted (pre-tax) from your paycheck. Then to receive a reimbursement\* from your account, you must send in a claim form with proof that you either paid for or incurred an eligible expense. Proof of payment would be a receipt, and proof of incurring would be something showing that you (or your dependent) received or were rendered the care or service, and that you have a responsibility to pay for it. You should send in claim reimbursements as soon as possible after you pay for or incur an expense to reduce your overall cash outflow. Please consider this effect when deciding on your election amount.

\*Note: For FSA Participants who are enrolled in the Department of Defense (DOD) Nonappropriated Fund (NAF) Aetna health plans, certain expenses can be reimburse or paid automatically and will not require a claim form. See “Streamlined Submission” and “Auto Debit” in the Claiming Reimbursement section, page 11.

You cannot transfer funds between the Health Care and Dependent Care FSAs.

You cannot carry over any unclaimed FSA balances from one year to the next. Any funds remaining on your HFSA and/or DFSA on December 31 will be forfeited unless they are used to cover expenses incurred during the Plan year, and Aetna receives your claim for reimbursements by February 15.

In addition to the yearly limits on what you can direct to your FSAs, the Internal Revenue Service requires Plans to prove that they don’t favor “highly compensated” employees. If the MC NAF FSAs do not pass this test, the contributions made by highly-compensated employees may have to be reduced or reclassified as after-tax contributions. If this happens, you will be notified.

## **Additional Limits on Dependent Care FSA Contributions**

**If Your Spouse Also Contributed to a Dependent Care FSA:** The IRS sets additional limits on your contributions if you’re married and your spouse has a Dependent Care FSA through his or her employer as follows:

- You are limited to a **combined** Dependent Care FSA contribution of \$5,000 in a calendar year. This limit applies whether you have one or more dependents receiving care.
- If you file **separate** federal income tax returns, the most you can contribute is \$2,500 a year.

- If you file a **joint return**, you can't contribute more than you earn (or what your spouse earns, if it is less than what you earn for the year, with a \$5,000 limit).

**If Your Spouse is Disabled or a Full-Time Student:** The IRS considers your spouse's earnings to be \$250 a month if you have one eligible dependent and \$500 if you have more than one eligible dependent.

If you are deemed to be a highly compensated employee (HCE) your limit may be required to be reduced as a result of IRS required non discrimination testing.

**How Participating in the FSAs Affects Taxes and Other Benefits:** Establishing an FSA can also affect your tax strategy when you file your income tax return. You should consult with a tax advisor before signing up for the FSAs. You cannot change your election once you've made it, unless you have a qualified family status change (as explained in "Making Changes" on page 5).

## The Tax Advantages

The Internal Revenue Code allows your employer to take the money you direct to your FSAs out of your pay before federal and Social Security (FICA) taxes are deducted, thus lowering your taxable income, so you pay less federal income tax and Social Security tax. Depending on where you live, your tax savings could be even greater, since many states recognize the tax-free status of FSA funds. What's more, any reimbursements you receive from your FSAs are free from federal tax as long as you have not taken (or do not intend to take) a tax deduction or credit for related expenses when you file your federal tax return.

## Impact on Other Benefits

**Employer-Sponsored Benefits:** While you are "reducing" your pay for tax purposes, your pay-related benefits (for example, any employer-sponsored life and pension benefits) are not reduced. Your benefits from these Plans will be based on your compensation before any amounts are deducted.

**Social Security:** Since your Social Security (FICA) taxes are based on your reduced pay, your future Social Security benefits may be slightly lower.

## Your Flexible Spending Account Statements

In June and December, Aetna will send you a statement showing the status of your FSAs. The statement will display accrued amounts and any account activity.

The Explanation of Payment (EOP) that Aetna issues with each reimbursement is also a good source of information. The EOP details the amount reimbursed and your current account balance. You can access information about your FSA account status 24 hours a day, 7 days a week using Aetna Navigator®. Access Aetna Navigator through the Aetna Internet website home page at [www.aetna.com](http://www.aetna.com) or directly via [www.aetn navigator.com](http://www.aetn navigator.com). In addition to finding information about your FSA account(s), you can register to have paper EOPs suppressed and receive an e-mail notification and electronic EOP each time an FSA claim is paid.

# Your HFSA

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You do not have to be enrolled in the Aetna Medical/Dental Plan or a MC NAF sponsored Health Maintenance Organization (HMO) to enroll in the HFSA.

The HFSA lets you pay many of your otherwise unreimbursed health care expenses with tax-free dollars. Since not every health care expense you incur is eligible for reimbursement through your FSA, it is important to know which are reimbursable and which are not.

If an expense is covered under any other plan(s), you cannot submit it for reimbursement under your HFSA until the expense has been considered by the other plan(s).

## Eligible Health Care Expenses

You can use your HFSA to reimburse yourself for health care expenses that are considered “medical care” under section 213(d) of the Internal Revenue Code, as long as the expenses are not reimbursed by any health care plan. Tax rules change, so you should check with your tax advisor about the eligibility of specific expenses.

You can find additional information about eligible health care expenses\* from IRS Publication 969 “Health Savings Accounts and Other Tax-Favored Health Plan,” or Publication 502, “Medical and Dental Expenses,” available from your local IRS office and on the IRS website at [www.irs.gov](http://www.irs.gov).

Acupuncture  
Ambulance Services  
Bandages  
Birth Control Pills  
Braille Books and Magazines  
Chiropractor  
Crutches  
Dental Treatment  
Disabled Dependent Care Expenses  
Drug & Alcohol Addiction Treatment  
Eyeglasses/ Contact Lenses/ Optometrist  
Eye Surgery/ Vision Correction Surgery  
Fertility Enhancement  
Guide Dog or Other Service Animal  
Hearing Aids & Hearing Exams  
Hospital Services  
Special Home for Intellectually & Developmentally Disabled  
Lead-Based Paint Removal to protect a child that has/had lead paint poisoning from exposure

Learning Disability  
Legal Fees for committing a mentally ill person  
Lodging for medical care away from home  
Long-Term Care  
Nursing Home and Nursing Services  
Organ Donors/ Transplants  
Osteopathic Services  
Oxygen & Equipment  
Prosthesis  
Psychiatric Care  
Psychoanalysis  
Psychologist  
Special Education  
Smoking Cessation Programs  
Termination of Pregnancy  
Weight-Loss Program  
Wheelchair  
\*This list is subject to change and is not a promise of reimbursement.

## Ineligible Health Care Expenses

Just as important as understanding what’s eligible for reimbursement through your HFSA is knowing what is generally excluded, including the following:

Baby Sitting, Childcare, and Nursing Services for a Normal, Healthy Baby  
Controlled Substances  
Cosmetic Surgery (any procedure that does not meaningfully promote the proper function of the body or prevent or treat illness or disease.)  
Dancing Lessons/ Swimming Lessons  
Electrolysis or Hair Removal  
Funeral Expenses  
Future Medical Care  
Hair Transplant  
Health Club Dues  
Health Coverage Tax Credit

Household Help, even if recommended by a physician  
Illegal Operations, Treatments, or Controlled Substances  
Maternity Clothes  
Medicines and Drugs from Other Countries  
Nonprescription Drugs & Medicines (Except for insulin)  
Nutritional Supplements taken for general health purposes  
Personal Use Items  
Teeth Whitening  
Veterinary Fees  
Weight-Loss Program

If you have any questions about what is and is not considered an eligible expense under the HFSA, you can call Aetna FSA Member Services at 1-800-416-7053, visit the IRS website at [www.irs.gov](http://www.irs.gov), or contact your local IRS office.

# Your DFSA

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You can use the Dependent Care FSA to reimburse yourself with tax-free funds for certain dependent care expenses incurred because you (and your spouse, if applicable) work or are looking for work. Tax rules change, so you should check with your tax advisor about the eligibility of specific expenses, and any tax forms.

You can get additional information about Dependent Care FSAs from IRS Publication 503 “Child and Dependent Care Expenses”, which is available from your local IRS office and on the IRS website at [www.irs.gov](http://www.irs.gov).

## Eligibility

If you are married, you may participate in the DFSA only if your spouse:

- Works full-time or part-time
- Is actively looking for work
- Has no earned income for the year and:
  - is a full-time student for at least five months of the year; or
  - is incapable of caring for himself or herself or for the dependent.

## Who Qualifies as a Dependent

You can use your DFSA to cover the expenses of dependents, which are defined as:

- Children who are under age 13 when the care is provided and for whom you can claim an exemption on your federal income tax return;
- Your spouse who is mentally or physically incapable of self-care; and
- Your dependent who is physically or mentally incapable of self-care, and for whom you can claim an exemption (or could claim as a dependent if he or she didn't have a gross annual income of \$3,000 or more).

You can use your DFSA to pay expenses for a qualifying child for whom you have joint custody if you pay more than half of the child's support and have custody during the year longer than the other parent. The costs associated with caring for the elderly also qualify for reimbursement if they live in your home at least eight hours a day and are completely incapable of caring for themselves.

## Eligible Dependent Care Expenses

The DFSA is strictly monitored by the IRS, and only those expenses that comply with Section 129 of the Internal Revenue Code of 1986 are covered. Keep in mind that the expenses must be work-related to qualify as eligible expenses. The IRS considers expenses “work-related” only if they meet both of the following rules:

- They allow you (and your spouse) to work or look for work; and
- They are for the care of a qualified person.

You can pay the following work-related expenses through your DFSA:

- Wages paid to a baby sitter, unless you, your spouse claims the sitter as a dependent. Care can be provided in, or outside of, your home.
- Services of a Dependent Care Center (such as a daycare center or nursery school) if the facility:
  - Provides care for more than six individuals (other than those who reside there),
  - Receives a fee, payment or grant for providing its services, and
  - Complies with all applicable state and local laws and regulations.
- Cost for adult care at facilities away from home, such as family daycare centers, as long as you're dependent spends at least 8 hours at home.

- Wages paid to a housekeeper for providing care to an eligible dependent. Household services, including the cost to perform ordinary services needed to run your home which are at least partly for the care of a qualifying individual, are covered as long as the person providing the services is not your dependent under age 19 or anyone you or your spouse claim as a dependent for tax purposes.

If you have any questions about what is and is not considered an eligible expense under the DFSA, you can call Aetna FSA Member Services at 1-800-416-7053, visit the IRS website at [www.irs.gov](http://www.irs.gov), or contact your local IRS office.

## Ineligible Dependent Care Expenses

You cannot use your DFSA to reimburse yourself for services that:

- Allow you to participate in leisure-time activities;
- Allow you to attend school part-time;
- Enable you to attend educational programs, meetings or seminars; or
- Are primarily medical in nature (such as in-house nursing care).

## Highly Compensated Employees (HCEs)

Some employees deemed to be Highly Compensated Employees (HCEs) may have their DFSA allowable deferral limit reduced/ceased if the Plan nondiscrimination testing determines the DFSA favors HCEs over non HCEs. If deferrals are not reduced, HCEs may be subject to declare a portion of their deferral as taxable income.

# CLAIMING REIMBURSEMENT

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## When You Can File Claims

Only expenses incurred during the year (January 1st through December 31st) are reimbursable through your FSA for that year. You have until February 15th of the following year to submit a claim for expenses incurred the year before. Claims must be received at Aetna by February 15th to be eligible for reimbursement. Claims submitted after the cutoff date will have no action taken.

## Where to Find Claim Forms

Claim forms are available from the Aetna FSA website at [www.aetnafsa.com](http://www.aetnafsa.com), or on the employee intranet site. You may also call Aetna FSA Member Services at 1-800-416-7053 for assistance in obtaining a form.

Remember you do not need to be enrolled in the Aetna Health Plan or a MC NAF sponsored HMO to submit a claim.

## Streamlined Submission

Streamlined claim submission is a claim submission process that allows you to have your Department of Defense (DoD) Nonappropriated Fund (NAF) Aetna health care expenses automatically considered for reimbursement by your HFSA. Each time a claim is submitted to Aetna for payment, any unreimbursed expenses are sent automatically to the Flexible Spending Account system for processing. You do not have to submit a claim form in most instances (If Aetna cannot process a claim automatically, you will receive a request from Aetna to submit a paper claim).

## Auto-Debit for Prescription Drug Reimbursement

The Auto-Debit feature further simplifies the FSA reimbursement process for your DoD NAF Aetna prescription drug benefit. When you fill a prescription at a participating Aetna pharmacy, show your Aetna ID card. Your prescription drug co-pay will be drawn from your Health Care FSA balance. You pay nothing out of your pocket at the time you purchase the prescription, and you do not have to submit a claim form.

## Streamlined/Auto-Debit Opt Out Option

Aetna participants are automatically enrolled in the Streamlined/Auto-Debit feature.

If you make the decision to opt out of the Streamline/Auto-Debit feature, you will cancel both features (for example, you cannot opt out of streamline feature and keep Auto-Debit feature). If you choose to opt out of these features, you can do so by contacting Aetna FSA Member Services at 1-800-416-7053 or through the Aetna Navigator™ member website at [www.aetnavigators.com](http://www.aetnavigators.com) (the streamline claims options is under the “Claims and Balances” section).

The streamlined submission and Auto-Debit features are only available to Aetna health and/or dental participants.

Important note: If you are eligible for coverage under another health and/or dental plan, the other plan(s) must also consider any expense before the claim is submitted for reimbursement by your HFSA. Therefore you should submit paper claims. The streamlined submission and Auto-Debit features are not appropriate for your situation.

## Documenting Your Claim

**Health Care Expenses:** When you submit a claim for reimbursement from your Health Care FSA, you must provide a copy of:

- The Explanation of Benefits (EOB) you received from your (or your dependent’s) health care plan showing how much, if any, of your claim was paid; or
- Itemized bills from suppliers for expenses not covered by any health care plan. The itemized bill should include the following information:
  - Patient name
  - Diagnosis
  - Service or service provided
  - Amount charged and
  - Date of service

Your claim will not be accepted if the required information is not provided. You can use the “Flexible Spending Account Health Care Reimbursement” form to ensure that your claim submission contains all of the required information. Copies of the form are available from Member Services, on Aetna’s website (visit the Forms Library on Aetna Navigator), and on the employee intranet site.

Your HFSA includes a minimum (refer to the Summary of Benefits). If your claim for reimbursement is less than the Plan’s minimum, the claim will be processed, but reimbursement will not be issued until:

- You submit additional covered expenses, and the accumulated total reaches the Plan’s minimum;  
Or
- The end of the Plan year

## Dependent Care Expenses

To file a claim for reimbursement, complete the “Dependent Care Reimbursement” form. Copies of the form are available from Aetna Member Services, on the Aetna website and on the employee intranet site. You must provide the following information in your claim submission:

- Dependent’s name
- Provider’s name, address and tax ID (or Social Security) number
- The cost, nature and place of the service(s) performed
- An indication of whether the provider is related to you and, if so, how (if the provider is your child, you must also include the child’s age)
- Proof of payment\*

\*You can ask your dependent care provider to sign the claim form as verification of payment. Detailed bills or receipts are also considered acceptable documentation for dependent care expenses.

You are also required to report your provider's taxpayer identification number or Social Security Number when you file your tax return.

## Reimbursement

Aetna processes FSA claims as they are received, and issues FSA claim payments weekly on Friday.

You can be reimbursed through your HFSA for qualifying health care expenses up to the annual amount you elected at enrollment – even if all of it hasn't been deducted from your paychecks.

You can be reimbursed for dependent care expenses only up to the amount in your Dependent Care FSA when you file a claim. Any unpaid amounts still due will be processed in the next claim cycle when (and if) you have enough money in your DFSA to cover them.

You will receive an Explanation of Payment (EOP), which reflects the status of your account, each time you receive a reimbursement (for example, the amount of the claim, how much of it is eligible for reimbursement, what's been paid to date from your FSA, any amounts still payable, and any balance remaining in your Account).

## Qualified Reservist Distributions

The Heroes Earnings Assistance and Relief Tax (HEART) Act of 2008, H.R. 6081 provides a special rule for unused benefits in health flexible spending accounts for individuals called to active duty (if criteria apply as defined by the law).

## Year End Balances

If any balance is left in your FSA(s) at the end of the year, and claims for that balance are not filed with Aetna by February 15th of the following year, the remaining balance will be forfeited to the Plan (except in approved cases in compliance with USERRA, HEART of 2008, H. R. 6081).

If you have any questions about your HFSA or DFSA claims, call Aetna FSA Member Services at 1-800-416-7053.

## How to Appeal a Denied Claim

If your claim is entirely or partially denied the reason(s) for the denial will appear on the Explanation of Payment (EOP) you receive from Aetna.

**HFSA Claims:** If you think your claim has been wrongfully denied, you have 180 days after receiving the written denial to request a review. Your request for a review, called an appeal, must be submitted to Aetna in writing. Be sure to explain why you think you are entitled to reimbursement, and attach any documentation that will support your claim. You may have a qualified person represent you at your own expense, and you have the right to examine the relevant portions of any documents that Aetna referred to in its claim processing. If Aetna denies your claim, you also may request a review by Headquarters, U.S. Marine Corps (MRG) within 30 days of receiving the Aetna denial letter. MRG will provide you a written response within 60 calendar days. (If a longer period is required, you will be notified in writing.) The decision of MRG on appeal of denied claims is final and binding. You can also follow this procedure if you do not receive any response to your claim within 30 days after you've initially filed it with Aetna.

**DFSA Claims:** If you think your claim has been wrongfully denied, you have 60 days after receiving the written denial to request a review. Your request for a review, called an appeal, must be submitted to Aetna in writing. Be sure to explain why you think you are entitled to reimbursement, and attach any documentation that will support your claim. You may have a qualified person represent you at your own

expense, and you have the right to examine the relevant portions of any documents that Aetna referred to in its claim processing. If Aetna denies your claim, you also may request a review by Headquarters, U.S. Marine Corps (MRG) within 30 days of receiving the Aetna denial letter. Normally, MRG will provide you a written response within 60. (If a longer period is required, you will be notified in writing.) The decision of MRG on appeal of denied claims is final and binding.

You can also follow this procedure if you do not receive any response to your claim within 30 days after you've initially filed it with Aetna.

If you have any questions regarding the claims appeal process, or if you need assistance filing your appeal, contact Aetna FSA Member Services at 1-800-416-7053.

**Please note:** If Aetna does not process your FSA claim because information is missing from your claim submission, Aetna will notify you in writing of the specific information needed to complete processing. This is not considered a denied claim.

## GENERAL INFORMATION ABOUT THE PLAN

|                       |  |
|-----------------------|--|
| Employer/Plan Sponsor | Headquarters, U.S. Marine Corps (MRG)<br>3044 Catlin Avenue<br>Quantico, VA 22134-5103 |
| Plan Year             | The Plan Year runs from January 1 <sup>st</sup> to December 31 <sup>st</sup>           |
| Plan Administrator    | Aetna, Inc.<br>P.O. Box 4000<br>Richmond, KY 40476-4000<br>1-800-416-7053              |

### Amendment or Termination of the Plan

Headquarters, U.S. Marine Corps (MRG) has the right to amend or terminate the Plan, in whole or in part, at any time. If a change is made, you will be notified.

The establishment of an employee benefit plan does not imply that employment is guaranteed for any period of time or that any employee receives any non-forfeitable right to continued participation in any benefits plan.

### Plan Documents

This Plan description covers the major features of the Flexible Spending Account program administered by Aetna Life Insurance Company, effective January 1, 2009. The Plan description has been designed to provide a clear and understandable summary of the Plan, and serves as the Summary Plan Description (SPD). However, in the event of any discrepancy between the booklet and the Contract, the Contract will control.

Receipt of this document does not entitle you to a benefit for which you may not otherwise be eligible.