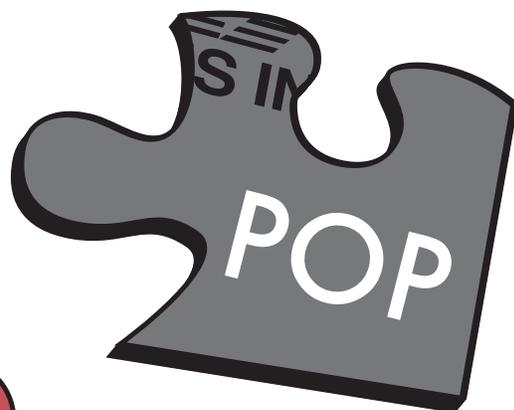


Bene**FLEX**

HR RESOURCES INC.

"We make benefits work for you."



Debit (Benny)TMCard

Why do you need a BeneFLEX debit card?

- Brings the power of MasterCard® to your benefit program.
- Gives employees instant access to their flex account – no need to use out of pocket funds.
- Help employees spend funds properly. Automatically works with the grace period to use dollars correctly.
- Eliminates the hassle of claim forms.
- Real time substantiation of paid claims.
- Has increased FSA participation by as much as 53%.



How does it work?

The Benny Debit MasterCard offers participants a hassle-free way of using their FSA, LFSA, HSA, and HRA programs by providing a debit card that electronically accesses their annual elections. Just swipe the card anywhere MasterCard is accepted when the service is provided. No cash needed!

The Benny Card combines cutting edge payment technology with existing and new plan structures to yield a solution that lowers cost, reduces administrative burdens, and paves the way for future enhancements.

Important considerations!

- Employers benefit from a 20-40% increase in FSA participation with contribution increases of 10-50%.
- IRS approved.
- Growth in employee utilization increases employer FICA savings and employee tax savings.
- Electronic/data driven proprietary protocols eliminate the paperwork for most transactions.
- Online Benny Card activation.
- The Benny Card was named in the TOP 10 H.R. PRODUCTS OF THE YEAR by Human Resource Executive Magazine.
- IIAS (Inventory Information Approval System) allows only pre-approved FSA purchases that do not require proof of purchase – meaning less letters!
- Puts the power of pre-tax dollars where it belongs...in your wallet.



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About us

What's in it for you?

BeneFLEX makes your benefits work – for the employer and for the employee. Our client partners look good as we provide responsive, leading-edge design and hassle-free administration of your benefit packages.

Our professionalism and service to you is greatly enhanced by our active relationship with the leaders in our industry: Employers Council on Flexible Compensation (ECFC), Society for Human Resource Management (SHRM), Human Resource Management Association (HRMA), and Employee Benefits Institute of America (EBIA).

BeneFLEX partners with employers to allow effective and efficient access to employee benefits. You receive reduced administrative burden, innovative benefit approaches, and ultimately an enhanced bottom line.

“We make benefits work for you!”

Other Services:

Retiree Billing:

Notification of eligibility and plan changes, billing, collection, recordkeeping, and reporting services are provided by a helpful, friendly BeneFLEX specialist.

Transit and Parking Administration

Transportation Management Account (TMA) as defined by IRS Code 132, employers can offer a pre-tax “vehicle” to employees for eligible transportation and parking expenses. Just like our FSA services, you know that BeneFLEX HR Resources provides expert administration of your TMA account for your transit and parking benefits. Unlike the FSA account, the TMA account allows rollovers of your balance and the ability to change your election monthly as needed.

Stacking – LFSA + LHRA = HSA

What is a Limited FSA (LFSA)?

Some employers offer both a Limited Flexible Spending Account (LFSA) and a Health Savings Account (HSA). If you are enrolled in an HSA, you might also be able to enroll in an LFSA. An LFSA is similar to a regular FSA in that it lets you set aside money on a pre-tax basis for health care expenses. However, it is limited to dental and vision expenses so it complies with HSA guidelines.

What is a Limited HRA (LHRA)

A Limited Health Reimbursement Account (LHRA) covers only a group of expenses such as dental or vision. It can also be restricted to a single medical expense such as prescriptions.

When combined with an (HSA) Health Savings Account*, a LHRA can pay for HSA deductible expenses after the government minimums are met.

*Special rules apply

Health Reimbursement Arrangements (HRA)

What's in it for you?

- Reduce health care cost for the employees and employers.
- Provide a cost-effective benefit program that you build to meet the employees' needs.
- Provide additional benefits that empower your employees.

How does it work?

An HRA is a tax-free, employer-funded arrangement that allows the employer to make specific dollar contributions available to employees for reimbursement of qualifying health care expenses. An HRA is typically coupled with a high-deductible health plan, however, it can also be offered as a stand-alone plan.

Important considerations:

- You retain ownership of the funds if the employee terminates.
- Available to any size group.
- Great flexibility in plan design.

You determine:

- The amount to contribute to the HRA.
- Who pays health care expenses first – you through your HRA contribution or employees (or FSA).
- The amount to be rolled over to the next year (if any).
- What happens to unused funds when an employee leaves.
- The timetable for making your contributions.
- Whether to place a cap on the amount that can be accumulated over time and the amount of the cap.
- The number of HRA plans to be offered – you can have different plan designs for different employee health plans subject to nondiscrimination rules.
- Retiree benefit options.
- Integrated with health insurance or stand alone.
- Debit card convenience.
- If employees can be reimbursed for a wide range of medical expenses – including insurance deductibles, dental and vision expenses, even employee portions of medical premiums.
- If you purchase a qualified high deductible HSA plan you can stack a limited HRA on top of it.



Flexible Spending Account (FSA)

What's in it for you?

- Income tax and FICA savings – to help employees pay for medical and dependent care expenses.
- FICA savings – for employers.
- Increased employee morale and retention.

How does it work?

An IRS approved plan allowing employees to set aside a certain (annual election) dollar amount from each paycheck on a pre-tax basis. Throughout the year employees are reimbursed from this account for medical and dependent care expenses – Tax Free!

Important Considerations:

- Premium Only Plan (POP) – employers and employees receive tax savings with no hassle or risk.
- Dependent Care – an ideal benefit for families spending a substantial amount on dependent care.
- Medical Spending – participants use pre-tax dollars to pay out-of-pocket medical expenses.
- Enrollment Meetings – proven by experience – informed employees participate and both employees and employers benefit.
- Direct Deposit – easy access to your FSA Funds.
- Online Access – participants' accounts can be checked online, anytime, via the internet.
- Interactive Voice Response (IVR) – participants can check their account anytime by phone.
- Processing Frequently – you determine how often your employees are reimbursed – daily, weekly, or monthly.
- Plan Document – BeneFLEX will produce an IRS compliant Plan Document.
- Summary Plan Description – ensures your employees understand their benefit.
- Claims Processing – claims are adjudicated under IRS guidelines to ensure the integrity of your plan.
- Discrimination Testing – to ensure your plan is IRS compliant.
- Form 5500 – prepared for you.
- The Debit (Benny) Card – the ultimate in employee friendly benefits, the Benny Card allows participants to access their funds at the time of service for medical expenses anywhere MasterCard is accepted.
- IIAS – Inventory Information Approval System automates and simplifies FSA adjudication.
- Grace Period.
- Webcast educational enrollment meeting.



FSA

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COBRA

In a recent AAIM* survey, when asked to name a COBRA administrator, BeneFLEX was rated #1 out of 14 vendors.

Why does an employer need BeneFLEX?

- COBRA is a confusing and complex set of regulations.
- Many employers assume they are in compliance when in fact they are not.
- Compliance means performing time-consuming tasks unrelated to primary business goals.
- IRS penalties for COBRA non-compliance can be severe.

How does it work?

For employers with 20 or more employees, administering COBRA is more than just telling your employees they can continue their medical coverage after a change in status. COBRA is an ongoing communication that starts the day the employee is hired! Add to that, state continuation, for groups under 20 employees, multiplies the administrative complexities.

BeneFLEX assumes the responsibility for your COBRA communications.

Outsourcing your COBRA administration to BeneFLEX allows you and your employees to dedicate time to running your business. Our experienced benefit professionals assume 100% of the burdensome compliance with COBRA regulations on your behalf.

5 COBRA Mistakes Employers Make

1. COBRA time frames that are incorrectly extended.
2. Poorly worded COBRA notices.
3. Failure to terminate coverage when COBRA allows.
4. Insufficient tracking of COBRA time frames.
5. Mishandling of COBRA notices and inability to document they were sent.

Important issues:

- Mailing of COBRA notification for each qualifying event (proof of mailing).
- Certificate of Coverage – as required under HIPAA.
- New plan notification.
- Monthly premium billing.
- Insufficient funds handling.
- Verification of accuracy and timeliness of payment.
- Secondary events recognition.
- Termination notifications.
- Special enrollment periods.
- New hire notice.
- State Continuation.



* AAIM Management is the premier employer's resource group in St. Louis.

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Health Savings Account (HSA)

How a Health Savings Account (HSA) Works

Employees fund their individual HSAs with pre-tax dollars. As the employer, you can also contribute to this account.

Employees then use their HSA to pay for their health care expenses, including deductibles and eligible 213 expenses. Unused HSA funds belong to the employees.

HSA benefits to employers:

- Lower premium cost because of high-deductible requirement.
- Tax-deductible contributions.
- Improved employee health and reduced absenteeism.
- Employees become smarter consumers when it comes to health care services. They share more responsibility for how health care dollars are spent.

HSA benefits to employees:

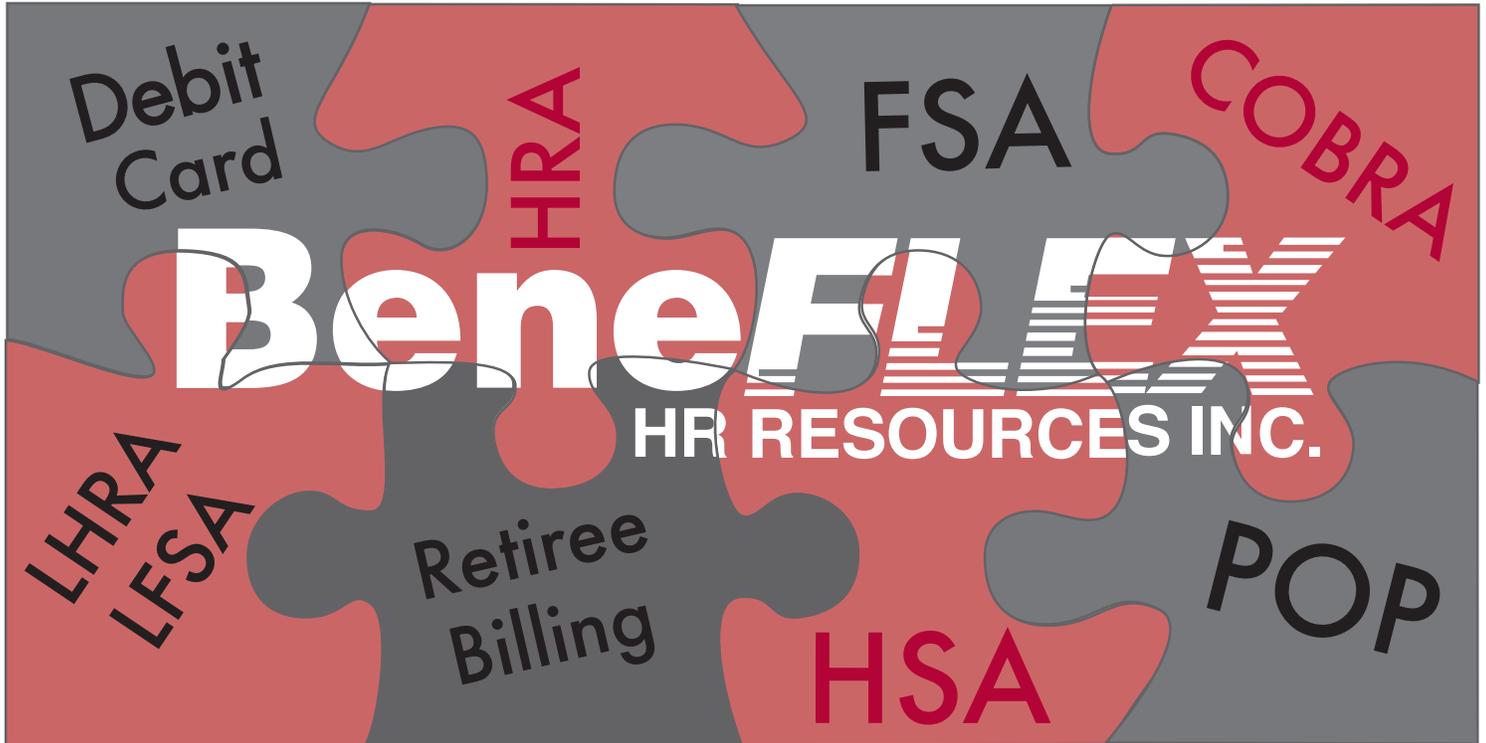
- More control, self-service.
- Health care information and support.
- Potentially lower premiums.
- Tax-deductible contributions and tax-free withdrawals for eligible expenses.
- Tax-free interest earnings and investment options.
- Year-to-year rollover of unused funds to pay for future expenses.
- Ability to take HSA savings and transfer to another HSA account.

Why employers need BeneFLEX for their HSA

- With BeneFLEX you only need one bank no matter how many times you switch your insurance carrier.
- Multiple investment opportunities.
- BeneFLEX notifies employees of non-qualified expenses.
- With the BeneFLEX Benny Card, you only need one card for your HSA, LFSA, and LHRA.
- When using BeneFLEX to administer your HSA Account, their consultants can help you stack the LFSA and LHRA account as outlined by IRS guidelines.
- Educational enrollment meetings including Webcast options.



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