



Back-Office Services: Payroll · Benefits · Compliance

**2010
FLEXIBLE
SPENDING
PLAN
ELECTION
ENROLLMENT
FORM**

FLEXIBLE SPENDING PLAN ELECTION
EMPLOYER NAME: PEOPLE LEASE
PLAN YEAR: JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Employee Name: _____ Date of Birth: _____

Address: _____ Social Security Number: _____

_____ Marital Status: _____ Sex: _____

I decline to participate in the employer sponsored Flex Plan. I have been given the opportunity to participate, and the benefits of the Plan have been explained to me. I understand that I may only participate at the beginning of the next Plan Year.

I elect to participate in the employer sponsored Flex Plan. I agree to and understand that:

Elections cannot be changed during the Plan Year unless there is a change in the family status (marriage, divorce, death of a spouse or child, birth or adoption of a child or a change in spouse's condition of employment: i.e., becomes employed, unemployed, or changes employers).

Salary reduction for the Medical and Dependent Care Expenses Reimbursement programs will be credited to my "Flexible Spending Account" and the employer will reimburse me during the Plan Year as I submit paid documentation for incurred expenses, for approved un-reimbursed medical and/or dependent care expenses. I further understand that any amount remaining in my "benefit bank" at the end of ninety (90) days following the end of the Plan Year will be forfeited to the employer.

The opportunity to change my benefit elections for the following Plan Year will be given to me prior to each Plan Year. Benefit selections will continue from one Plan Year to the next without completing a new election form. However, if you wish to make a change or decline further participation for the next Plan Year, a new election form is required.

The employer may have to reduce or cancel the amount of my salary reduction or otherwise modify this agreement to satisfy new provisions of the Internal Revenue Code as they may occur during the plan year.

Should I terminate my employment and the reimbursements I have received are greater than the amount that has been deposited into my Flexible Spending Account, I agree to reimburse the difference to my employer.

Having selected the benefits checked below, I hereby elect to be reimbursed for the indicated expenditures and authorize my employer to reduce my gross compensation per pay period in the total amount stated below in conformity with Section 125 of the Internal Revenue Code.

Un-reimbursed Medical/Dental/Vision Expenses *(Not to exceed \$2 000 for the 2010 Plan Year)* \$ _____

Dependent Child Care Expenses *(Not to exceed \$5, 000 for the 2010 Plan Year)* \$ _____

Total Annual Eligible Expenses \$ _____

Total number of pay periods remaining in 2010 (12, 24 or 48)

Divide the Total Annual Eligible Expenses amount by the number of pay periods in 2010 to get your pay period election. \$ _____ *(Deducted per period)*

Employee Signature: _____ Date: _____

FLEXIBLE SPENDING BENEFIT PLAN

The Flexible Spending Benefit Plan is a benefit that is permitted by Section 125 of the Internal Revenue Code. The plan allows an individual to pay certain out of pocket medical, dental, and vision expenses or dependent child care costs, using pre-tax dollars. The monies deducted from a participant's paycheck are put into a "Flexible Spending Account" and kept there until the individual is ready to make a claim for reimbursement.

Once you have made your election for the year, it cannot be changed except upon the occurrence of a "Life Event", which is defined below:

LIFE EVENT

Life events are situations which will arise from time to time that can affect your benefit needs. Since an individual's situation can change during the course of a year, the program allows you to change your election.

Life events can include:

- Getting married, divorced, or legally separated.
- The birth or adoption of a child, change (either the addition or end) in a child's custody or the addition of stepchildren or foster children.
- The death of a dependent.
- A child reaching the disqualifying age for classification as a dependent, or any other events causing a loss of status as a dependent.
- The return to full-time student status by a child age 19 to 23 who is dependent on you for at least half of his or her support.
- A change in your employment status, such as working on a part-time basis.
- The commencement or termination of your spouse's employer provided insurance coverage due to a change in his or her job status.
- Termination of employment.

Please note that a participant only has **30 days** following the occurrence of a "Life Event" to make any changes in their coverage. It is important to contact the Benefits Department immediately upon the occurrence of a life event to get instructions on how to make the necessary changes. If a participant fails to make a change within the 30 day window of opportunity they will be unable to make a change until either another life event occurs or during Open Enrollment which occurs in December of every year.

MAKING CLAIMS FROM YOUR FLEXIBLE SPENDING ACCOUNT

During the year, as a participant and their family accumulate expenses, they may apply for reimbursement. Participants are responsible for their Flexible Spending Account claims. If there are questions regarding claim forms or procedure, please contact People Lease at (800) 723-3025 or (601) 987-3025.

A participant may turn in claims for reimbursement no more than once a month. Each monthly submission must be for at least \$25.00. If you submit a claim for medical expenses in an amount larger than the remaining balance of amounts previously withheld and credited to your Flexible Spending Account at the time of the request, those charges will be reimbursed as long as the total reimbursements claimed to date do not exceed the amount allocated for the year. Contributions to a participant's Flexible Spending Account will continue to be made during the remainder of the year, but the participant will only be able to be reimbursed up to the amount allocated for that calendar year.

If a participant submits a claim for dependent child care expenses for an amount that is greater than the balance in their Flexible Spending Account, they will receive a reimbursement for the amount currently in the account. The remainder of the claim will be automatically reimbursed when additional deposits are made into the Flexible Spending Account.

Claims submitted by the 10th of the month will be reimbursed by the 15th of that month.

If at the end of the calendar year a participant has a balance remaining in their Flexible Spending Account, they will receive a letter informing them of the balance remaining to be claimed and the deadline to collect it. The participant has 74 days following the end of the plan year to incur expenses for the plan year and to submit claims. By law, after March 15, any money remaining in the Flexible Spending Account will be forfeited. For the 2010 benefit year, you have until March 15, 2011, to incur expenses and submit claims. This rule applies to all persons who terminate, retire or go on a leave of absence.

IRS Code Section 213(d) Eligible Medical Expenses

An eligible expense is defined as those expenses paid for care as described in **Section 213 (d)** of the Internal Revenue Code. Below are two lists which may help determine whether an expense is eligible.

For more detailed information, please refer to **IRS Publication 502** titled, "Medical and Dental Expenses," If tax advice is required, you should seek the services of a competent professional.

Eligible Medical Expenses

- Abdominal supports
- Abortion
- Acupuncture
- Air conditioner (when necessary for relief from difficulty in breathing)
- Alcoholism treatment
- Ambulance
- Anesthetist
- Arch supports
- Artificial limbs
- Autoette (when used for relief of sickness/disability)
- Birth Control Pills (by prescription)
- Blood tests
- Blood transfusions
- Braces
- Cardiographs
- Chiropractor
- Christian Science Practitioner
- Contact Lenses
- Contraceptive devices (by prescription)
- Convalescent home (for medical treatment only)
- Crutches
- Dental Treatment
- Dental X-rays
- Dentures
- Dermatologist
- Diagnostic fees
- Diathermy
- Drug addiction therapy
- Drugs (prescription)
- Elastic hosiery (prescription)
- Eyeglasses
- Fees paid to health institute prescribed by a doctor
- FICA and FUTA tax paid for medical care service
- Fluoridation unit
- Guide dog
- Gum treatment
- Gynecologist
- Healing services
- Hearing aids and batteries
- Hospital bills
- Hydrotherapy
- Insulin treatment
- Lab tests
- Lead paint removal
- Legal fees
- Lodging (away from home for outpatient care)
- Metabolism tests
- Neurologist
- Nursing (including board and meals)
- Obstetrician
- Operating room costs
- Ophthalmologist
- Optician
- Optometrist
- Oral surgery
- Organ transplant (including donor's expenses)
- Orthopedic shoes
- Orthopedist
- Osteopath
- Oxygen and oxygen equipment
- Pediatrician
- Physician
- Physiotherapist
- Podiatrist
- Postnatal treatments
- Practical nurse for medical services
- Prenatal care
- Prescription medicines
- Psychiatrist
- Psychoanalyst
- Psychologist
- Psychotherapy
- Radium Therapy
- Registered nurse
- Special school costs for the handicapped
- Spinal fluid test
- Splints
- Sterilization
- Surgeon
- Telephone or TV equipment to assist the hard-of-hearing
- Therapy equipment
- Transportation expenses (relative to health care)
- Ultra-violet ray treatment
- Vaccines
- Vasectomy
- Vitamins (if prescribed)
- Wheelchair
- X-rays

Eligible Over-the-Counter Drugs

- Antacids
- Allergy Medications
- Pain Relievers
- Cold medicine
- Anti-diarrhea medicine
- Cough drops and throat lozenges
- Sinus Medications and Nasal sprays
- Nicotine medications and nasal sprays
- Pedialyte
- First aid creams
- Calamine lotion
- Wart removal medication
- Antibiotic ointments
- Suppositories and creams for hemorrhoids
- Sleep aids
- Motion sickness pills

Ineligible Medical Expenses

- Advance payment for services to be rendered next year
- Athletic Club membership
- Automobile insurance premium allocable to medical coverage
- Boarding school fees
- Bottled Water
- Commuting expenses of a disabled person
- Cosmetic surgery and procedures
- Cosmetics, hygiene products and similar items
- Funeral, cremation, or burial expenses
- Health programs offered by resort hotels, health clubs, and gyms
- Illegal operations and treatments
- Illegally procured drugs
- Maternity clothes
- Non-prescription medication
- Premiums for life insurance, income protection, disability, loss of limbs, sight or similar benefits
- Scientology counseling
- Social activities
- Special foods and beverages
- Specially designed car for the handicapped other than an autoette or special equipment
- Stop-smoking programs
- Swimming pool
- Travel for general health improvement
- Tuition and travel expenses a problem child to a particular school
- Weight loss programs

Ineligible Over-the-Counter Drugs

- Toiletries (including toothpaste)
- Acne treatments
- Lip balm (including Chapstick or Carmex)
- Cosmetics (including face cream and moisturizer)
- Suntan lotion
- Medicated shampoos and soaps
- Vitamins (daily)
- Fiber supplements
- Dietary supplements
- Weight loss drugs for general well being
- Herbs