

# ADP FlexDirect Spending Account Services



Eliminate burdens, optimize efficiencies and mitigate the non-compliance risk associated with FSA administration

Flexible Spending Accounts (FSAs) have rapidly become a highly valued voluntary benefit for many employees. By contributing to an FSA, an employee can ease the burden of growing health care costs with tax-free reimbursement for qualified expenses. Because companies incur no FICA taxes for FSA contributions, offering employees a FSA program is advantageous to employers as well. However, the benefits are often saddled with accompanying complexities. Many companies lack the resources to process FSA benefits accurately and timely, and when FSA laws change, organizations may unknowingly fall out of compliance with FSA regulations—resulting in penalties or a loss of the tax benefit.

## The ADP Solution

With ADP FlexDirect Spending Account Services, you eliminate the administrative burden and costs associated with FSA administration, optimize efficiencies and mitigate the risk of FSA non-compliance. ADP's experienced administrators are dedicated exclusively to servicing FSA participants with tested and proven FSA administration practices and systems. In addition to the more commonly offered health care and dependent care FSA programs, ADP also provides administrative services for transportation reimbursement made possible by the Transportation Equity Act of the 21<sup>st</sup> Century, used to reimburse employees for qualified vanpooling, transit passes, and parking costs.

## Flexible Payment

ADP FSA Services gives your employees the flexibility of three reimbursement options. Participants can choose to be reimbursed via check, direct deposit, or through the ADP FlexDirect Card — a secured Visa branded debit/credit card accepted by most health care service providers such as doctor's offices and pharmacies. No matter which option they choose

your employees claims are processed daily to ensure prompt reimbursement.

## Rapid and Accurate Adjudication

If employees are not using the ADP FlexDirect Card for their expenses, they may submit claims to ADP by fax or through the mail. ADP uses the scanning technology Optical Character Recognition (OCR) in conjunction with document imaging and retrieval to ensure accurate and timely claims payment. An audit prior to every check processing ensures complete and accurate service.

## Timely Employee Communications and Claims Tracking

Account status reminders are sent via e-mail to participants on a quarterly basis, regardless of activity. These email reminders point participants to an Internet location where account summaries keep employees informed of account balances and account activity.

## With ADP FlexDirect FSA Administration Everybody Benefits...

- Proven ADP membership programs improve participation and increase corporate tax savings
- Participation provides employee tax savings and improves employee satisfaction
- Three reimbursement options minimize reimbursement cycle times
- ADP systems provide employees with realtime 24x7 Internet and telephone access to accounts and activity

- Internet access and electronic claims improve efficiencies by eliminating the need for paper claim submittals
- ADP FlexDirect Card offers instant access to health care and dependant care plan dollars
- ADP FlexDirect FSA administration simplifies, automates and consolidates deduction transactions
- ADP FlexDirect FSA administration ensures overall compliance with Section 125 regulations

### **Standard ADP FlexDirect FSA Administration Services:**

- Client service for employers and plan participants
- Daily claims adjudication, including claims discrepancies
- Daily claims reimbursement via check or direct deposit for manual claims
- Standard enrollment and claim forms
- Tracking and loading of participant payroll deductions
- Quarterly personalized participant account summary reporting
- Standard interfaces with ADP Payroll solutions

### **Standard Interactive Voice Response System Services:**

- Claims processing status
- Reimbursement payment history
- Year-to-date payroll contributions for the participant
- Elected annual goal amounts
- Current account balances

### **Standard Participant Web Services:**

- Detailed participant claims information
- Detailed participant reimbursement payment history
- Detailed participant contributions information
- Tax savings worksheets
- Claim forms
- Participant service capabilities
- Access to frequently asked questions
- Listing of eligible and ineligible expenses for reimbursement

### **Standard Client Web Services:**

- Access to plan setup information
- Preparation of Standard Plan Documents and Summary Plan Descriptions
- Access to plan participant information
- Management report access and delivery
- Compliance updates and information

### **Optional FSA Services:**

- Produce custom materials and program parameters
- Conduct annual non-discrimination testing
- Employee meetings led by ADP personnel

### **TODAY ADP**

- Serves over 30 million employees worldwide every payday
- Touches another 15–20 million employees through benefits and HR services
- Serves 5,000 large employers (with more than 1,000 employees), including both public sector organizations and multi-national companies
- Moves half a trillion dollars annually through payroll and tax operations
- Prepares and submits employers' quarterly payroll tax returns to about 2,000 U.S. federal, state and local regulatory agencies
- Stands as the only information technology company and one of only a handful of global companies with a "AAA" rating from the leading investment ratings agencies