

April 28, 2015

Dear FSA Plan Participant:

We would like to update you on an important change regarding Flexible Spending Account (FSA) debit card transactions. The IRS now requires employers to tax an undocumented debit card transactions, if documentation when requested, is not received within 150 days of the request.

In order to keep your FSA in compliance with IRS guidance, the IRS requires implementation of a new process to help correct any improper payments or debit card transactions. This IRS process will require employees to have a deadline for supplying the proper documentation for transactions that remain unsubstantiated after our initial requests have been issued. Employees must supply documentation for transactions within 150 days of the end of the plan year in which the transaction occurred or within 150 days after the debit card has been closed. Without substantiated documentation, the transaction will be deemed as undocumented and unrecoverable, and as an employer we will be required to request repayment of these amounts. MCID84((4(ti2Fadl)5(in)5(e )-3(f)12(o)T4(re)10