Tax-Advantaged Savings Accounts and the Health Incentive Account

For questions and assistance with your benefits
or information in this section, contact the
HealthySteps benefits service center at
855-278-7157 (Monday – Friday, 5:00 a.m. – 5:00 p.m. PT).

Lucile Packard Children's Hospital Stanford is a participating employer in the Stanford Health Care Employee Health and Welfare Benefit Plan.

For Non-Represented and SEIU-UHW Represented Employees

Effective January 1, 2017

Stanford HEALTH CARE

Lucile Packard Children's Hospital Stanford

HealthySteps

Getting the Most for Your Money

Stanford Health Care as the plan sponsor and Lucile Packard Children's Hospital Stanford as a participating employer are referred to as "the hospital" or collectively as "the hospitals," offer you ways to save money on certain expected dependent daycare and/or health care out-of-pocket expenses you may have planned during the year. Your options consist of:

Type of Account	Advantage	Who Can Contribute
Dependent Daycare Flexible Spending Account (FSA)	By contributing tax-free dollars to this tax-advantaged savings account, you lower your taxable income. You may also use these tax-free contributions to reimburse yourself for qualified dependent daycare expenses.	You
Health Care Flexible Spending Account (FSA)	By contributing tax-free dollars to one of these two tax-advantaged savings accounts, you lower your taxable income. You may also use these tax-free contributions to reimburse yourself for qualified health care expenses, including copays, prescription medications and deductibles.	You
Health Savings Account (HSA)		You and the hospitals
Health Incentive Account (HIA)	If you complete HealthySteps to Wellness activities, the hospitals will contribute to a reimbursement account. You may use the funds to pay for eligible expenses, including copays, prescription medications and deductibles.	The hospitals

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Your Tax-Advantaged Savings Account and Health Incentive Account Options

Dependent Daycare Flexible Spending Account (FSA) Administered by HealthEquity	
Who Is Eligible	All employees.
Method of Payment	Submit a reimbursement claim form and supporting documentation by mail, fax, or online. You can find the reimbursement instructions and claim form at http://learn.healthequity.com/shclpch.
Maximum and Minimum Calendar-Plan-Year Contribution Amounts	Maximum: $5,000 (including contributions to another employer's plan) if you are single or married filing jointly, or $2,500 if you are married and filing separately. Minimum: $1.
Eligible Expenses	To identify eligible expenses, please refer to the IRS website: www.irs.gov/pub/irs-pdf/p503.pdf.
Making Changes	Generally, you may enroll during the annual open enrollment period. However, if certain qualifying life events occur during the year, you may enroll, stop or change your contributions within 31 days of the event. The change must be consistent with the event. For details on qualifying life events as defined by the IRS, see "Qualifying Life Events" in the *Life Events* section.
Use It or Lose It	The IRS "use it or lose it" rule applies. Money in your account at the end of the plan year must be forfeited. Money left in one account cannot be transferred to the other account nor can it be carried forward to the next year. The plan year is January 1 through December 31 of that same year. You have until March 15 after the end of the plan year to file claims for expenses incurred in the prior plan year.
You Must Re-Enroll Every Year	To continue your participation, you must re-enroll during the annual open enrollment period, even if you are a current participant.
What Happens If You Leave the Hospitals?	You may continue to submit reimbursement requests through March 15 of the year following your termination – up to your account balance — for eligible expenses incurred prior to your termination date.
What Happens If You Stop Contributions Following a Qualifying Life Event?	You may continue to submit reimbursement requests through March 15 of the year following when you stopped contributing — up to your account balance — for eligible expenses incurred prior to when you stopped contributing.

Dependent Daycare Flexible Spending Account (FSA) Administered by HealthEquity	
What Happens If You Take a Leave of Absence?	You have two options: 1. Take no action and your deductions will continue as long as you are receiving a paycheck. If you do not have sufficient pay to cover your deduction, your deduction will go in arrears and will be collected once you have sufficient pay again. 2. Within 30 days of the start of your leave of absence, you can stop your deductions through the HealthySteps benefits portal (see page 10 for access instructions). Then, within 31 days of your return to work, you can resume your deductions through the HealthySteps benefits portal. For Stanford Health Care employees, please contact the HealthySteps benefits service center at 855-278-7157 to adjust your deduction amount so you can reach your annual goal. For Lucile Packard Children's Hospital Stanford employees, contributions will recalculate when you return to work based on the number of pay periods remaining in the calendar year. In either case, any claims you incur during your leave of absence are ineligible for reimbursement.

Health Care Flexible Spending Account (FSA) Administered by HealthEquity	
Who Is Eligible	Employees who work 40 hours per pay period and who are enrolled in the Stanford Health Care Alliance (SHCA) plan, Kaiser Permanente HMO plan or who have waived coverage. Employees enrolled in the Aetna Choice POS II with Health Savings Account are not eligible to participate in the Health Care FSA, unless you are not eligible to contribute to an HSA based on IRS guidelines. In that case, you will be able to enroll in the Health Care FSA.
Method of Payment	Use the Health Care FSA debit card, submit paper claims via mail, fax, or online. For paper claims, you can find the reimbursement instructions and claim form at http://learn.healthequity.com/shclpch.
Maximum and Minimum Calendar-Plan-Year Contribution Amounts	Maximum: $2,550 (this limit may change from year to year). Minimum: $1.
Eligible Expenses	To identify eligible expenses, please refer to the IRS website: www.irs.gov/pub/irs-pdf/p502.pdf.
Making Changes	Generally, you may enroll only during the annual open enrollment period. However, if certain qualifying life events occur during the year, you may enroll, stop or change your contributions within 31 days of the event. The change must be consistent with the event. For details on

Health Care Flexible Spending Account (FSA) Administered by HealthEquity	
	qualifying life events as defined by the IRS, see “Qualifying Life Events” in the *Life Events* section.
Use It or Lose It	The IRS “use it or lose it” rule applies. Money in your account at the end of the plan year must be forfeited. Money left in one account cannot be transferred to the other account nor can it be carried forward to the next year. The plan year is January 1 through December 31 of that same year. You have until March 15 after the end of the plan year to file claims for expenses incurred in the prior plan year.
You Must Re-enroll Every Year	To continue your participation, you must re-enroll during the annual open enrollment period, even if you are a current participant.
What Happens If You Leave the Hospitals?	You may request reimbursement only for expenses incurred during the plan year, up to the time of your termination. You have up to 90 days from your termination date to submit claims for reimbursement. Money in your account after the 90-day period must be forfeited.
What Happens If You Stop Contributions Following a Qualifying Life Event?	You have up to 90 days from the date you stopped your deductions to submit claims for reimbursement — up to your account balance — for eligible expenses incurred prior to when you stopped contributing.
What Happens If You Take a Leave of Absence?	You have two options: 1. Take no action and your deductions will continue as long as you are receiving a paycheck. If you do not have sufficient pay to cover your deduction, your deduction will go in arrears and will be collected once you have sufficient pay again. 2. Within 30 days of the start of your leave of absence, you can stop your deductions through the HealthySteps benefits portal (see page 10 for access instructions). Then, within 31 days of your return to work, you can resume your deductions through the HealthySteps benefits portal. For Stanford Health Care employees, please contact the HealthySteps benefits service center at 855-278-7157 to adjust your deduction amount so you can reach your annual goal. For Lucile Packard Children’s Hospital Stanford employees, contributions will recalculate when you return to work based on the number of pay periods remaining in the calendar year. If you do not resume your deductions within 31 days of your return to work, you have up to 90 days from the date you stopped your deductions to submit claims for reimbursement. Money left in your account after the 90-day period must be forfeited. In either case, any claims you incur during your leave of absence and

Stanford HEALTH CARE
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Health Care Flexible Spending Account (FSA) Administered by HealthEquity	
	while you have paycheck deductions are eligible for reimbursement.

Health Savings Account (HSA) Administered by HealthEquity	
Who Is Eligible	Employees who work 40 hours per pay period and are enrolled in the Aetna Choice POS II with HSA.
Who Is Not Eligible	• Employees who are enrolled in the Stanford Health Care Alliance (SHCA) or Kaiser Permanente HMO plans. • Employees covered by any medical plan which is not a high-deductible health plan as defined by the Internal Revenue Code. • Employees covered by Medicare Part A and/or B. • Employees who have access to a Health Care FSA through the hospitals or participate in a Health Care FSA through their spouse/eligible domestic partner's employer. • Employees who are claimed as a dependent on another person's tax return.
Method of Payment	Use the Health Savings Account debit card, submit paper claims via mail, fax, or online. For paper claims, you can find the reimbursement instructions and claim form at http://learn.healthequity.com/shclpch.
Maximum and Minimum Calendar-Plan-Year Contribution Amounts	Maximum contributions are limited by the amount contributed by the hospitals and are based on IRS limits, which are subject to change each year.

	Employee-only coverage	Family coverage
Hospitals contribution (for participants in the HealthySteps to Wellness program)	Up to $500[1]	Up to $1,000[1]
Employee contribution[2]	Up to $2,900	Up to $5,750
2017 IRS annual limit (subject to change each year)	$3,400	$6,750

1 Amount is subject to change each year.

2 Employees age 55 or older as of December 31, 2017 can make an additional $1,000 catch-up contribution.

Eligible Expenses	To identify eligible expenses, please refer to the IRS website: www.irs.gov/pub/irs-pdf/p502.pdf. HSA funds cannot be used for an eligible domestic partner who fails to meet the definition of a dependent under Internal Revenue Code Section 152(d).

Health Savings Account (HSA) Administered by HealthEquity	
Making Changes	You may change your HSA contribution elections at any time during the year.
"Use It or Lose It" Rule Does NOT Apply	Any funds remaining in your HSA will be rolled over from year to year — and will be yours even if you no longer participate in the Aetna Choice POS II with HSA. You will be responsible for paying any administrative fees.
You Must Re-enroll in the HSA Every Year	To continue your participation in the HSA, you must remain enrolled in the Aetna Choice POS II with HSA plan and make a new contribution election to the HSA every year during annual open enrollment. Your contribution election does not carry over to the new plan year and you can make changes to your contribution amount any time during the year.
What Happens If You Leave the Hospitals?	You can roll over the balance to another HSA or you can use this balance to pay for eligible health care expenses. You will be responsible for paying any administrative fees. You may not continue to contribute to an HSA through the hospitals after termination.
What Happens If You Take a Leave of Absence?	If you have an HSA balance, you may continue to use the funds while you are on leave.
Not an ERISA Plan	The Health Savings Account is not an ERISA plan. Information about its features is provided in this section for your convenience. If you have any questions about how the HSA works, please contact HealthEquity at 877-395-6548 or online at http://learn.healthequity.com/shclpch.

For further information regarding HSA laws, go to http://www.irs.gov/pub/irs-pdf/p969.pdf.

Health Incentive Account (HIA) Administered by HealthEquity	
Who Is Eligible	The HIA is an employer-sponsored account for those employees who participate in the HealthySteps to Wellness program and earn wellness incentive dollars. Once those incentive dollars are earned, those dollars will be deposited into an HIA that will be set up for them by the hospitals. Eligible employees are those enrolled in the Stanford Health Care Alliance (SHCA) plan, Kaiser Permanente HMO plan and those enrolled in the Aetna Choice POS II with HSA who are not eligible for the HSA. For details on the HealthySteps to Wellness program, go to http://wellness.healthysteps4u.org.
Method of Payment	Submit claim to be reimbursed for eligible expenses. You can find the reimbursement instructions and claim form at http://learn.healthequity.com/shclpch.

Health Incentive Account (HIA) Administered by HealthEquity	
Maximum and Minimum Calendar-Plan-Year Contribution Amounts	The hospitals will make contributions into the employee's account based on the wellness activities that have been completed during the year. The hospitals will contribute to this account on a quarterly basis[1] as employees earn Wellness dollars. You must be enrolled in a hospitals' medical plan and an active employee on the date the funds are deposited in order to receive the contribution. Otherwise, the funds will be forfeited.
Eligible Expenses	To identify eligible expenses, please refer to the IRS website: http://www.irs.gov/pub/irs-pdf/p502.pdf.
Making Changes	This is an employer-contribution only plan, so this does not apply.
Use It or Lose It	The IRS "use it or lose it" rule applies. Money in your account at the end of the plan year must be forfeited. Money cannot be transferred to another account nor can it be carried forward to the next year. The plan year is January 1 through December 31 of that same year. You have until March 15 after the end of the plan year to file claims for expenses incurred in the prior plan year.
Enrollment	You are automatically enrolled, if you are eligible.
What Happens If You Leave the Hospitals?	You may request reimbursement only for expenses incurred during the plan year, up to the time of your termination. You have up to 90 days from your termination date to submit claims for reimbursement. Money in your account after the 90-day period must be forfeited.
What Happens If You Take a Leave of Absence?	You may continue to submit reimbursement requests — up to your account balance — for eligible expenses incurred during the calendar year. If you return to work, your participation continues. If you do not return to work, see "What Happens If You Leave the Hospitals?" above.

[1] The frequency is subject to change.

General Information About Tax-Advantaged Savings Accounts and the Health Incentive Account

Who's Eligible to Participate

The hospitals provide multiple Tax-Advantaged Savings Account options — a Dependent Daycare Flexible Spending Account (FSA), a Health Care FSA, a Health Savings Account (HSA) and a Health Incentive Account (HIA) — to meet the various needs of our employees. Please keep reading to learn more about the eligibility requirements for each type of account.

Enrolling in a Tax-Advantaged Savings Account and Health Incentive Account

IMPORTANT NOTE!

Your participation in a Tax-Advantaged Savings Account does not automatically renew each year. You must re-enroll during each annual open enrollment period to continue your participation the following calendar year.

For the Dependent Daycare FSA and Health Care FSA

You must elect participation during annual open enrollment or within 31 days of the date you are hired or the date you become eligible for these benefits. To enroll, follow the instructions below:

Stanford Health Care	Lucile Packard Children's Hospital Stanford
To access the HealthySteps benefits portal: • Visit www.healthysteps4u.org and click on "View or Change My Benefits (SHC)" from the homepage. • Enter your User ID and Password. – When you visit the portal for the first time, click on "Are you a new user" to set up your User ID and Password. – When accessing the portal from a Stanford Health Care network, the registration process is handled for you via a secure sign-in process using your Stanford Health Care login and password.	• Visit AccessHR from any computer at accesshr.lpch.org. • Enter your User ID and Password. – Click on the "My Benefits" tile. – Click on the "Benefits" tile that states "Auto Sign In" if you are accessing from your personal hospital work station. OR – Click on the "Benefits" tile that states "Shared Workstation" if you are accessing from a shared work station or a computer outside of the hospital network. When accessing the HealthySteps benefits portal from AccessHR, the registration process is handled for you via a secure sign-in process using your Lucile Packard Children's Hospital Stanford login and password.

If you have a question or need assistance, contact the HealthySteps benefits service center at 855-278-7157 (Monday – Friday, 5:00 a.m. – 5:00 p.m. PT).

Generally, you must enroll when you are first eligible or wait until the next annual open enrollment period. However, if certain events occur during the year, which impact your need for Tax-Advantaged Savings Accounts, you may enroll within 31 days of one of these events. See "Making Changes to Health Care FSA, Dependent Daycare FSA or HSA Elections" on page 13 for a list of the permissible events.

For the Health Savings Account (HSA)

You can enroll in an HSA at any time. After you enroll in the Aetna Choice POS II with HSA in the HealthySteps benefits portal, you will be prompted to open an HSA and confirm that you meet specific criteria by:

- Certifying that you are eligible (see the Health Savings Account (HSA) chart in the "Your Tax-Advantaged Savings Account and Health Incentive Account Options" section on page 7),
- Reading the HSA Custodial Agreement (located in the Media Library on www.healthequity.com, then clicking "Learn," then "Health Savings Account (HSA)," then "Documents & Forms"), and
- Following the prompts to agree or disagree with this statement:

  "I accept the Terms and Conditions as outlined."

  The HSA Custodial Agreement is located in the Media Library on www.healthequity.com, then clicking "Learn," then "Health Savings Account (HSA)," then "Documents & Forms"). In compliance with the USA PATRIOT Act, HealthEquity must verify the identity of all customers seeking to open an HSA. As part of this identity verification process, you may be asked to provide additional information and/or documentation before your account can be established.

  If you agree, your eligibility information will be sent to HealthEquity for ID verification and account setup. If you do not pass the ID verification, you will be notified by HealthEquity regarding required documentation. For more information, call 877-395-6548 or visit http://learn.healthequity.com/shclpch.

For the Health Incentive Account (HIA)

If you are eligible, you are automatically enrolled in the HIA.

Using Tax-Free Money to Pay for Eligible Expenses

Tax-Advantaged Savings Accounts allow you to set aside pre-tax dollars each calendar year to pay for eligible expenses you incur during that calendar year. HealthEquity administers debit cards for the Health Care FSA and the HSA. The HIA and Dependent Daycare FSA require employees to file a claim in order to access their reimbursement.

Your pre-tax contributions are deducted from your paycheck before Social Security (FICA), federal income tax and most state income taxes are calculated, thus reducing your taxable income. In general, your contributions are not taxed when you use them to pay for or reimburse yourself for eligible expenses. Please note that in California, state tax will apply to HSA contributions.

For the Dependent Daycare FSA, Health Care FSA and HSA
Here is an example of how Tax-Advantaged Savings Accounts save you money:

	With an FSA	Without an FSA
Eligible expenses you will pay	$1,000	$1,000
Taxes you will pay on $1,000 of income	$0	$250
Money you will have available to spend on eligible expenses	$1,000	$750
Tax savings to you	$250	$0

* **Note:** This example is based on a 25% tax rate and will vary by individual. Your tax savings may be different and may increase with income.

Reducing your taxable income could reduce your Social Security benefits. For most people the immediate tax savings makes financial sense, but if you have questions about whether to contribute to an HSA and/or an FSA you should consult your tax advisor.

"Use It or Lose It" Rule

Dependent Daycare FSA and Health Care FSA

The Dependent Daycare FSA and Health Care FSA are subject to the IRS "use it or lose it" rule — any money left over at the end of the plan year must be forfeited. Be sure to carefully calculate how much you are likely to need for each type of eligible expense during the plan year. Money left in one account cannot be transferred to the other account nor can it be carried forward to the next plan year. Similarly, HIA funds cannot be carried over from one plan year to the next. Any balances remaining in your HIA at the end of the plan year will be forfeited.

You have until March 15 after the end of the plan year to file claims for expenses incurred from January 1 to December 31.

HIA

The HIA is subject to the IRS "use it or lose it" rule applies — any money left over at the end of the plan year must be forfeited. Money cannot be transferred to another account nor can it be carried forward to the next year. The plan year is January 1 through December 31 of that same year. You have until March 15 after the end of the plan year to file claims for expenses incurred from January 1 to December 31.

Note: The "use it or lose it" rule does not apply to the HSA. Any balance in your HSA may be rolled over from one plan year to the next.

Making Changes to Dependent Daycare FSA, Health Care FSA or HSA Elections

During the year, you may not change the amount you contribute to the Dependent Daycare FSA and Health Care FSA, unless one of the permissible events listed below occurs.

Qualifying Life Event	Dependent Daycare FSA What You Can Do	Health Care FSA What You Can Do
No later than 31 days of the qualifying life event		
Birth or adoption	You can enroll or increase your contribution.	You can enroll, increase or decrease your contribution or stop contributing.
Gain a dependent child (eligible dependent moves in with you)	You can enroll or increase your contribution.	You can enroll, increase or decrease your contribution or stop contributing.
Loss of dependent child (eligible dependent moves out of your home to be on another employer plan and/or own plan)	You can decrease your contribution or stop contributing.	You can decrease your contribution or stop contributing.
Marriage (dependents do not have coverage elsewhere)	You can enroll, increase or decrease your contribution or stop contributing.	You can enroll, increase or decrease your contribution or stop contributing.
Employee gains other coverage (you and a new spouse/eligible domestic partner[3] become eligible under and enroll in your new spouse/eligible domestic partner's[3] plan)	You can decrease your contribution or stop contributing.	You can decrease your contribution or stop contributing.
Divorce/legal separation	You can enroll, increase or decrease your contribution or stop contributing.	You can enroll, increase or decrease your contribution or stop contributing.
Death of a spouse/eligible domestic partner[3]	You can enroll, increase or decrease your contribution or stop contributing.	You can enroll, increase or decrease your contribution or stop contributing.
Death of dependent child	You can decrease your contribution or stop contributing.	You can decrease your contribution or stop contributing.
Employee and/or spouse/eligible domestic partner[3] loses coverage through spouse/eligible domestic partner[3]	You can enroll, increase or decrease your contribution or stop contributing.	You can enroll, increase or decrease your contribution or stop contributing.
Spouse/eligible domestic partner[3] gains benefits	You can decrease your contribution or stop contributing.	You can decrease your contribution or stop contributing.

Qualifying Life Event	Dependent Daycare FSA What You Can Do	Health Care FSA What You Can Do
No later than 31 days of the qualifying life event		
Spouse/eligible domestic partner[3] loses benefits	You can enroll or increase your contribution.	You can enroll or increase your contribution.
Change in Medicaid/CHIP status	No changes allowed.	You can decrease your contribution or stop contributing.

[3] This applies only if your eligible domestic partner is a qualifying dependent under Section 152 of the Internal Revenue Code. Special tax regulations apply to the Health Care FSA and eligible domestic partners. Consult your tax advisor regarding what is permissible under current tax regulations.

When a permissible event occurs:

- You may enroll, change or cancel your elections.
  - Make changes within 31 days of the event.
  - Make sure the change you are requesting is consistent with the event.
- To make changes, go to the HealthySteps benefits portal (Stanford Health Care employees) or AccessHR (Lucile Packard Children's Hospital Stanford employees). See "Enrolling in a Tax-Advantaged Savings Account and Health Incentive Account" on page 10 for further log in instructions.

If you have a question or need assistance, contact the HealthySteps benefits service center at 855-278-7157.

If you add a dependent due to birth or adoption, the changes you make within the 31-day period are effective as of the date of the birth or adoption. For all other qualifying life events, changes made within the 31-day period are effective the first day of the month following:

- The date the event occurs, or
- The date you make changes through the HealthySteps benefits portal or AccessHR.

What Happens During an Approved Leave of Absence

Continuing Your FSA Participation

You have two options:

1. Take no action and your deductions will continue as long as you are receiving a paycheck. If you do not have sufficient pay to cover your deduction, your deduction will go in arrears and will be collected once you have sufficient pay again.

2. Within 30 days of the start of your leave of absence, you can stop your deductions through the HealthySteps benefits portal (see page 10 for access instructions). Then, within 31 days of your return to work, you can resume your deductions through the HealthySteps benefits portal. For Stanford Health Care employees, please contact the HealthySteps benefits service center at 855-278-7157 to adjust your deduction amount so you can reach your annual goal. For Lucile Packard Children's Hospital Stanford employees, contributions will recalculate when you return to work based on the number of pay periods remaining in the calendar year.

   If you do not resume your deductions within 31 days of your return to work, you have up to 90 days from the date you stopped your deductions to submit claims for reimbursement. Money left in your account after the 90-day period must be forfeited.

In either case:

- Any Dependent Daycare FSA claims you incur during your leave of absence are ineligible for reimbursement.
- Any Health Care FSA claims you incur during your leave of absence and while you have paycheck deductions are eligible for reimbursement.
- If you terminate before the end of a leave, missed contributions may be taken from your final paycheck.

Stopping Your FSA Participation

You may revoke your participation in the Dependent Daycare and Health Care FSAs within 31 days of the date your leave begins. This includes transitioning from one leave type to another (e.g., pregnancy to baby bonding). The change in your participation will be effective the first day of the month after the event or after you submit the change request form, whichever is later. To resume participation, you must re-enroll within 31 days of the date you return to work or wait until the next annual open enrollment period. You may make this change through the HealthySteps benefits portal (Stanford Health Care employees) or AccessHR (Lucile Packard Children's Hospital Stanford employees). See "Enrolling in a Tax-Advantaged Savings Account and Health Incentive Account" on page 10 for further log in instructions.

Continuing Your HSA Participation

If you want to make changes to your HSA contributions during your leave, you may do so at any time. The change will go into effect the pay period following the date you make the change.

To make a change to your participation or HSA contributions, go to the HealthySteps benefits portal (Stanford Health Care employees) or AccessHR (Lucile Packard Children's Hospital Stanford employees). See "Enrolling in a Tax-Advantaged Savings Account and Health Incentive Account" on page 10 for further log in instructions.

If you have a question or need assistance, contact the HealthySteps benefits service center at 855-278-7157.

Submitting Claims While on an Approved Leave

The rules for submitting claims while on an approved leave of absence vary by tax-advantaged savings plan:

Plan	When You Can Submit Claims
Dependent Daycare FSA	During your leave, you can submit claims incurred prior to your leave. During a leave, you generally will not have eligible expenses you can submit against your Dependent Daycare FSA.
Health Care FSA	If you stop your contributions while on a leave of absence, you are not allowed to submit receipts for expenses that were incurred while you are on leave.
HSA	You will continue to have access to your HSA funds while on a leave.
HIA	You will continue to have access to your HIA funds while on a leave.

What Happens When You Leave the Hospitals

The rules for submitting claims after you leave the hospitals vary by the type of account:

Plan	When You Can Submit Claims
Dependent Daycare FSA	You may continue to submit reimbursement requests through March 15 of the year following your termination – up to your account balance – for eligible expenses incurred prior to your termination date.
Health Care FSA	Under federal legislation, known as COBRA, you may continue to make post-tax contributions and submit claims for eligible expenses you incur during the remainder of the calendar year in which your coverage ended. You have until March 15 of the following year to submit claims. If you elect not to continue to make post-tax contributions to your Health Care FSA, you may request reimbursement only for expenses incurred during the plan year, up to the time of your termination. You have up to 90 days from your termination date to submit claims for reimbursement. Money in your account after the 90-day period must be forfeited.
HSA	You can roll over the balance to another HSA or you can use this balance to pay for eligible health care expenses. You will be responsible for paying any administrative fees. You may not continue to contribute to an HSA through the hospitals after termination.
HIA	You may request reimbursement only for expenses incurred during the plan year, up to the time of your termination. You have up to 90 days from your termination date to submit claims for reimbursement. Money in your account after the 90-day period must be forfeited.

How to File for Reimbursement

You may submit eligible expenses by filling out and signing a reimbursement request form or submitting your claim online. Contact HealthEquity via phone at 877-395-6548 or online at http://learn.healthequity.com/shclpch.

Appeals for Dependent Daycare FSA and Health Care FSA and Health Incentive Account (HIA) Claims

See the *Administrative Information* section for general information about how to appeal a denied claim for Dependent Daycare FSA, Health Care FSA or HIA expenses. Although the Dependent Daycare FSA is not subject to the requirements of the Employee Retirement Income Security Act of 1974 (ERISA), the appeal procedures outlined in the *Administrative Information* section apply. Eligible expenses are reimbursed up to:

- The amount in your Dependent Daycare FSA
- The annual amount you elected to contribute to your Health Care FSA, less the amount of any year-to-date reimbursements
- The amount in your HIA

HealthEquity will not process reimbursement requests that do not have all of the following required documentation:

- Proof of payment;
- Your name and Social Security number;
- The name of the individual for whom the expense was incurred;
- The name of the person/organization providing the service;
- The tax identification number and signature of the provider (for dependent daycare reimbursement requests);
- The date the care or service was provided;
- The amount charged; and
- Special documentation that may be required for the FSA (see “The Health Care Flexible Spending Account (Health Care FSA)” on page 21).

You have until March 15 to file claims for expenses incurred during the previous plan year.

Submit all claims immediately so that if there is a problem with your documentation, you will have some time to secure the correct documentation and resubmit it prior to the March 15 deadline. If your claim is denied for insufficient documentation on March 15, you will not have an option to resubmit your claim with additional documentation at a later date and you will forfeit any amount left in your Dependent Daycare FSA, Health Care FSA and HIA.

Dependent Daycare FSA, Health Care FSA and HIA expenses incurred in the next year, or while you are not an eligible participant, may not be applied to any remaining balance from the previous year.

The Dependent Daycare Flexible Spending Account (FSA)

Use the Dependent Daycare FSA for eligible expenses you incur for children, disabled parents or other dependents. Generally, you must be able to claim the individual as a dependent on your income tax return.

Dependents include:

- Children under age 13 who are in your custody and whom you claim as a dependent on your federal income tax return
- Children under age 13 who are in your custody if you are legally separated or divorced and who live with you more than six months during the year, even if you do not claim them as a dependent on your federal income tax return
- Any other dependent who is incapable of providing his or her own care, who lives with you at least eight hours a day and whom you claim as a dependent on your federal income tax return

You can use the Dependent Daycare FSA for your eligible domestic partner's dependent care expenses only if you can claim your eligible domestic partner's dependent on your income tax return.

Eligible Employees

The Dependent Daycare FSA is available for all employees. If you are married and you wish to enroll in the Dependent Daycare FSA, your spouse must be:

- Employed;
- Disabled; or
- A full-time student at least five months during the year.

Eligible Dependent Daycare Expenses

The expenses that can be reimbursed from your Dependent Daycare FSA are the same as those for which you can claim a child or dependent care credit on your federal income tax return. For a complete list of eligible expenses, consult the IRS Publication 503 or contact HealthEquity.

Examples of eligible expenses include:

- Care that is for an eligible dependent and is necessary so that you and your spouse, if you're married, can work or look for work. (You must have work income during the year.) Or, if your spouse is not working or seeking work, he or she must be a full-time student or incapable of self-care.

- Care in your home, including Social Security taxes, provided to a qualified dependent by a babysitter or nanny.
- Care outside your home provided for a qualified dependent before or after school, custodial summer camp, day camp during school vacations and daycare for a qualified dependent. If you use a daycare facility where more than six individuals are receiving care, the facility must charge a fee for the services and comply with all applicable state and local regulations.

Ineligible Dependent Daycare Expenses

The list below provides examples of ineligible dependent daycare expenses under the Dependent Daycare FSA. For more details on ineligible expenses, please refer to the IRS website at www.irs.gov/pub/irs-pdf/p503.pdf, call HealthEquity or check the HealthEquity website. Contact information for HealthEquity can be found in the *Administrative Information* section.

Examples of ineligible expenses include, but are not limited to:

- Expenses you incur for care when you and your spouse are not working
- Expenses you claim as a tax credit on your income tax return
- Expenses reimbursed through another plan in which you or your spouse participates
- Expenses incurred before your participation in the Dependent Daycare FSA begins
- Expenses incurred before or after the current calendar year
- Expenses for overnight camp or overnight care by a convalescent nursing home
- Care provided by anyone you claim as an exemption on your federal income tax return, or by your children who are under age 19 (even if they are no longer your dependent)
- Transportation, including the cost of transporting a dependent to and from the home and daycare location
- “Free” services such as after-school programs where there is no charge, even if you do make a contribution
- Cost for food, clothing, diapering and educational expenses, including lessons, tutoring and registration fees, unless they are incidental to your dependent’s care and cannot be separated from the total fee (e.g., if a nursery school provides lunch and some education and the costs cannot be separated from that of daycare, such expenses can be claimed for reimbursement)
- Educational expenses for a child in kindergarten or above
- Child support

- After school classes such as tutoring, music or sports lessons

Maximum Annual Contribution

The maximum amount you can contribute to the Dependent Daycare FSA each calendar year depends on your family situation and includes any contributions you or your spouse makes to another employer's dependent daycare plan.

The maximum amount you can contribute each calendar year is:

- $5,000 if you are single or married and file a joint income tax return
- $2,500 if you are married and file a separate income tax return
- Special provisions apply if you have one dependent and your spouse is a full-time student at least five months during the year, or is incapable of self-care. Please contact HealthEquity for more information.

You may not contribute more than you earn during the calendar year or more than your spouse earns. However, if your spouse is a full-time student at least five months during the year or has no income because he/she is incapable of self-support, you may still be able to contribute. Please contact HealthEquity for more information.

Fairness Tests

In return for favorable tax treatment, Dependent Daycare FSAs must pass certain non-discrimination tests. These tests are designed to ensure a fair mix of participation in the plan among employees at various income levels. If the plan does not pass the tests, it may be necessary to lower the amount that certain employees can contribute to the program. You will be notified if this affects you.

Federal Tax Deduction or Dependent Daycare FSA?

Because you are not taxed on your reimbursements or payments from your Dependent Daycare FSA, you cannot also claim the same expenses for the Child and Dependent Daycare Tax Credit on your income tax return. Depending on your financial and tax situation, the federal tax credit may save you more money than the Dependent Daycare FSA. However, many employees are better off participating in the Dependent Daycare FSA. To be certain which is better for you, consult a tax advisor.

Changing the Amount You Contribute

When your need for dependent daycare changes because of a qualifying life event, you may be able to enroll, increase or decrease your contribution or stop your contributions within 31 days of the date of the event. For any changes you make because of a birth or adoption, the new contribution amount begins as of the date of the birth or adoption. For all other changes, the new contribution amount begins on the first day of the month after the date of the qualifying life event. The change you are requesting must be consistent with the qualifying life event. For details on what changes you can make, please see "Making Changes to Health Care FSA and Dependent Daycare FSA Elections" on page 13 and the *Life Events* section.

The Health Care Flexible Spending Account (Health Care FSA)

Use the Health Care FSA to pay for medical, dental and vision expenses incurred by you, your spouse or eligible dependents. You can use your FSA funds to pay for your eligible domestic partner's medical expenses only if he or she is considered a tax dependent under IRS qualifications. For more information on individuals whose expenses are eligible for reimbursement through the Health Care FSA, please refer to the IRS website: www.irs.gov/pub/irs-pdf/p502.pdf.

IMPORTANT NOTE!

Beginning/ending an eligible domestic partnership or gaining a dependent as a result of an eligible domestic partnership is not a qualifying life event unless you can claim the eligible partner and child on your income tax return.

Eligible Employees

The Health Care FSA is available for all employees who work 40 hours per pay period and who are enrolled in the Stanford Health Care Alliance (SHCA) or Kaiser Permanente HMO plans or who have waived coverage. Employees enrolled in the Aetna Choice POS II with HSA are not eligible to enroll in the Health Care FSA, but they will be able to contribute to the Health Savings Account (HSA). If you are not eligible to contribute to a Health Savings Account based on IRS guidelines, then you will be able to enroll in a Health Care FSA.

Eligible Health Care Expenses

Generally, eligible expenses are those not covered by your medical, dental or vision plans. Expenses reimbursed under the Health Care FSA cannot be deducted on your tax return. And you cannot use the Health Care FSA to be reimbursed for expenses that are eligible for reimbursement through another plan or program. For a complete list of eligible expenses, refer to the IRS website: www.irs.gov/pub/irs-pdf/p502.pdf or contact HealthEquity.

Examples of IRS-allowed health care expenses include:

- Copayments, deductibles and coinsurance charges under the hospitals' plans (e.g., the 50% you pay for orthodontia expenses under the Delta Dental Basic PPO plan)
- Acupuncture with a diagnosis code
- Chiropractic care with a diagnosis code
- Physical therapy with a diagnosis code
- Hearing aid
- Services of an osteopath or a Christian Science practitioner
- In vitro fertilization

- Over-the-counter medications (except vitamins and dietary supplements, which are not eligible), but only with a prescription or letter of medical necessity from a licensed medical provider
- Sterilization or vasectomy
- Organ donor's or possible organ donor's expenses

Ineligible Health Care Expenses

The list below provides examples of ineligible health care expenses under the Health Care FSA. For more details on ineligible expenses, please refer to the IRS website at www.irs.gov/pub/irs-pdf/p502.pdf, call HealthEquity or check the HealthEquity website. Contact information for HealthEquity can be found in the *Administrative Information* section.

Examples of ineligible expenses include, but are not limited to:

- Expenses incurred before you enroll or after you stop contributing
- Expenses for care not medically necessary
- Premiums you pay for health care coverage
- Athletic club dues, health club dues, YMCA memberships, etc.
- Cosmetic surgery that is not medically necessary
- Electrolysis
- Hair transplants
- Custodial care in institutions
- Psychotherapy for marriage, relationships or personal growth
- Orthodontia treatment outside the current plan year
- Premiums and expenses for long-term care
- Massage therapy

Debit Card

If you participate in the Health Care FSA, you are issued a debit card that allows you to pay for eligible health care expenses not covered by your health insurance. This debit card is linked directly to your Health Care FSA.

General Guidelines on Debit Card Use

- When paying for expenses, your card will only work if you indicate that your debit card is a "credit card."

- You may use your debit card to pay for eligible expenses that are not covered by your health insurance.

- You may use your debit card to pay for eligible expenses at any provider with a qualified merchant code. The merchant code identifies the type of business of the provider for every debit card transaction. Qualified merchants include doctor's offices, dentist offices, drugstores, pharmacies and hospitals.

- Certain expenses will be exempt from the normal documentation requirements. Thus, in certain situations, you may swipe your card for eligible expenses and you will not have to submit documentation after the fact for those expenses.

- For the Health Care FSA, for the majority of the expenses you have, you must still submit receipts and documentation to substantiate that your claim is an eligible expense.

Documentation Requirements

- The IRS requires that all flexible spending account (FSA) claims have third-party documentation in order to substantiate the eligibility of the claim.

- There are two different types of transactions for your debit card:

  - Swipe Type #1: Always requires submission of documentation after the fact.

  - Swipe Type #2: No additional documentation is required. These expenses are considered "auto adjudicated." No additional documentation is required because they follow the specific guidelines outlined by the IRS for expenses that do not require follow-up documentation.

- You are not expected to know or to guess which type of swipe you have incurred.

- You will be sent an email or letter (if no email address is on file) from HealthEquity approximately 2–3 days after you swipe your debit card if additional documentation is required.

  - Employees can check the card swipe online for substantiation needs. If substantiation is required, members will see a notification to submit the proper paperwork.

- If additional documentation is required, you must submit the necessary documentation within three weeks of the date the Explanation of Benefits (EOB) is sent.

What Happens If Proper Documentation Is Not Submitted?

- You will then receive a second request for the outstanding documentation.

- If you do not send the documentation within two weeks of the second notice, the expense will be presumed to be not eligible, since the required documentation was not received in a timely manner. At that point, you will be required to repay the ineligible expense to the plan.

What Happens If an Ineligible Expense Is Charged?

- If, after you send the documentation, it is deemed that the expense (or a portion of the expense) is not eligible, you will be required to repay the ineligible expense to the plan.
- To repay money for ineligible expenses into the plan, your employer will deduct the ineligible expense from your paycheck or require you to pay the money directly to the plan.
- If you have terminated employment you will need to repay the money to the plan by writing a check or by an alternate repayment method to the hospitals.
- Please note that persistently seeking reimbursement for the purchase of ineligible items may result in your card being permanently turned off.

Lost or Stolen Card?

To report and replace a lost or stolen card, contact the HealthEquity Service Center immediately. Once you request a replacement card, a $5 charge will be debited from your Health Care FSA.

Special Documentation Requirements for Reimbursement Requests

In addition to the bullets listed under "Appeals for Dependent Daycare FSA and Health Care FSA and Health Incentive Account (HIA) Claims" on page 17, you also will need to provide the following:

- For prescription expenses, a copy of the prescription receipt provided by the pharmacy
- For over-the-counter medications, a doctor's prescription and a receipt indicating the date, the amount of the purchase and the name of the product (Note: Over-the-counter medications for general well-being and cosmetic purposes are not reimbursable)
- For contact lens solution, a copy of the cash register receipt identifying the product
- For orthodontia care, a treatment plan with the start date, expected treatment dates and projected cost
- For some expenses, such as counseling, psychotherapy, physical and massage therapy, a medical diagnosis and statement of medical necessity

Expenses will be reimbursed based on the date the service was provided, not the date you are billed or pay for the service. Call HealthEquity for more information about claim documentation requirements.

Maximum Annual Contribution

The maximum amount you can contribute to the Health Care FSA is $2,550. This amount may be indexed for inflation each year.

Changing the Amount You Contribute

When your need for a Health Care FSA changes because of a qualifying life event, you may be able to enroll, increase or decrease contributions or stop your contributions within 31 days of the date of the event. For any changes you make because of a birth or adoption, the new contribution amount begins as of the date of the birth or adoption. For all other changes, the new contribution amount begins on the first day of the month after the date of the qualifying life event. The change you are requesting must be consistent with the qualifying life event. For details on what changes you can make, please see "Making Changes to Health Care FSA and Dependent Daycare FSA Elections" on page 13 and the *Life Events* section.

Events that allow you to change your medical, vision or dental plan elections will not always permit you to make changes to your Health Care FSA election.

Health Savings Account (HSA)

An HSA is an employee-owned tax-advantaged account that can be used to pay for qualified health expenses such as deductibles, coinsurance and copayments, as well as medical care that is not covered under the plan but is considered a deductible medical expense.

For a discussion of qualified eligible medical expenses, please see "Eligible Health Care Expenses" on page 21. For more details on eligible expenses, see IRS Publication 502, available from any regional IRS office or online through the IRS website at www.irs.gov/pub/irs-pdf/p502.pdf.

IMPORTANT NOTE!

Beginning/ending an eligible domestic partnership or gaining a dependent as a result of an eligible domestic partnership is not a qualifying life event unless you can claim the eligible partner and child on your income tax return.

Eligible Employees

The HSA is available for employees who are enrolled in the Aetna Choice POS II with HSA and are eligible to open and contribute to an HSA.

Eligible Dependents

Employees may use the funds from their HSA to pay for eligible expenses for eligible dependents who meet IRS qualifications as a tax dependent. For a list of persons who qualify for eligibility, please refer to the IRS website, www.irs.gov/pub/irs-pdf/p502.pdf.

HSA Contributions

Contributions made to your HSA are owned and controlled by you. The contributions you pay into your HSA will be on a pre-tax basis. There is no minimum contribution level; however, if you have at least $2,000 in your account, you can choose to invest it in one or more different investment funds. The contribution maximum is set by federal regulations and varies based on whether you select employee-only or family coverage.

Hospitals Contributions

If you participate in HealthySteps to Wellness activities and earn incentive dollars, the hospitals will contribute to your HSA each quarter[4] (up to $500/year for individual coverage or up to $1,000/year for family coverage) if you meet the following criteria:

- You must be enrolled in the Aetna Choice POS II with HSA plan
- You must be an active employee at the time the funds are deposited, or the funds will be forfeited

[4] The frequency is subject to change.

"Catch-Up" Contributions

If you're age 55 or over — and not yet Medicare eligible — you may make additional HSA "catch-up" contributions, as permitted by federal law. For 2017, the "catch-up" contribution is $1,000.

Excess Contributions

Amounts that exceed the contribution maximum are not tax deductible and will be subject to an excise tax unless withdrawn as an "excess contribution" prior to April 15 of the following year.

Special IRS Rules

Because HSAs operate under Internal Revenue Service guidelines, special rules apply:

- **Rollovers:** Any remaining funds in your HSA will be rolled over from year to year — and will be yours even if you no longer participate in the Aetna Choice POS II with HSA. If you leave the hospitals and/or HealthEquity, your HSA fund balance can be rolled over or transferred to another HSA.
- **Enrollment in a high-deductible health plan:** You cannot be covered by any non-high-deductible medical plan (for example, through your spouse or eligible domestic partner's employer).
- **No enrollment in a full Health Care FSA:** You cannot enroll in an HSA if you participate in a full Health Care FSA through the hospitals and/or your spouse or eligible domestic partner's employer.
- **No Medicare enrollment:** You cannot participate in an HSA if you are entitled to benefits under Medicare (i.e., enrolled in Medicare Part A and/or B). Please consult your tax advisor for further details.
- **No dependent status:** You cannot be claimed as a dependent on another person's tax return.

Eligible Health Care Expenses

Generally, eligible expenses are those not covered by your medical, dental or vision plans. Expenses reimbursed under the HSA can't be deducted on your tax return. And you can't use the HSA to be reimbursed for expenses that are eligible for reimbursement through another plan or program. For a complete list of eligible expenses, consult the IRS Publication 502 or contact HealthEquity.

Examples of IRS-allowed health care expenses include:

- Copayments, deductibles and coinsurance charges under the hospitals' plans (e.g., the 50% you pay for orthodontia expenses under the Delta Dental Basic PPO plan)
- Acupuncture with a diagnosis code
- Chiropractic care with a diagnosis code
- Physical therapy with a diagnosis code
- Hearing aid
- Services of an osteopath or a Christian Science practitioner
- In vitro fertilization
- Over-the-counter medications (except vitamins and dietary supplements, which are not eligible), but only with a prescription or letter of medical necessity from a licensed medical provider
- Sterilization or vasectomy
- Organ donors or possible organ donor's expenses

Ineligible Health Care Expenses

The list below provides examples of ineligible health care expenses under the HSA. For more details on ineligible expenses, please refer to the IRS website at http://www.irs.gov/pub/irs-pdf/p502.pdf, call HealthEquity or check the HealthEquity website. Contact information for HealthEquity can be found in the *Administrative Information* section.

Examples of ineligible expenses include, but are not limited to:

- Expenses incurred before you enroll or after you stop contributing
- Expenses for care not medically necessary
- Premiums you pay for health care coverage
- Athletic club dues, health club dues, YMCA memberships, etc.
- Cosmetic surgery that is not medically necessary
- Electrolysis
- Hair transplants

- Custodial care in institutions
- Psychotherapy for marriage, relationships or personal growth
- Orthodontia treatment outside the current plan year
- Premiums and expenses for long-term care
- Massage therapy

Debit Card

If you participate in the HSA, you are issued a debit card that allows you to pay for eligible health care expenses not covered by your health insurance. This debit card is linked directly to your HSA.

General Guidelines on Debit Card Use

- When paying for expenses, your card will only work if you indicate that your debit card is a “credit card.”
- You may use your debit card to pay for eligible expenses that are not covered by your health insurance.
- You may use your debit card to pay for eligible expenses at any provider with a qualified merchant code. The merchant code identifies the type of business of the provider for every debit card transaction. Qualified merchants include doctor’s offices, dentist offices, drugstores, pharmacies and hospitals.

Documentation Requirements

HealthEquity does not require documentation. However, be sure to keep your receipts and medical records. If you cannot demonstrate that you used your HSA to pay for qualified health expenses, you may need to report the distribution as taxable income on your tax return and pay a penalty. The IRS may request receipts during a tax audit. HealthEquity will not verify that distributions from your HSA are for qualified health expenses — nor are they responsible or liable for your misuse of HSA funds or use of HSA funds for nonqualified health expenses. You may wish to consult your tax advisor to determine how your HSA affects your unique tax situation.

What Happens If an Ineligible Expenses Is Charged?

In the unlikely event that an ineligible expense is charged to your debit card, it is your responsibility to report it to the IRS when you file your federal income taxes and pay any related penalties.

Lost or Stolen Card?

To report and replace a lost or stolen card, contact the HealthEquity Service Center immediately. To replace an HSA card, you are permitted three replacement cards free of charge. Thereafter, the cost to replace the card is $5. Please contact HealthEquity at http://learn.healthequity.com/shclpch or 877-395-6548.

Maximum Annual Contribution

The maximum amount you can contribute to the HSA for 2017 and whether your contributions are pre-tax or post-tax depends on if you participate in the HealthySteps to Wellness program:

If You Are Participating in HealthySteps to Wellness			
	Maximum Contribution Per Year	**Hospitals Contribution**	**Employee Contribution**
Pre-tax or Post-Tax Contributions	Pre-tax	Pre-tax	Pre-tax
Employee-only Coverage	\$3,400[5]	Up to \$500	Up to \$2,900 (the \$3,400 maximum less the amount you received in hospitals contributions for participating in HealthySteps to Wellness)
Family Coverage	\$6,750[5]	Up to \$1,000	Up to \$5,750 (the \$6,750 maximum less the amount you received in hospitals contributions for participating in HealthySteps to Wellness)

If You Are Not Participating in HealthySteps to Wellness			
	Maximum Contribution Per Year	**Hospitals Contribution**	**Employee Contribution**
Pre-tax or Post-Tax Contributions	Post-tax that you pay directly to HealthEquity	N/A	Post-tax that you pay directly to HealthEquity
Employee-only Coverage	\$3,400[5]	\$0	Up to \$3,400[5]
Family Coverage	\$6,750[5]	\$0	Up to \$6,750[5]
You may participate in the HSA, but your contributions will be on a post-tax basis. Please contact HealthEquity for details on setting up your account.			

[5] If you're age 50 — and not yet Medicare eligible — you may make additional HSA "catch-up" contributions, as permitted by federal law. For 2017, the "catch-up" contribution limit is \$1,000.

The Health Incentive Account (HIA)

The HIA is an employer-sponsored account to reward you for participating in the HealthySteps to Wellness program. By taking steps to improve your health, you can earn money in an HIA that you can use to pay for eligible health care expenses during the year. Refer to the HealthySteps to Wellness program for details on the pre-established activities and amounts you can receive for completing each step.

	If You Are Participating in HealthySteps to Wellness	If You Are Not Participating in HealthySteps to Wellness
	Hospitals Contribution	**Hospitals Contribution**
Employee-only Coverage	Up to $500	$0
Family Coverage	Up to $1,000	$0

Eligible Employees

The HIA is available for all employees who work 40 hours per pay period and who are enrolled in the following plans and participating in wellness activities and earning incentive dollars:

- The Aetna Choice POS II with HSA, but are not eligible for an HSA
- Stanford Health Care Alliance (SHCA)
- Kaiser Permanente HMO

HIA Contributions

If you participate in HealthySteps to Wellness activities and earn incentive dollars, the hospitals will contribute to your HIA each quarter[6] (up to $500/year for individual coverage or up to $1,000/year for family coverage) if you meet the following criteria:

- You must be enrolled in a hospitals medical plan.
- You must be an active employee at the time the funds are deposited, or the funds will be forfeited.

[6] The frequency is subject to change.

Eligible Health Care Expenses

Generally, eligible expenses are those not covered by your medical, dental or vision plans. Expenses reimbursed under the HIA cannot be deducted on your tax return. And you cannot use the HIA to be reimbursed for expenses that are eligible for reimbursement through another plan or program. For a complete list of eligible expenses, refer to the IRS website at www.irs.gov/pub/irs-pdf/p502.pdf or contact HealthEquity.

Examples of IRS-allowed health care expenses include:

- Copayments, deductibles and coinsurance charges under the hospitals' plans (e.g., the 50% you pay for orthodontia expenses under the Delta Dental Basic PPO plan)
- Acupuncture with a diagnosis code
- Chiropractic care with a diagnosis code
- Physical therapy with a diagnosis code
- Hearing aid
- Services of an osteopath or a Christian Science practitioner
- In vitro fertilization
- Over-the-counter medications (except vitamins and dietary supplements, which are not eligible), but only with a prescription or letter of medical necessity from a licensed medical provider
- Sterilization or vasectomy
- Organ donors or possible organ donor's expenses

Ineligible Health Care Expenses

The list below provides examples of ineligible health care expenses under the HIA. For more details on ineligible expenses, please refer to the IRS website at www.irs.gov/pub/irs-pdf/p502.pdf, call HealthEquity or check the HealthEquity website. Contact information for HealthEquity can be found in the *Administrative Information* section.

Examples of ineligible expenses include, but are not limited to:

- Expenses incurred before you enroll or after you stop contributing
- Expenses for care not medically necessary
- Premiums you pay for health care coverage
- Athletic club dues, health club dues, YMCA memberships, etc.
- Cosmetic surgery that is not medically necessary
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- Orthodontia treatment outside the current plan year
- Premiums and expenses for long-term care
- Massage therapy.

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