

Fringe Medical Account (FMA)



How the FMA Works

The Fringe Medical Account allows you to use your non-taxed fringe dollars to pay for qualified medical expenses. When you work on prevailing wage projects, your employer will contribute prevailing wage fringe benefits into a Fringe Medical Account (FMA). Then use your mySource Debit Card to pay for your qualified medical expenses – prescriptions, doctor visit copays, insurance copays, hospital bills, dental work, vision care and more.

The money you would have normally paid as income tax on your prevailing wage benefits will now be contributed to your FMA and used to help pay for qualified medical expenses. And you are 100% vested, so once your employer contributes into your FMA, it's yours to use.

Non-Taxable Reimbursement Qualifications

Eligible expenses include only what the IRS defines as medical care, the “diagnosis, cure, mitigation, treatment or prevention of disease, or for the purpose of affecting any structure or function of the body”. Qualified medical expenses are eligible for reimbursement through your FMA as long as they are not reimbursed through insurance or other sources. [The attached FMA Eligible & Non-Eligible Expenses sheet lists most common expenses.](#)

Using Your FMA mySourceCard Debit Card:

Paying for Medical Services – When you visit the doctor or a health service provider, you will usually want to wait to receive a bill before you pay for medical services, so that all insurance discounts/payments are applied to your bill before you pay with your FMA mySource Debit Card.

Explanation of Benefits (EOB) Statement – After you receive medical services, you will receive or be able to view online an EOB statement from your insurance company. An EOB is not a bill. It is a statement that outlines the details of your medical claim. EOBs may vary depending on insurance provider. An EOB will show you exactly how much of the cost of a medical service is yours to pay.



FMA Eligible & Non-Eligible Expenses

Fringe Medical Account Eligible Health Care Expenses

Please note that Pension Corporation of America does not intend this list to be comprehensive tax advice. For more detailed information, please consult IRS Publication 502 or see your tax advisor.

Acupuncture	Eye examinations and eyeglasses	Psychiatric care, psychologists, psychotherapists
Alcoholism treatment	Home health and/or hospice care	Radial keratotomy
Allergy shots and testing	Hospital services	Schools (special, relief, or handicapped)
Ambulance (ground or air)	Insulin	Sexual dysfunction treatment
Artificial limbs	Laboratory fees	Smoking cessation programs
Blind services and equipment	LASIK eye surgery	Surgical fees
Car controls for handicapped*	Medical alert (bracelet, necklace)	Television or telephone for the hearing impaired
Chiropractor services	Medical monitoring and testing devices*	Therapy treatments*
Coinurance and deductibles	Nursing services	Transportation (essentially and primarily for medical care; limits apply)
Contact lenses	Obstetrical expenses	Vaccinations
Crutches, wheelchairs, walkers	Occlusal guards	Vitamins*
Deaf services -- hearing aid/batteries, hearing aid animal & care, lip reading expenses, modified telephone, etc.	Operations and surgeries (legal)	Weight loss programs*
Dental treatment	Optometrists	X-rays
Dentures	Orthodontia	
Diagnostic tests	Orthopedic services	
Doctor's fees	Osteopaths	
Drug addiction treatment & facilities	Oxygen/oxygen equipment	
Drugs (prescription)	Physical exams (except for employment-related physicals)	
	Physical therapy	

*if prescribed for a particular ailment or medical condition; provider letter required.

Important Notice About Over-the-Counter (OTC) Medications

OTC medications require a doctor's prescription to be eligible for reimbursement. For that reason, OTC medications cannot be purchased using the mySourceCard® unless dispensed by a pharmacy the same as a standard prescription (with an Rx number). If a manual claim is submitted for purchase of an OTC medication, both a copy of the prescription and the purchase receipt must be included to receive reimbursement.

Non-medicated OTC products (diabetes test strips, saline solution, bandaids, etc.) do not require a prescription. You can use either the mySourceCard® to purchase these items or submit the purchase receipt for reimbursement

OTC Medicines Require Doctor's RX

Fringe Medical Account Eligible OTC Medications and Products

COPY OF PRESCRIPTION AS WELL AS DETAILED RECEIPT REQUIRED FOR REIMBURSEMENT:

Acne medications & treatments
Allergy & sinus, cold, flu & cough remedies (antihistamines, decongestants, cough syrups, cough drops, nasal sprays, medicated rubs, etc.)
Antacids & acid controllers (tablets, liquids, capsules)
Antibiotic & antiseptic sprays, creams & ointments
Anti-diarrheals
Anti-fungals
Anti-gas & stomach remedies
Anti-itch & insect bite remedies
Anti-parasitics
Digestive aids
Baby care (diaper rash ointments, teething gel, rehydration fluids, etc.)
Contraceptives (condoms, gels, foams,

suppositories, etc.)
Eczema & psoriasis remedies
Eye drops, ear drops, nasal sprays
First aid kits
Hemorrhoidal preparations
Hydrogen peroxide, rubbing alcohol
Laxatives
Medicated bandaids & dressings
Motion sickness remedies
Nicotine patches and medications (smoking cessation aids)
Pain relievers (aspirin, ibuprofen, acetaminophen, naproxen, etc.)
Sleep aids & sedatives
Wart removal remedies, corn patches

ELIGIBLE FOR REIMBURSEMENT WITH DETAILED RECEIPT ONLY (NO PRESCRIPTION REQUIRED):
Breast pumps for nursing mothers
Braces & supports
Contact lens solution
CPAP equipment & supplies
OTC varieties of Insulin
Diabetic testing supplies/equipment
Durable medical equipment (power chairs, walkers, wheelchairs, etc.)
Home diagnostic (pregnancy tests, ovulation kits, thermometers, blood pressure monitors, etc.)
Non-medicated bandaids, rolled bandages & dressings
Reading glasses

All OTC items listed are examples

Fringe Medical Account Non-Eligible Health Care

Advance payment for services to be rendered
Automobile insurance premium allocable to medical coverage
Boarding school fees
Body piercing
Bottled water
Chauffeur services
Controlled substances
Cosmetic surgery and procedures
Cosmetic dental procedures
Dancing lessons
Diapers for Infants
Diaper service
Ear piercing
Electrolysis

Fees written off by provider
Food supplements
Funeral, cremation, or burial expenses
Hair transplant
Herbs & herbal supplements
Household & domestic help
Health programs, health clubs, and gyms
Illegal operations and treatments
Illegally procured drugs
Insurance premiums
Long-term care services
Maternity clothes
Medical savings accounts

Premiums for life insurance, income protection, disability, loss of limbs, sight or similar benefits
Personal items
Preferred provider discounts
Social activities
Special foods and beverages
Swimming lessons
Tattoos/tattoo removal
Teeth whitening
Transportation expenses to & from work
Travel for general health improvement
Uniforms
Vitamins & supplements without prescription

Fringe Medical Account Non-Eligible OTC

The following are examples of Over-the-Counter (OTC) medications and products which are NOT ELIGIBLE for reimbursement.

Aromatherapy
Baby bottles & cups
Baby oil
Baby wipes
Breast enhancement system
Cosmetics (including face cream & moisturizer)
Cotton swabs
Dental floss
Deodorants & anti-perspirants

Dietary supplements
Feminine care items
Fiber supplements
Food
Fragrances
Hair regrowth preparations
Herbs & herbal supplements
Hygiene products & similar items
Low-carb & low-fat foods
Low calorie foods

Lip balm
Medicated shampoos & soaps
Petroleum jelly
Shampoo & conditioner
Spa salts
Suntan lotion
Toiletries (including toothpaste)
Vitamins & supplements without prescription
Weight loss drugs for general well-being





**Connecting your
Employee benefits
with your wallet**

How to use your mySourceCard® Debit Card:

Use the card to pay for your qualified health care expenses at qualified locations that accept MasterCard, including doctor and dentist offices, pharmacies, vision care locations and merchants with the Inventory Information Approval System (IIAS) in place. Approved expenses are automatically deducted from your account.

How the Card Works:

mySourceCard operates through programmed merchant codes, and will only work at medical providers that accept MasterCard. You can also use your card to purchase Rx and qualified medical purchases at retail merchants with an Inventory Information Approval System (IIAS). The card cannot be used at an ATM. **If any transactions require documentation, you will be notified via e-mail.**

Where can I use the card?

- Hospitals
- Physician offices
- Dental offices
- Vision service locations
- Pharmacies
- Retail merchants using an Inventory Information Approval System (IIAS)

How do I use the card?

Swipe like a debit card, no PIN required. You must have funds in your account. Qualified purchases will be paid directly from your reimbursement account.

Important Things to Remember:

- Keep all your receipts; certain expenses may require receipts to verify expense eligibility.
- The card is only valid at authorized merchants.
- Card can be used up to the amount available in your account.
- Transactions over the available amount will be denied.
- 24/7 access to account information at www.myRSC.com.



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Frequently Asked Questions

How do I check the balance on my card?

To obtain information regarding your *mySourceCard*[®], including the balance, recent transactions, etc., please log onto www.myRSC.com. Select the *mySourceCard* Tab to access this information. If you don't know your *myRSC* login information, then contact your plan administrator.

What can I use the card for?

The card should only be used for eligible products and services as outlined in the Internal Revenue Service (IRS) Publications 502 and 503. Some examples include such expenses as medical deductibles, co-payments, and non-covered prescriptions, dental or vision related expenses.

How does the card work?

An individual will simply present the card to a qualified merchant or provider. They will swipe the card to pay for the purchase. Funds for eligible expenses will be transferred directly to the provider or merchant from your fringe medical account through the MasterCard[®] network.

How do I activate my card?

Before using the card for the first time, visit www.myRSC.com or call 1-888-523-4308 to activate.

Is this just another MasterCard debit card?

No, it is a debit card that utilizes funds from your fringe medical account. It does not require a PIN number. It is also tied to Merchant Category Codes, and can only be used at qualified merchants as set forth in the individual benefit plan. It cannot be used at an ATM.

Will the card know what expenses are eligible and what are not?

Each merchant or provider accepting a MasterCard is assigned a Merchant Category Code. There are over 500 such codes and *mySourceCard* accepts only some of those codes, all related to eligible expenses under the flexible medical account. The card will instantly deny merchant or provider codes that have not been programmed on the card.

Can the *mySourceCard* identify how much of a product or service will be paid by my health plan?

No, the individual should check with their benefit plan to see what and how much is covered.

Will I need to submit a claim form?

Generally no, unless requested. When using the *mySourceCard*, an individual will not be required to submit a claim form. However, they should save all applicable receipts, as they may be required to verify eligibility of certain expenses or individuals. Our system will automatically send the individual an e-mail if a receipt or other form of verification is required.

Typically, you will need to submit a claim form with receipts for these expenses:

- **DENTAL SERVICES**
- **CHIROPRACTIC SERVICES**
- **VISION SERVICES**
- **HOSPITAL & LAB BILLS**

What will happen if I use my card for an ineligible expense?

If someone makes a mistake and purchases ineligible items with the *mySourceCard*, they are required to send a receipt and a reimbursement. If this happens to you, you will be emailed instructions on how to do this.

What will happen if I don't send a reimbursement check for the amount of the ineligible expense?

The individual will be held accountable should the IRS audit their taxes. Also, the card will be deactivated and the account will be frozen until that time when either reimbursement is received or the amount of eligible claims received is sufficient to cover the overpayment.

Will my transaction be denied if I don't have enough money in my account to cover the expense?

The entire transaction will be denied if the charge is for any amount that is greater than the balance in the account. To avoid a transaction being denied, individuals should visit www.myRSC.com for their account balance prior to using the card. If the card is used at an IIAS location, however, a split tender transaction will occur; the balance of the card will pay out and the remainder will need to be paid by another means.

What if my provider doesn't have a charge card terminal?

You can still utilize funds from your account by mailing or faxing in a claim form to your Plan Service Provider.

More questions? Please contact Flex Benefits department at 513-281-3366, or 800-848-5848.



Alliance Benefit Group*

2133 Luray Avenue
Cincinnati OH 45206

Phone: 513-281-3366
Fax: 513-281-2026
www.pencorp.com

FRINGE MEDICAL ACCOUNT ENROLLMENT FORM w/flex card

Employer

Employee Name (Last, First, Middle) Social Security Number Birthdate MO DAY YR

Street Address City State ZIP

Email address Phone

Print name as it will appear on 1st card (21 char max) Print name as it will appear on 2nd card (optional)

DEPENDENTS

Spouse Birthdate Dependent Birthdate

Dependent Birthdate Dependent Birthdate

mySourceCard™ Enrollment Agreement

As a participant in the Fringe Medical Account indicated on this form, you will be issued a mySourceCard™ MasterCard® Debit Card issued by BB&T Bank, and agree to use it according to the terms of this Agreement and the Cardholder Agreement that will be provided to you with the Card. You understand that the Card is restricted to certain merchant categories and is not accepted at all MasterCard® acceptance locations. You understand that you may not obtain a cash advance with the Card at any merchant, bank, or ATM. You understand that the Card is to be used **exclusively** for Qualified Expenses as defined by the Plan(s) in which you participate. If the Card is issued pursuant to a Reimbursement Plan as indicated on this form and you use the Card for an expense that is not a Qualified Expense, you are indebted to your employer and must repay the full amount of the non-Qualified Expense. You agree to save all invoices and receipts related to any expense paid with the Card and upon request you must submit these documents for review by the Plan Service Provider. Failure to submit the receipt(s) will cause the expense to be treated as a non-Qualified Expense and you will be required to remit payment to your employer. Payment may be in the form of an offsetting claim, personal check or ACH draft, or a deduction from your paycheck.

Employee Signature

Date



Alliance Benefit Group*

2133 Luray Avenue
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Phone: 513-281-3366
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www.pencorp.com

FMA Fringe Medical Account Claim Form

Employer: _____

Employee: _____

Social Security Number (optional) : _____

Instructions:

1. Fill in line for each product or service for which you are claiming reimbursement.
2. Mark this box if receipts are for a *mySourceCard* usage. → mySourceCard receipts
3. Attach receipt or insurer's Explanation of Benefits form for each line item.
4. Sign and date the claim form below.
5. Email claim via secure portal at www.pencorp.com, Client Center, Plan Participants.
You may also fax (513-281-2026), email (claims@pencorp.com), or mail this completed form with receipts.

Unreimbursed Medical Expenses:

Date(s) of Service	Covered Person	Description of Product/Service	Medical Condition (optional)	Amount Requested
			Total	

By signing this claim form, I, the participant, certify that 1) I am claiming reimbursement only for eligible expenses incurred during the applicable plan year and for eligible plan participants; 2) I have not been reimbursed for the above expenses; 3) I will not seek reimbursement under any other plan covering health benefits; and 4) I will not claim the above expenses as an income tax deduction. I authorize my Flexible Benefit Account(s) to be reduced by the amount requested.

Employee's Signature _____ Date