

CIGNA FLEXIBLE SPENDING[®] ACCOUNTS

An Overview for Macy's, Inc. Associates

Together, all the way.



Section Topic

FSA Product Overview & Macy's Elections

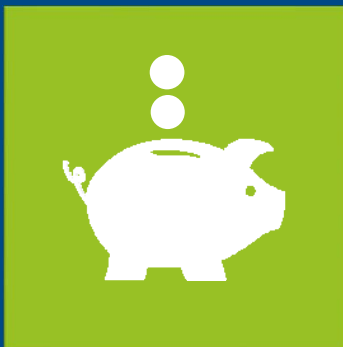
Debit Card Substantiation Helpful Hints

How to Use the FSA

Customer Experience



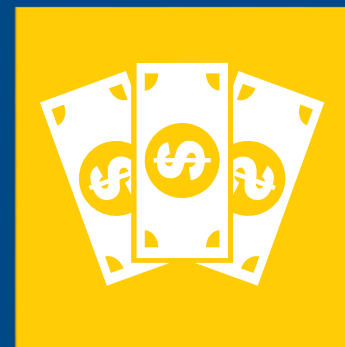
Cigna Flexible Spending Accounts



Set aside a predetermined dollar amount to cover eligible out-of-pocket health care or dependent care expenses throughout the year



IRS allows you to contribute through payroll deductions on a pretax basis



Withdraw funds to reimburse eligible expenses



Macy's Flexible Spending Account Elections

Full Purpose Health Care FSA

- Offered to all non-HSA enrolled Medical-Eligible Associates
- All 213d expenses allowed (Medical, Rx, Vision and Dental)
- Associates can contribute up to \$2,550 for the current plan year
- Up to \$500 carryover allowed
- For Associates enrolled in FSA + HRA, the FSA funds will be used first

Limited Purpose Health Care FSA

- Offered to all full-time and part-time Medical-Eligible Associates
- Can be elected in conjunction with an HSA
- Covers Vision & Dental expenses only
- Associates can contribute up to \$2,550 for the current plan year
- Up to \$500 carryover allowed

Dependent Care FSA

- Offered to all full-time Associates
- Covers eligible dependent and adult day care expenses (Publication 503)
- Associates can contribute up to \$5,000 each plan year; highly compensated Associates can contribute up to \$1,000
- No carryover allowed



Available Features

Feature	Full Purpose Health Care FSA	Limited Purpose Health Care FSA	Dependent Care FSA
Online claim submissions (web & mobile)	Yes	Yes	Yes
Eligible Expenses	All 213d (Medical, Rx, Vision and Dental)	Dental and Vision Only	Eligible Dependent and Adult Day Care (Publication 503)
myCigna.com (web & mobile)	Yes	Yes	Yes
Direct deposit	Yes	Yes	Yes
Email notifications and preferences	Yes	Yes	Yes
Integrated with Choice Fund HRA	Yes – Macy's has elected for the FSA funds to be used first	N/A	N/A
Debit Card	Yes – one card will include FSA + HRA funds for Associates enrolled in both plans	Yes – Dental & Vision expenses only	No
AutoPay (automatic claim forwarding)	No	No	No



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FSA Product Overview

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Health Care Flexible Spending Account

Debit card substantiation

What it is

Because health accounts use pretax money, all FSA debit card transactions must be confirmed to ensure that the items purchased are eligible to be paid for from the account and comply with IRS rules. This process is called substantiation.

There are three parts to the substantiation process:

1. Individual agrees that the expenses haven't already been reimbursed, and that he/she won't try to get reimbursement from another health plan or health account. This acknowledgement statement is found on the back of the debit card. By signing and using the card, the individual confirms that the purchases made are eligible.
2. When the card is used, all expenses must be substantiated – or proven. Some expenses will be substantiated automatically at the point of purchase; some will need additional validation at a later date.
3. When asked, the individual should be able to prove that everything bought with the FSA debit card is eligible by providing a printed receipt with the description, amount and date of the purchase.



Health Care Flexible Spending Account

Debit card substantiation

How it works

If Cigna asks for proof of a debit card purchase, it means it's not clear whether the purchase was eligible for reimbursement and Cigna needs the information to satisfy the IRS requirements.

- Cigna will send a letter with instructions for submitting copies of receipts and a reply by date. Cigna will send up to two reminders.
- If Cigna doesn't receive documentation after the final request, the debit card will be temporarily deactivated.
- Once the debit card has been suspended it cannot be used for purchases. However, paper reimbursement request forms can still be submitted. A new plan year will not re-activate the card. The card will remain suspended until the requested documentation is provided.
- Cigna will send a letter asking for a check in the amount of the transactions in question to reimburse the account. If the necessary documentation to prove eligibility or a check in the correct amount for the purchases in question is sent to Cigna, the card will be re-activated and available for use.



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HEALTH CARE FSA

How it works

In 2017, you can contribute up to \$2,550. The entire amount is available to you from day one.



What you can pay for:

- Medical and dental plan deductibles and copays
- Hearing care, including hearing aids
- Vision care, including glasses and contacts
- Orthodontic care
- Other qualified expenses, including:
 - Office visits and hospital costs
 - Dental treatment
 - Prescriptions

For more information about expenses allowed under your FSA, please visit Cigna.com/expenses.



HEALTH CARE FSA

Limited purpose

In 2017, you can contribute up to \$2,550. The entire amount is available to you from day one.



What you can pay for:

- Vision care, including glasses and contacts.
- Dental care, including orthodontics.



DEPENDENT CARE FSA

How it works

You can contribute up to \$5,000 annually*.



- Estimate dependent care expenses and choose amount to set aside through payroll deduction. Visit [Cigna.com/fsacalc](https://www.cigna.com/fsacalc) for help.
- Get reimbursed for your dependent care expenses after the services are provided.
 - You can only be reimbursed up to the amount you have contributed to your FSA at the time of your claim submission.
- Remaining money in account will be forfeited at the end of the plan year.

*For highly compensated participants, the contribution limit to the Dependent Care FSA Programs may be reduced.



DEPENDENT CARE FSA

Qualified expenses

Expenses qualify for reimbursement if:

- You (and your spouse) have earned income.
 - Dependent care enables you to work/look for work.
 - Expenses don't exceed earned income.
 - Payments can't be made to dependent or child under age 19.
- Payments can be made for:
 - Licensed day care center that cares for more than six children
 - Unlicensed day care center that cares for six or fewer children
 - Adult day care facility (not overnight or nursing home care)
 - Day care and housekeeping services in your home

For a complete list of eligible and ineligible expenses visit:
[Cigna.com/dependent-day-care-expenses](https://www.cigna.com/dependent-day-care-expenses)



HEALTH CARE FSA

Accessing funds

- Your entire FSA contribution is available to you from day one – perfect for unexpected expenses.
- You may carry over up to \$500 into next year.

Debit Card

- Use your Cigna FSA debit card to easily access your funds
- Your card can be used to pay for eligible medical, pharmacy, dental and vision expenses. Note that for the Limited Purpose FSA – the card can only be used for Dental/Vision expenses.
- You will automatically receive a card with your name on it.
- It's important to keep receipts for all charges made to the card. IRS guidelines require us to match all of your debit card charges to eligible items and services. If we are unable to do so we may contact you for additional information to validate the expense.



HEALTH CARE FSA AND DEPENDENT CARE FSA

Accessing funds – Non-Debit Card



Get paid back quickly

If you paid for an eligible expense with personal funds, you can request a reimbursement from your FSA at any time.

- Reimbursement:
- Online/Mobile App
 - Quickly submit your request electronically with our simple-to-use online request form. Simply attach your receipts and send.
- Fax/mail:
 - Fax or mail your request using a paper form found on myCigna.com.
- Up to \$500 remaining in your health care FSA may be carried over to the following plan year. Any funds remaining in your dependent care FSA will be forfeited at the end of the plan year.



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HEALTH CARE FSA AND DEPENDENT CARE FSA

myCigna and Mobile App features

Online tools on myCigna.com and the **myCigna Mobile App** ¹ make using the FSA easier. View balances, stay up to date with your accounts, and make getting reimbursed even simpler.

Direct
deposit



Email
notifications



Online
reimbursement



1. Your downloading and use of the myCigna Mobile App is subject to the terms and conditions of the App and the online stores from which it is downloaded. Standard mobile phone carrier and data usage charges apply

Health Care FSA myCigna Balances and Account Transactions Page

The screenshot shows the myCigna interface for FSA balances and transactions. At the top, there are navigation links for Profile, Contact, Forms, Español, and Log Out, along with a search bar. Below this is a menu with options like REVIEW MY COVERAGE, MANAGE CLAIMS & BALANCES, FIND A DOCTOR OR SERVICE, CIGNA HOME DELIVERY PHARMACY, ESTIMATE HEALTH CARE COSTS, and MANAGE MY HEALTH. The main heading is "Balances & Account Transactions".

Key features highlighted by callouts:

- 1:** A callout points to the "PREVIOUS FSA" tab, which shows a balance of \$500.00. This tab is highlighted in blue.
- 2:** A callout points to the "PREVIOUS FSA" tab, which shows a balance of \$500.00. This tab is highlighted in blue.
- 3:** A callout points to the "View All Transactions" dropdown menu.
- 4:** A callout points to the "Use it or lose it: submit requests by Mar 31, 2014." message.
- 5:** A callout points to the "PREVIOUS FSA TRANSACTIONS" table header.
- 6:** A callout points to the "PREVIOUS FSA" tab, which shows a balance of \$500.00. This tab is highlighted in blue.

The "Balances & Account Transactions" section shows a summary of account balances: HRA (\$1,875.30), FSA (\$500.00), PREVIOUS FSA (\$500.00), DC FSA (\$925.93), and PREVIOUS DC FSA (\$0.00). Below this is a section for the Flexible Spending Account (FSA) with a list of rules and a balance summary table.

The balance summary table shows:

Deposits	Payments	PREVIOUS FSA Balance	Use it or lose it: submit requests by Mar 31, 2014.
\$500.00	-\$0.00	\$500.00	

The "Posted Transactions" section shows a table of transactions:

Posted Date	Description	Deposits	Withdrawals	Running Balance
DEC 31 2013	Use it or lose it: Submit reimbursement requests by Mar 31, 2014 to avoid losing remaining balance.			
JAN 01 2013	Deposit from payroll	+\$500.00		\$500.00

On the right side, there are "RELATED LINKS" and "NEED HELP" sections. The "RELATED LINKS" section includes links for Get Account Updates, Reimbursement Forms, Your Coverage, Direct Deposit Settings, Estimate Health Care Costs, Print or Request ID Cards, Incentive Awards Program, and Time Limits for Filing Claims. The "NEED HELP" section includes a link to Cleveland Clinic.

- 1 Presents transactions in context such as “payment,” “employer deposit,” or “Cigna Incentive Points”
- 2 Links account transactions to claim detail and presents running balance
- 3 Improved filtering and sorting
- 4 Simplified messaging about account balances
- 5 Alerts call out important payment information
- 6 Previous FSA tab included for clients who offer FSA Rollover



Dependent Care FSA Balances and Account Transactions Page

Home » Manage Claims & Balances » Balances & Account Transactions

Balances & Account Transactions

HRA \$1,875.30 FSA \$500.00 PREVIOUS FSA \$500.00 DC FSA \$925.93 PREVIOUS DC FSA \$0.00

Dependent Care Flexible Spending Account (DC FSA)

- Your 2014 Dependent Care FSA will pay claims submitted for non-medical daycare expenses for children 12 and under or for disabled child and adult dependents. Claims must have a service date between Jan 01, 2014 - Dec 31, 2014.
- If you submit a reimbursement request and there are no funds in your account, it will be paid when funds become available. See how your account works.

Balances reflect transactions that have posted to your account as of Mar 05, 2014.

Deposits	Payments	DC FSA Balance	Annual planned contribution:	Left to contribute:
\$925.93	\$925.93	\$0.00	\$5,000.00	\$4,074.07

1 Awaiting Payment
The following reimbursement requests have been partially paid because you have requested more in reimbursement than you have available in your account at this time. Payments will be made once additional funds become available in your account or you meet your annual planned contribution limit.

3 \$1179.76 reimbursement request submitted on March 5, 2014 for KENNEDY's daycare visit to EDUCATIONAL PLAYCARE on March 3 2014 - Amount paid: \$925.93, Awaiting payment: \$253.83

Posted Transactions
These transactions have been reviewed and processed.

View All Transactions Within Year to Date Sorted by Posted Date APPLY

Download Transactions Customize My View

Posted Date	Description	Deposits	Withdrawals	Running Balance
March 1 2014	Payment	\$925.93		\$0.00
FEB 26 2014	Deposit from payroll	+\$185.19		\$925.93
FEB 12 2014	Deposit from payroll	+\$185.18		\$740.74
JAN 29 2014	Deposit from payroll	+\$185.19		\$555.56
JAN 15 2014	Deposit from payroll	+\$185.18		\$370.37
JAN 01 2014	Deposit from payroll	+\$185.19		\$185.19

- 1 Shows pending transactions
- 2 Highlights goal amount and contributions information
- 3 New payments are hyperlinks that link to payment detail
- 4 Shows running balance

