

EXPLANATION OF FIELDS ON INDIVIDUAL STATEMENTS

Following is an explanation, field by field, of seven key sections on monthly reports furnished for both plan participants and management by Zappa & Associates.

1) MONTHLY DEDUCT--This is the total pretax reduction, per month, deducted from an employee's paycheck.

2) PLAN AMOUNT--This is the original estimate made for either Dependent Care or Unreimbursed Medical Expenses by a plan participant before the beginning of a plan year.

This figure may be a few cents less than the original estimate. For example: if an employee estimates 500.00 in unreimbursed medical expenses for a plan year, with 24 deductions, each payroll reduction will be 20.83. Multiplying 20.83 X 24 Pay Periods, results in a slightly reduced estimate of 499.92.

3) YTD DEDUCT--This is the total payroll deduction **YEAR TO DATE** for a plan participant's Flexible Spending Account.

4) YTD CLAIMS--This field shows the total dollar figure **YEAR TO DATE** for medical or dependent day care claims, submitted as of the end of the current processing period.

5) YTD PAID--In this instance, the **YEAR TO DATE** Paid field provides the plan participant with the total dollar amount of claims paid as of the end of the current processing period.

6) CURRENT ACCOUNT BALANCE--This field may be either positive or negative, dependent upon the **YTD Deduct and YTD Paid Fields**. Basically, the Current Account Balance field is the **difference between** the YTD Deduct field and YTD Paid field.

If the Current Account Balance Field is a positive number, a plan participant still has a positive balance in his or her Flexible Spending Account. If there is a negative balance in this field, the company has, in essence, advanced the plan participant money for his or her health care reimbursement account.

Two examples should make this clearer. If the YTD Deduct field is \$350.00 and the YTD Paid field is \$300.00, there is a balance of \$50.00 in the plan participant's Flexible Spending Account.

If the YTD Deduct field is \$350.00 and the YTD Paid field is \$400.00, there is a **negative balance** of \$50.00 in the plan participant's Flexible Spending Account. In this case, the employer has "loaned" the plan participant \$50.00 until the money is paid back via subsequent payroll deductions.

7) PLAN BALANCE AVAILABLE--This field reminds the plan participant of the remaining balance of his or her original medical or dependent day care FSA estimate for the plan year. For example, if the original estimate for a medical FSA for the plan year were \$500.00 and the plan participant had been reimbursed \$300 of that original estimate, his or her Plan Balance Available would be \$200.00.