IMPLEMENTATION INFORMATION

FLEXIBLE SPENDING ACCOUNT

Welcome to Alerus. We appreciate the opportunity to provide employee benefit services for you and your employees. This guide is an outline of the documentation and information necessary to implement your flexible spending account (FSA) with Alerus.

Implementation Process

To begin the implementation process, review and complete the Client Information Form. Once completed, please return the updated version to Alerus at **hwsetup@alerus.com**.

Implementation Timing

If you are implementing a non-calendar year plan, Alerus will need the completed implementation paperwork returned four weeks prior to the effective date. If you are requesting a January effective date, the completed implementation paperwork will need to be submitted in early November. Please see your salesperson or account executive if a more detailed time frame is needed.

Alerus Service Directory

Consulting Assistance

DeAnn Fiore
Health and Welfare Account Executive
P.O. Box 64535, St. Paul, MN 55164-0535
deann.fiore@alerus.com
952.253.1283

CLIENT SERVICE CENTER
Monday – Friday, 7 a.m. – 7 p.m. CT
877.661.4727
healthbenefits@alerus.com

Implementation Services

Health and Welfare Implementation
hwsetup@alerus.com
800.898.9344

- Stacie Ravenhorst, CFC
- Rebecca Nordaas

Once set up is complete, the implementation specialist will assign an administrator to your plan and notify you.

Participant Census Data

Submit the enrollment spreadsheet to Alerus upon completion via secure email connection since it contains confidential information. Contact our implementation department at **hwsetup@alerus.com** or 800.898.9344 with questions regarding this secure transmission.

FSA Plan Funding

The FSA employee contributions will remain in the employer's bank account until they are needed for the reimbursement of claims. Following is the available funding method for FSA claims payments.

Alerus Account and ACH Pull

Reimbursement payments are drawn on Alerus' bank account. The employer is sent a notification email to review the payment report online. Alerus pulls the total amount reflected on the report from the employer's bank account. Checks are mailed the day following reimbursement processing, direct deposit notices are immediately emailed to the participants, and the funds are withdrawn from the employer's account one business day following the day they receive the payment report.

Debit Card Funding Requirement

Prefund Requirement

WexHealth, our debit card vendor, requires that employers provide 5% of health FSA annual elections at the start of the plan year. This is known as the prefund requirement and this balance must be maintained throughout the plan year.

> FOR EXAMPLE
> An employer has 30 employees enrolled in the health FSA and their total annual elections add up to $90,000. Five percent of $90,000 is $4,500, so the prefund requirement is $4,500.

Why does the debit card vendor require the prefund?

Because Visa® debits the vendor's account daily for any transactions that take place; however, the card vendor only debits the employer's account once per week.

Weekly ACH Debits

In addition to the minimum funding requirement, the employer will receive a weekly summary of the debit card transactions if the prior week. The summary will be emailed every Monday. The debit card vendor's bank, Bancorp Bank, will pull the total amount of these transactions from the employer's bank account the following day.

Who will receive the email each week?

The email can go to as many individuals as the employer requests. Simply let your plan administrator know who should receive these reports and they will be setup accordingly.

Getting Started

The first step is to complete the Authorization for ACH Debits form for Bancorp Bank, the debit card vendor's bank. This form should be completed and submitted to Alerus, along with a voided check. If your account does not have checks, please provide an authorization letter from your bank verifying the account and routing numbers for that account.

Plan Document Requirement

FSAs are part of a Section 125 cafeteria plan and do require a plan document and summary plan description. Alerus will require and create a new Section 125 plan document (see applicable fees in your proposal). It is critical that the plan document is up to date and includes all items IRS regulations stipulate must be in a Section 125 plan document.

Ongoing Administration

Plan Administrator

Employers will be assigned a plan administrator who will be responsible for managing the plan. The plan administrator will serve as the employer's main contact at Alerus and will keep the employer informed of any important information regarding their plan.

Administrative Invoices

Alerus processes invoices for services on the 15th of each month. Employers will receive a notification email to review the invoice online. Alerus requires monthly invoices to be paid by EFT. Invoices are sent by email 10 days before the EFT transfers occurs.

Invoice detail can be accessed online at alerusrb.com. You will be assigned a user ID and password for this website during the implementation process.

Terminated Participants

Employers should notify their plan administrator right away when a participant terminates employment so their account can be modified accordingly. The procedure after termination is dependent upon plan design, but in most cases participation ceases upon termination.

FSA Health Benefits Card

If your FSA participants are using the health benefits card they will likely receive periodic requests to submit documentation for their purchases. It is important that new participants are made aware of this, and other pertinent information related to the use of the card. Please see the enrollment material or your plan administrator for detailed information regarding the use of the health benefits card. A mobile app is also available and creates ease in this process.

Client Service Center

Alerus is happy to assist you and your employees with any questions, requests, or concerns regarding our services. Contact our client service center representatives as indicated on the front page.

Participants can access their accounts online or via the mobile app at any time. Online, they will have the ability to review their balances and account history, request payment from their plan, update personal information, modify investment elections and/or transfer funds between investments, and email Alerus' client service center. Employers can also access participants' account information online through our employer website.