Dear CSU Employee:

The CSU is pleased to announce the implementation of a Flexible Spending Account (FSA) Plan Debit Master® Card for Health Care Reimbursement Account (HCRA) Plan participants, beginning in the 2012 plan year. The optional “FSA Benny® Card” issued by ASIFlex, allows HCRA participants* to pay for out-of-pocket medical expenses (i.e., health, dental, vision, etc.) when issued as payment at Health Care Providers and at certain retail locations that have implemented an Inventory Control System, per Internal Revenue Service (IRS) regulations.

If you choose to enroll in HCRA and request the FSA Benny Card, you:

1. **Have electronic access to your annual HCRA election amount on the FSA Benny Card;**
2. **Avoid paying out-of-pocket for eligible health, dental and vision related expenses;**
3. **Eliminate the waiting period for your HCRA claims to be processed and reimbursed by ASIFlex; and**
4. **Are not required to submit paper claims or documentation for most FSA Benny Card transactions. If follow-up documentation is required for an expense, ASIFlex will notify you for additional information.**

The administrative fee for the FSA Benny Card is $1.00 per month and is deducted directly from your HCRA account balance as a non-refundable, one-time lump sum amount (i.e., $12.00 if your enrollment begins in January, and the amount is prorated if your enrollment begins after January). Therefore, you want to carefully determine your monthly HCRA election amount to ensure that you will have full access to the annual election amount chosen. For example if you decide to contribute $5,000.00 ($416.66 per month) to the HCRA Plan for 2012 and also request the FSA Benny Card, you may want to consider increasing your monthly HCRA election amount by $1.00 to $417.66. Otherwise, you would have access to $4,988.00 of HCRA funds for 2012 as shown below:

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\text{Annual election amount} = \frac{\$5,000.00 - \$12.00}{12} = \$4,988.00 \quad \text{Remaining HCRA funds available to you}
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You can obtain the FSA Benny Card by submitting a completed “FSA Debit Card Request” form (attached) to ASIFlex during this year's open enrollment period, or during the 2012 Plan Year, or any plan year thereafter. FSA Benny Card request forms received during open enrollment or in December 2011 will be issued in mid-January. Cards requested after this timeframe, or during mid-year, will typically be issued within 10-15 days of the receipt of the form.

Two (2) FSA Benny Cards will be mailed to you. If the card is lost or stolen, ASIFlex charges a $5.00 fee to re-issue the card. You can continue to use the FSA Benny Card from plan year to plan year, as long as you remember to re-enroll in the HCRA plan each year. You can cancel your FSA Benny Card participation by sending a written request to ASIFlex.

**Special Information Regarding Grace Period Claims and the FSA Benny Card**

The **FSA Benny Card is funded only with the current plan year's election amount.** If funds remain in the account that can be used during the 2 ½ month grace period claims extension (January 1 through March 15) during the following plan year, then you must submit paper claims by mail, or facsimile, or via electronic upload to ASIFlex in order to be reimbursed for the remaining account balance. **Do not use the FSA Benny Card for grace period claims. If the FSA Benny Card is used for grace period claims, the amount(s) will be deducted from your current plan year's election and will not be applied to the previous year's remaining balance.**

It is anticipated that use of the FSA debit card will greatly reduce the incidents of remaining account balances at the end of the plan year, since you will have full access to your annual election amount and will not have to pay out of pocket in order for claims to be reimbursed.

For more information about the FSA Benny Card, including FAQs, and how to enroll, please visit the CSU Systemwide Benefits Portal at: [www.calstate.edu/hr/benefitsportal/](http://www.calstate.edu/hr/benefitsportal/) or contact ASIFlex at (800) 659-3035.

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*The FSA Benny Card is not applicable to Dependent Care Reimbursement Account (DCRA) Plan participants.*