



Flexible Spending Account (FSA) Open Enrollment

Enroll November 16th-December 4th

- elections take effect January 1, 2010 -

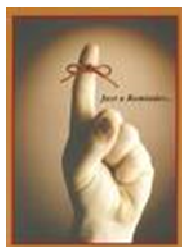
Action Required 11/16-12/4

Enrollment is not automatic. You must re-enroll each year to participate in FSA for the following calendar year even if you wish to continue the same annual contribution from year to year.

Your FSA Websites*

To...	Use...	Find More in the Attached Guide on ...
Enroll	https://webone.outsourceone.com	Page #4
View your 2009 FSA Election(s)		
View Your FSA Account Balance	www.benefitspaymentsystem.com	Page #6

*For security reasons, there is no link between our Employee Self Service enrollment website (webone.outsourceone.com) and our debit card vendor's website (www.benefitspaymentsystem.com). This means you'll need two user IDs and passwords—one for online FSA enrollment, and another to access your FSA account balance.



Deadline to file Calendar Year 2009 FSA Claims is March 31, 2010.

Consider filing your claims early to allow for additional time if additional supporting documentation needs to be provided.



open enrollment

CALENDAR YEAR 2010

Flexible Spending Account (FSA)

Enroll November 16th-December 4th

- elections take effect January 1, 2010 -

Action Required by 12/4

- **Estimate** what to contribute
- **Enroll** at webone.outsourceone.com

Enrollment is not automatic—you must re-enroll each year to participate even if you wish to continue the same annual contribution from year to year.



using pre-tax dollars to pay for out-of-pocket medical, dental, prescription drug, vision and dependent care expenses for you, your spouse, and eligible dependents

OVERVIEW

This Benefits Guide is designed to communicate the details you and your family need to consider during the annual Flexible Spending Account (FSA) open enrollment.



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Using Your Open Enrollment Guide

- **Flip through the guide.** The guide highlights key information to help you make your open enrollment decisions.
- **Take a moment to review information in the borders** for resources with more details, updates or reminders.
- **Review the charts and tables** to see where to get more information.

Estimating your Dependent Care Election Amount



Consider any time of the year when you do not have these expenses – such as vacation periods. Also, if your child will turn 13 during the year, estimate your expenses only for the portion of the year before your child's 13th birthday as dependent care terminates once a child turns 13.

Why Enroll In A Flexible Spending Account?

We all like to save money and avoid paying taxes. Out-of-pocket expenses for over-the-counter medicines, deductibles, co-pays, and child care can add up quickly. A Flexible Spending Account (FSA) can stretch your income by minimizing your costs while maximizing your benefits. You pay reduced taxes while lowering your out-of-pocket expenses.

Which Flexible Spending Account (FSA) Do I Need?

Flexible Spending Accounts are used pre-tax dollars to help you save on health care and dependent care costs.

- A Health Care Flexible Spending Account saves you money on the out-of-pocket costs you and your family incur on medical, prescription drugs, dental and vision expenses.
- A Dependent Care Flexible Spending Account helps you pay for child care services and possibly the care of elderly parents or a disabled spouse or dependent while you work.

Both FSA plans pay for uncovered or unreimbursed portions of medical and/or dependent care expenses potentially saving you hundreds or even thousands of dollars a year. Your payroll contributions to a FSA are deducted before Federal, State, and Social Security taxes are calculated. The end result is your taxable income decreases and your spendable income increases.

How Do I Get Started?

- **Estimate what to contribute.** It's your money and your decision. You decide on the amount to contribute based on your eligible expenses. Your election is withheld from your paycheck on a pre-tax basis.

Consider reviewing the following when estimating your contribution:

1. Listing of eligible and ineligible expenses found on webone.outsourceone.com or the MTS Intranet at: Groups>HR>Employees>Your Benefits & Compensation>Flexible Spending Accounts.
2. Your medical, prescription drug, dental and preventive vision claims history on our insurance vendors' websites. Your "**Guide to Using HealthCare Insurance-Related Vendors' Websites**" is available at webone.outsourceone.com and the MTS Intranet at Groups>HR>Quick Links>Benefit Contacts.

- **Enroll.** Once you determine your contribution amount, log on to <https://webone.outsourceone.com>. See page # 4 for more details on online enrollment.
- **Incur Expenses.** Incur expenses and keep your receipts. Please note that health care claims are reimbursed as they are incurred, up to the annual maximum you elect. Dependent care expenses are reimbursed after the service has been incurred and are reimbursed up to the amount available in your account based on actual contributions. Expenses must be incurred during the plan year (1/1/2010-12/31/2010).
- **Request Reimbursement.** If you didn't use the debit card, submit your paper claim reimbursement request to OutsourceOne. Claim forms are available on the MTS Intranet (Groups>HR>Forms) and at webone.outsourceone.com.

Minimums and Maximums

	Health Care FSA	Dependent Care FSA
Minimum	\$100	\$100
Maximum	\$5,000	\$5,000 (\$2,500 if married filing separate Federal Income Tax Returns)

1. Access WebOne with Your User ID and Password	❑ Access WebOne at https://webone.outsourceone.com. ❑ If you have never used WebOne, click New Users>> You will then need to enter the last 4 digits of your social security number, your last name, and your first name. Click Continue Follow the steps to create your own unique user ID and Password, including providing an email address so that your password can be mailed to you if you lose it. ❑ If you forgot your user ID or password, click "Forgot User ID or Password?" and your password will be emailed to you.	2. Log On to WebOne with Your User ID and Password and Begin Enrolling	❑ Click Open Enrollment found in the middle of the screen. You will be taken to a screen titled "MTS Enrollment" which will explain how and when to use the Help, Benefit Information and Exit buttons. Do not use the statement feature. ❑ Click Start Enrollment to begin making your calendar year 2010 benefit elections.
3. Verify Personal Information	❑ Review your personal information. If you see an error, report it to Barb Zupan in HR at 952-937-4166. ❑ Do Not make changes to your marital status. If your marital status is incorrect, contact Barb Zupan. ❑ Once you have verified your personal information, click Save found on the left side of the screen, and then click Continue Enrollment found on the left side of the screen to proceed. ❑ You will also need to click Continue Enrollment on the dependent screen. No action is required to enter data on this screen.	4. Enroll in FSA	❑ Choose a Flexible Spending Account, Health Care or Dependent Care, by clicking the radio button to the left of the plan name. ❑ Enter an annual election dollar amount, no less than \$100 and no greater than \$5,000. ❑ Click Enroll ❑ If you want to enroll in both the Health Care FSA and Dependent Care FSA, be sure to enter election amounts for both FSA plan types. ❑ When you have completed enrolling either or both Health Care FSA and Dependent Care FSA, then at the top of the screen click Continue Enrollment
5. Review Enrollment Summary	❑ Review the information on the screen for completeness and accuracy. ❑ If you need to make a change to the information, click on Edit and you will be taken back to that section to make changes. If you are satisfied with your election(s), then click Accept	6. Print your Benefits Summary and Confirmation Statement & Log Off	❑ Print your Benefits Summary and Confirmation Statement for your records. ❑ If you are satisfied with all of your elections, click Complete Enrollment ❑ The following message will appear when your entries have been saved: "You have successfully completed the MTS Enrollment Process." Click Exit Enrollment and then in the upper right corner to end your session, click Logout



Do you want to know which pharmacies, drug stores, and grocery stores can be used where receipts aren't required to process your FSA debit card claim?

Visit http://www.sig-is.org/en/documents/SIGIS_Merchant_List.pdf



For more Q&As on the debit card, visit the MTS Intranet: Groups>HR>Employees>Your Benefits & Compensation>Flexible Spending Accounts>Benefits Payment Systems – Debit Card Vendor Vendor>Q&A

What is the FSA Debit Card?

The debit card provides a convenient method to pay for eligible out-of-pocket expenses. The IRS has stringent regulations regarding the appropriate use of the debit card as far as where the card can be used, and when follow-up documentation is required. The card is a great benefit, but it is important that you take a moment and understand how it works. Using the card does not eliminate the need to submit follow-up paperwork!

Where can the cards be used?

To find out which pharmacies, drug stores, and grocery stores can be used where receipts aren't required to process your FSA debit card claim, Visit http://www.sig-is.org/en/documents/SIGIS_Merchant_List.pdf

When do I have to turn in paperwork for a debit card transaction?

Certain situations will allow FSA debit card transactions to be electronically substantiated, meaning that no follow-up documentation will be required. If a transaction cannot be electronically substantiated, you will receive a request for follow-up documentation from OutsourceOne, our FSA claims administrator.

Transactions are considered to be electronically substantiated if they meet these 3 conditions:

- Transaction matches the MTS Medical Plan **co-pay amount**.
- Occur at a merchant that has implemented the **Inventory Control System**, or
- Transaction is a **recurring expense** that matches a previously approved expense as to the amount, provider and time period (e.g., a monthly prescription drug refill from the same provider and for the same amount.)

All other transactions will prompt a request for a detailed statement of services. Many MTS FSA participants gather up their statements and simply submit their claims on a monthly or quarterly basis.

If you don't have a copy of your receipt or insurance explanation, request a copy from the provider. Additionally, you can visit these websites to see your claim detail and in many cases, print an Explanation of Benefits:

- umr.com (MTS Medical Plan)
- deltadentalmn.org (MTS Dental Plan)
- vsp.com (Preventive Vision)

What if I don't provide the paperwork?

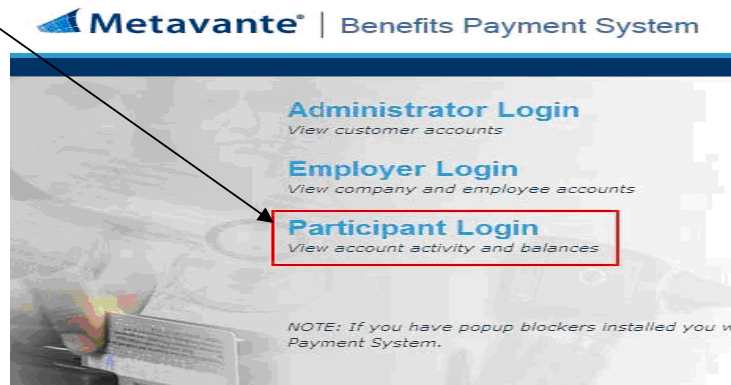
If you don't provide documentation on a debit card expense to OutsourceOne to satisfy the Internal Revenue Code regulations, the charges will be re-characterized as ineligible expenses and the reimbursement you previously received will be revised to report it as taxable income.

Please know that OutsourceOne, the FSA administrator for MTS, will send you 3 requests for documentation of the expense. If after 30 days the requested information is not received, your debit card will be temporarily deactivated until the transaction is resolved. You may still access your FSA funds by paying up-front and filing a paper claim, but your debit card will not work when swiped.

To access your FSA account, log on to **www.benefitspaymentsystem.com**. You will be able to start viewing your account information in three easy steps. If your browser blocks pop up windows you may need to turn off the pop up blocker to use the Benefits Payment System website.

Step 1

When you log on to www.benefitspaymentsystem.com click on "Participant Login:"

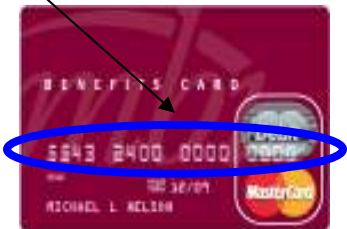
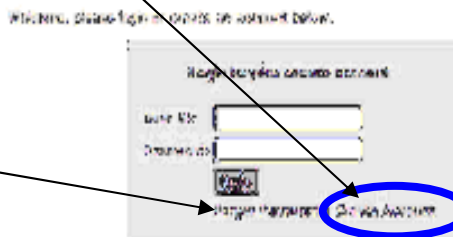


Step 2

If you have logged on before and have already created a User ID and Password, you can use that to log in. Otherwise, click **Create Account** to create a User ID and password. Once you've done this, complete the information requested in Step 3, starting with your MBI card number.

If you forgot your password, contact OutsourceOne at #877-491-5979.

This text only applies if you know your password and want to change it.



Step 3

Enter your first and last name and your social security # (without dashes) as your **employee ID#**.

Your **employer ID #** is OSOMTS.

If you have your FSA debit card, enter your **card #** (without spaces). If you don't have your MBI card handy, you can still log in. Just use your name and social security number.

Next, you will create your own User ID and Password. After confirming your new password, provide an email address and prompt question answers (in case you lose your User ID or Password). Click on "Submit" and you will be brought to the Logon screen to enter the Benefits Payment System website.

Account Creation
Create a new user account.

Enter the information below to create your account. Please contact your Plan Administrator for questions regarding access to this site or for questions about balances and statements.

Name * First Last

Employee ID *

Employer ID *

Card Number *

New User ID *

Password * Confirm Password

Security Word * (Mother's Maiden Name)

Birth City *

E-mail Address *

E-mail Options ☒ Send E-mails

* = required

Keep a Record

After you've created your User ID and Password, take a moment to write it down keep in a safe place for future reference.

If you need assistance, call OutsourceOne Customer Service at **1-877-491-5979**. Also, if you have forgotten your user ID and password, call OutsourceOne. You can also call OutsourceOne to get your FSA account balance information.

Consider using FSA to cover your over-the-counter (OTC) medications



Visit the MTS Intranet to see a listing of eligible and ineligible OTC medications the IRS allows to be covered under an FSA.

Limits that apply to Dependent Care FSA elections for Married Couples

By law, the maximum Dependent Care FSA amount is \$5,000 per household (\$2,500 if married filing separately). You could mistakenly exceed the \$5,000 limit if both you and your spouse work for employers offering an FSA Plan and the combined total of the two elections exceed the \$5,000 limit. So, it is important you and your spouse plan your benefit elections carefully.

Replacing or renewing FSA debit cards

If...	Then...
You have a FSA debit card that was issued 3 years ago and enrolled in FSA for 2010...	You will receive a new FSA debit card with a new account #.
Your FSA debit card was lost or stolen...	Call OutsourceOne at #877-491-5979 for a replacement. You will receive a replacement FSA debit card with a new account #.
You want a dependent or your spouse to have a debit card...	Call OutsourceOne at #877-491-5979 to order a card. There is no fee for this. Please be certain your dependent fully understands how to appropriately use the card for qualifying expenses only, and that they retain copies of documentation of each transaction.
Your spouse or dependent had a card in 2009, you enrolled in FSA for 2010, and you want your spouse or dependent to have a debit card in 2010....	Call OutsourceOne at #877-491-5979 to renew the cards for 2010.

Changes between calendar years

You may use your debit card towards your 2009 FSA election through 12/31/2009.

Effective 1/1/2010, the amount associated with your 2009 election is turned off on your card. You may use your card for expenses tied to your 2010 election only. Therefore, any 2009 expenses paid after 12/31/2009 will be done by check or cash and you should seek reimbursement by submitting a paper reimbursement claim form to OutsourceOne no later than 3/31/2010.

Deadline for Filing Claims

For...	The Deadline Is...
Calendar Year 2009 Claims	March 31, 2010
Calendar Year 2010 Claims	March 31, 2011

Consider filing your claims early to allow for additional time if additional supporting documentation needs to be provided.

Your eMail Address

The eMail address you have in WebOne is not reported to Benefits Payment System, our FSA debit card vendor. This is because employees may want to use an email address that varies from what was entered in WebOne. As a result, if you want to receive eMails from Benefits Payment System, you'll need to enter your eMail address at their website.

Your Dependents' Address

The address change you report to HR updates your address and not your dependents' address in WebOne, and therefore is not reported to Benefits Payment System (BPS), our FSA debit card vendor. This is because employees may want to use an address that varies from what was entered in WebOne. As a result, if you want your dependents to receive a debit card mailing from Benefits Payment System, you'll need to update your dependents' address at their website. Please visit the BPS website at www.benefitspaymentsystem.com to change your dependent's address. Once at the site, select "*Demographics*" under the heading Dependent to make the address change.



MTS FSA Statistic

The average tax savings for MTS FSA participants was approximately \$720 for the plan year ending 12/31/2008.



OutsourceOne is the vendor that provides an automated, employee self-service web-based system – WebOne – that enables you to use the Internet to view and/or update your own benefits data online. Rather than having others manage your data, WebOne allows you to:

- Enter your benefits elections online from home or work
- View your benefit choices immediately for accuracy
- Print your own benefit confirmation statement.

OutsourceOne is also the FSA, insurance eligibility, and COBRA administrator for MTS.

Status of FSA Carryover to Extend Plan Year 2 1/2 Months

Status of FSA Carryover* to Extend Plan Year 2 1/2 Months

For 2010, the plan year will continue to be 12 months or from January 1, 2010 to December 31, 2010. The plan year is the period during which eligible expenses must be incurred to be eligible for reimbursement regardless of when the services are billed or paid. However, there is an exception with orthodontic expenses. Orthodontic expenses may be assumed to be incurred at the time payment is due and paid.

Based on our low forfeitures, we will not implement the carryover. If there is a change in our forfeitures, we will consider implementing the 2 1/2 month carryover option.

*The IRS allows plans up to two-and-a-half months following the end of each plan year to incur expenses before the "use it or lose it" forfeiture rule applies. This means expenses incurred during that time can be reimbursed with funds carried over from the prior plan year. However, any unused amounts that are not used to reimburse expenses by the end of the 2 ½ month extension remain subject to the "use it or lose it" rule and must be forfeited.

The average MTS forfeiture* over the last 10 years has been less than 1% of contribution. During the last 5 years, it has dropped from .95% to .69%.

Changes After Open Enrollment Ends

In exchange for the tax advantage of before-tax payments, you are not allowed to make a change to your FSA election outside an open enrollment, unless you have an allowable change in family status, or certain life events or employment events. To make a change to your FSA election outside an open enrollment, a FSA Enrollment/Change form must be received by MTS/Benefits within 30 days of the event and will be effective on the date of the event.

Visit the MTS Intranet: Groups>HR>Forms to view a complete listing of events that allow you to make a change after open enrollment ends.

Need More Information?

OutsourceOne

Flexible Spending Account Administration: #877-491-5979
OutsourceOne Website: webone.outsourceone.com

MTS HR Benefits Team & Intranet

Gina Zylla: 952-937-4171 or gina.zylla@mts.com
Dot Belling: 952-937-4817 or dot.belling@mts.com

MTS Intranet: Groups>HR>Employees>Your Benefits & Compensation>Flexible Spending Accounts

Benefit Payment Systems Website

Visit benefitpaymentsystem.com to view your FSA account balance information. If you have forgotten your user id and password, contact OutsourceOne at 877-491-5979.