

Plan Document Checklist Guide



Simplifying benefits for everyone.



IRS regulations require employers to have a written plan document in place before offering pre-tax benefits. To help make this process as easy as possible, WEX Health, Inc. provides you with access to an online portal where you can create or update your Cafeteria Plan documents. The following information serves as a detailed guide to help you through each step of the plan document creation/update process.

To ensure your plan document is in agreement with your plan setup in the WEX Health, Inc. operating systems, all benefit plan design changes must be communicated to the Client Services team at **employerservices@wexhealth.com**. Plan design changes entered into the plan document portal will not be automatically applied to administrative systems.

To amend your company's existing plan document (skip to next page if you're setting up a new plan document):

Step 1: Access LEAP® by WEX Health, Inc. at **employerbenefits.wexhealth.com**.

Step 2: Click on "Plan Documents" from the side navigation bar. Note: Access to the plan document portal is limited to one individual per account.

Step 3: To save yourself time, you can update your plan document by modifying the answers to the existing checklist. To do this, select your company name in the Existing Plans section and click "View/Modify Plan Elections."

Step 4: To navigate through the checklist, you can use the following methods:

- To move to a specific section of the checklist, click on the section title at the top of the screen.
- To move through the individual questions, click on the arrows at the top left of the screen. The up arrow moves you back to previous questions and the down arrow moves you forward. The left and right arrows move you to the different sections of the checklist.
- If you wish to exit the checklist without saving your changes, use the exit icon at the top of your screen.

Step 5: Once you've completed your checklist and wish to submit for the completed plan document, use the submit icon at the top of your screen. Then, choose the format (Word or PDF) and enter an email address. Note: We recommend having the plan documents generated in Word.

Step 6: Keep an eye on your email inbox for an automated email from **relius.documentsupport@sungard.com** on behalf of WEX Health, Inc.' Compliance team.

If your company doesn't have an existing plan document, you can create a new plan document:

Step 1: Access LEAP at employerbenefits.wexhealth.com.

Step 2: Click on "Plan Documents" from the side navigation bar. Note: Access to the plan document portal is limited to one individual per account.

Step 3: Complete the Create a New Plan section. Your company was assigned a five-digit Company Code during implementation. Contact our Client Services team at 877-765-8810 if you're unsure what your Company Code is. Note: Choose Flexible Spending Account from the drop-down menu.

Step 4: To navigate through the checklist, you can use the following methods:

- To move to a specific section of the checklist, click on the section title at the top of the screen.
- To move through the individual questions, click on the arrows at the top left of the screen. The up arrow moves you back to previous questions and the down arrow moves you forward. The left and right arrows move you to the different sections of the checklist.
- The first section (Questions 1.0 to 1.6) is autocompleted and no changes are needed. Answer the checklist questions starting with Question 2.1. Use the information provided in the next few pages of this guide to assist you when answering the checklist questions. Some of these checklist questions have been auto-populated. If you find any auto-populated answers that don't apply to your company, the answers may be changed.
- If you wish to exit the checklist without saving your changes, use the exit icon at the top of your screen.

Step 5: Once you've completed your checklist and wish to submit for the completed plan document, use the submit icon at the top of your screen. If one or more questions have been left unanswered, the screen at right will appear. Click on "View Details" to see which questions need answers. When all questions are answered, you'll be asked to enter your email address and select a format (Word or PDF). Note: We recommend having the plan documents generated in Word.

Step 6: Keep an eye on your email inbox for an automated email from relius.documentsupport@sungard.com on behalf of WEX Health, Inc.' Compliance team.

Employer Information

2.1 Primary Employer — Enter name of employer sponsoring the Cafeteria Plan.

3.0 Address — Enter employer's physical address and telephone number.

4.0 Tax ID — Enter employer's Federal Tax ID (FEIN).

5.0 Plan Number — This number is assigned by the employer and can be found on the 5550 form filed the previous year or in the Summary Plan Description for the plan. Use 501 unless this number is already used for another welfare benefit plan. If that is the case, use the next consecutive number. For more information on Form 5550, please visit: <http://www.dol.gov/ebsa/5550main.html>.

6.0 Plan Administrator — The name of the company or person designated as Plan Administrator under ERISA. This is defaulted to the "Employer, using employer's address." If this is not the case, uncheck the "Employer, using employer's address" box (6.0) and enter Plan Administrator under "Other" along with the appropriate address. As indicated in the Administrative Services Agreement, WEX Health, Inc. is not the Plan Administrator.

7.0 Plan's Agent for Service of Legal Process — The name and address of the company or person designated to receive any service of legal process. This is defaulted to the "Employer, using employer's address." If this is not the case, uncheck "Employer, using employer's address" box (7.0) and enter name of Plan Agent along with the appropriate address. WEX Health, Inc. is not the Plan Agent.

8.0 Employer's Principal Office — The state where the home office is located.

9.0 Plan Status — If it is the first year offering a Cafeteria Plan, mark "New Plan." If it is a current plan, mark "Amendment and Restatement." A new plan refers to the first time you are offering this benefit to your employees. If you are adding benefits to a current plan (e.g. adding FSAs to a premium conversion plan), select "Amendment and Restatement."

9.1 Wrap Plan Document — Select "no." If a wrap document is required, please work with your legal counsel. If "Yes" is selected, the plan document will provide clauses to have the Cafeteria Plan act as a "wrap" plan if the employer intends to file one Form 5550 for all its welfare plans. WEX Health, Inc. recommends the employer have the "wrap" version reviewed by its legal counsel to ensure it meets the employer's wrap document needs.

10.0 Plan Name/Title of Document — Enter the name of the plan. In most cases, this is the name of the employer followed by "Cafeteria Plan." There are no legal requirements as to what the name of the plan should be.

11.0 Plan Year — Enter the plan year beginning and ending month and day. A plan year is generally 12 months. Plan years longer than 12 months are not allowed. Do not include the four-digit year.

11.1 Short Plan Year — If this is a short plan year, check “Yes” and enter the beginning date of the short plan year and the last day of the short plan year (month, day, year). If no, mark “N/A.” A short plan year is allowed for the first plan year, or when an employer is changing the plan year to match its benefit or fiscal year. Per IRS regulations, an employer is not allowed to have two short plan years in a row.

12.0 First Date Cafeteria Plan Offered — Enter the date the employer first offered pre-tax benefits. The original effective date (prior to any interim amendments) must always be entered for a plan being amended and restated. If preparing a new plan, (b) can be disregarded.

12.1 Amendment/Restatement — Enter the effective date of the amendment. If this is a new plan (selected in option 9.0), this option will be grayed out. Any amendments to the plan need to be on a prospective basis.

13.0 Employer Entity — This question affects various provisions of the plan and also determines whether a Corporate Resolution or an Adopting Resolution will be generated. Refer to the information icon *i* in the lower right portion of the screen for additional details.

Eligibility

14.0 Eligible Class of Employees — Indicate which employees are eligible to participate in the Cafeteria Plan. Before excluding employees, careful consideration should be taken as this could impact non-discrimination testing.

15.0 – 15.1 Conditions for Eligibility — Generally, it is desirable to allow employees to participate in the Cafeteria Plan as soon as possible because the employer will save more money in the form of FICA savings if more employees participate in the plan.

15.2 For Health Flexible Spending Accounts Only — The default selection is option (h). It is important to note that if there is a longer waiting period for an employer’s group health plan than for its Health FSA, this may affect the Health FSA’s status as an excepted benefit, resulting in non-compliance with health care reform mandates.

16.0 Entry Date — The effective date of participation, or entry date, is primarily a matter of plan design and administrative efficiency. For language consistency, if (a) is selected in 15.0 it is suggested that (f) be selected in 16.0.

17.0 Family and Medical Leave Act — Employers of 50 or more employees within a 75 mile radius on each working day for 20 or more work weeks are subject to the federal Family and Medical Leave Act (FMLA).

Contributions

18.0 Contributions — If employer contributions may be used for insured benefits only or insured benefits and flexible spending accounts, the default selection is “Both salary reductions and employer contributions.” If there are no employer contributions, “Salary reduction contributions only” should be selected.

19.0 – 19.3 Employer Contributions — The default selection for 19.0 is “Discretionary.” This selection will allow the plan document to remain current regardless of what amount the employer decides to contribute. If an employer offers employees cash if they opt out of the employer’s health coverage because they are covered under another plan through their spouse, “Opt Out” should be selected. If “Opt Out” is selected, the contributions must be indicated as convertible to cash in 19.2.

- The majority of plans that provide employer contributions make the contributions available pro rata each pay period, which is the default selection in 19.1.
- The default selection for 19.2 is “No.” With the exception of the “Opt Out” option, if a Cafeteria Plan provides both salary reduction and employer contributions, the employer contribution need not be convertible to cash since the plan does contain a cash component (i.e. the ability to reduce salary).
- The default selection for 19.3 is “All Accounts.” This indicates which plans will receive employer contributions.

Benefit Options

20.0 Benefit Options — The default selection is Flexible Spending Accounts.

21.0 Flexible Spending Accounts — Check all that apply.

21.1 Premium Conversion Plan — The default selection is “Yes” to include the premium conversion portion of the plan within the plan document. Premium Conversion is the PC portion, also known as the Premium Only Plan (POP). If the eligible employees are able to use pre-tax dollars to pay for their cost of the insured benefits, this needs to be stated in the Cafeteria Plan Document. It is not necessary to have separate documents — one for the spending accounts and another for the premium conversion portion.

21.2 & 21.3 Premium Payments — Check one option for 21.2 and check all that apply for 21.3. Refer to the information icon *i* in the lower right portion of the screen for a detailed explanation of each item.

22.0 Self-insured — Contact your group health plan administrator for confirmation.

23.0 Individual Policies — The default selection is “N/A.” Refer to the information icon *i* in the lower right portion of the screen for additional details.

24.0 Health Flexible Spending Account — Enter the maximum annual election amount allowed under the plan for the Health FSA. The IRS limits the amount of annual salary reductions allowed beginning in 2013. The limit is indexed for cost-of-living adjustments for subsequent plan years.

RECOMMENDED if 18.0 (a) or 19.0 (c) is selected: Enter the maximum annual salary reduction amount in option (b)(1).

- If 19.2 (h) is selected: Choose option (b)(2) when annual salary reduction amount is equal to maximum amount allowed by IRS (as indexed) and employer contributions (convertible to cash) are included in this maximum.
- If 19.2 (i) is selected: The annual salary reduction amount is equal to maximum amount allowed by IRS (as indexed) and employer contributions (not convertible to cash) are NOT included in this maximum, select option (b)(2) and one of the following:
 - (a) If employer contribution is included in plan maximum, or
 - (b) If employer contribution is separate from plan maximum.
- Optional: Enter the minimum amount an employee may salary reduce, if applicable. A plan may also designate a different annual amount if it is a short plan year or if an eligible employee enters the plan mid-year. Please note that it is the employer’s responsibility to monitor eligibility or different maximums based on mid-year eligibility.
- Carryover Option: Code Section 125 Cafeteria Plans allows up to \$550 of unused Health FSA funds remaining at the end of the plan year run-out period to be carried over into the next plan year. Enter the amount your employees will be allowed to carry over. If no carryover is offered, select option (6).

24.1 Terminated Employees — If the employer is not subject to COBRA, this section offers various alternatives that may limit an employer’s risk of loss should a participant terminate employment.

24.2 For Health FSA, Change in Status Permitted — The regulations permit, but do not require, a plan to allow status changes. If status changes are permitted, it is recommended that the “Yes, only if salary redirections to the Health FSAs are increased” be selected.

24.3 Limited Health FSA — If offering a Limited Health FSA, this section defines the eligible expenses under the Limited Health FSA and may further define how the Limited FSA coordinates with an HSA. If offering a Combination Health FSA, option (l) must be selected in addition to the options selected in (k).

24.5 Limited Health FSA Participants — The options selected in 24.3 can apply to all participants or only those who contribute to an HSA. If offering both a regular and Limited Health FSA, option (n) should be selected.

24.6 Claims for Medical Expenses — Choose option (p) if Health FSA covers eligible expenses for both the participant and dependents. If option (o) is selected, only the participant's expenses will be eligible.

Miscellaneous Provisions

25.0 Health Savings Account — Check "Yes" if the employer is including an HSA in the Cafeteria Plan for eligible employees. It is not a requirement that WEX Health, Inc. administer your HSA plan to have this language included in the plan document.

26.0 Benefit Election Period — For ease of administration, most employers select option (c) which is checked as the default option.

27.0 Automatic Re-enrollment for Insured Benefits (does not apply to FSAs) — Select "Yes" if passive enrollment is offered, meaning the employee does not need to re-enroll each plan year. Select "No" if active enrollment is offered, meaning the employees are required to complete enrollment to become a participant each plan year.

28.0 Election Forms — Participants who fail to sign a new election form shall proceed as follows: If option (a) was selected in

27.0, then option (b) will be automatically checked. If option (b) was selected in 27.0, then option (a) should be checked.

29.0 Witness to Employer's Signature — State law may require witnesses to the employer's signature. Employers will need to determine if this is a requirement for their state. WEX Health, Inc. does not have this information.

30.0 401(k) Plan — The default answer is "No" due to complications that are created with non-discrimination testing when 401(k) plans are included.

31.0 Vacation Days — The default answer is "No" due to the negative impact to the participant under the ordering rules included in the regulations.

32.0 - 32.3 Grace Period — Indicate whether or not the plan will include a grace period.

- If an HSA is offered, the recommendation is to not allow for a grace period for the Health FSA so it doesn't impact an employee's (or their spouse's) eligibility for the Health Savings Account (HSA) on plan year renewal.

- If the grace period is included, indicate the length of the grace period. Most employers offer the full 2 1/2 months allowed under the regulations.
- The default selection for 32.2 is “entire remaining balance.” The WEX Health, Inc. operating system cannot accommodate option (f) a specific dollar amount.
- A grace period option cannot be added to the Health FSA if the carryover option has been selected in 24.0 (7).

33.0 – 33.5 Run-out — Indicate the run-out period for each FSA. Select a time period for both active and terminated employees. If a grace period is offered, the run-out period should allow time for employees to submit expenses once the grace period ends. It is important that the run-out periods match what was indicated on the Implementation Design Guide or Renewal Guide.

34.0 Claims Submitted to — This section has been auto-filled with WEX Health, Inc.’ information and should not be changed.

35.0 Debit Card — If the debit card is offered, mark “Yes” and indicate for which plans. If the debit card is not being offered, mark “No.” The option selected here must match the selection made on the Implementation Design Guide or Renewal Guide.

36.0 COBRA — Auto-filled based on selection in 24.1.

37.0 HIPAA — The default selection is “Yes.” For plans with Health FSAs, this question asks whether HIPAA provisions will be added. Refer to the information icon *i* in the lower right portion of the screen for additional details.

38.0 -38.3 HEART Act (Optional) — As part of the Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART), Health FSAs may offer Qualified Reservist Distribution provisions. The distributions are allowed for the Health FSA if a participant who is a military reservist is called up for military duty for 180 days or more.

- The amount of distribution can be either the beginning of the year FSA amount — minus reimbursements, the amount contributed up to the point of the distribution request — or a flat dollar amount.
- The employer must indicate the number of distribution(s) per year and can choose to stop claims after the distribution(s) is requested.

39.0 Dependent Care and Adoption Assistance FSA Maximums — The IRS statutory maximums for Dependent Care FSA and/or Adoption Assistance FSA will be indicated for the plan unless replaced by a lower amount. Leave this section blank if the statutory maximums apply or the Dependent Care or Adoption Assistance FSAs are not offered.

39.1 — 39.3 Optional – Enter the minimum amount an employee may salary reduce, if applicable. A plan may also designate a different annual amount if it is a short plan year or if an eligible employee enters the plan mid-year. Please note that it is the employer’s responsibility to monitor eligibility or different maximums based on mid-year eligibility.

Health Care Reform Provisions

40.0 – 40.2 Simple Cafeteria Plan (Optional) — Before implementing this type of plan, it’s strongly recommended you review this option with your benefits attorney. The default selection is “No.” Refer to the information icon *i* in the lower right portion of the screen for additional details.

41.0 Coverage for Children — The default is set to “Yes” based upon provisions under healthcare reform.

42.0 Change in Status: New Provisions for Employee Change (due to reduction in hours or enrollment exchange) — If “Yes” is selected, language applicable to the two additional permitted election changes for health coverage (IRS Notice 2014-55) will be included in the plan documents. The two permitted election changes are:

- Revocation due to reduction in hours of service
- Revocation due to enrollment in a Qualified Health Plan through a Marketplace

60.0 Adopting Employers — If employees of affiliated employers are participating in this plan, complete this section if you wish to list each affiliate separately within the document. Note: Plan design must be identical for all affiliates. An affiliate is a stand-alone company operating under a separate tax ID. If you have more than 10 affiliates, please consider changing the name of the document in question 10 to read as “Employer Name and All Affiliates.”

71.0 Enter Name, Email Address and Phone Number of Individual Completing Checklist — This individual will receive the email notification that includes the link to download the plan documents.