

FSA Funding Options Quick Guide

Available ONLY to NEW employer clients

Top Recommendation Funding Option 1	Important Facts about this Funding Method	Key Advantages
<p>Daily ACH Debit by WageWorks</p> <ul style="list-style-type: none"> WageWorks issues payments on WageWorks bank account, then pulls daily reimbursement daily from Employer bank account. Employer visits website to see payment made. Notification via email. Daily checks & direct deposit. Flex debit card available. 	<ul style="list-style-type: none"> Participants are reimbursed in 2 to 3 days. Participants and dependents can use flex debit cards. Check payments are secured by Positive Pay feature for fraud protection. Issued payments (checks, cards and direct deposits) are consolidated into a single daily amount which is automatically pulled from employer's bank account by WageWorks. Employer receives a daily email notification of the amount to be pulled from its bank account by WageWorks. Employer website reports details of the daily ACH debit on a consolidated employee payment report. 	<ul style="list-style-type: none"> Employer updates its checkbook based on a daily email that notifies employer of funds pulled to replenish WageWorks. Single daily payment on employer's bank account leads to simplified bank reconciliation.

Funding Option 2	Important Facts about this Funding Method	Key Advantages
<p>Client Bank Settlement by WageWorks</p> <ul style="list-style-type: none"> WageWorks makes payments from Employer account. Daily or weekly checks & direct deposit. Daily card settlements on Employer checking account. Employer visits website to see payment reports. Flex debit card available. 	<ul style="list-style-type: none"> Participants are reimbursed in 2 to 3 days. Participants and dependents can use flex debit cards. Checks issued on employer's account are not secured by Positive Pay feature for fraud protection. Each day, multiple batch payments are issued on Employer's bank, including all checks, direct deposits and card settlements. Multiple transactions per day lead to a more complex bank reconciliations process for the Employer. Employer must reconcile payment details by accessing and reviewing up to four reports on WageWorks website. 	<p>Many of the same advantages of ACH Debit, except:</p> <ul style="list-style-type: none"> Employer must review website each day for a listing of claims paid in order to update employer's checkbook. Rather than receiving an email notification, the employer must go to website to see daily payments. More complex bank

Funding Option 3	Important Facts about this Funding Method	Key Advantages
<p>Fast Forward by WageWorks</p> <ul style="list-style-type: none"> Employer collects payroll deductions and sends to WageWorks via check or ACH. Payments released from WageWorks bank account. Daily checks & direct deposit. Card available. 	<ul style="list-style-type: none"> Participants are reimbursed in 2 to 3 days. Participants and dependents can use flex debit card. Employer is not required to approve claim reimbursements (Checks Awaiting Printing report (CAP) report) prior to payment. Check payments are secured by Positive Pay feature for fraud protection. Employer website reports details of the daily ACH debit on a consolidated employee payment report. WageWorks reconciles its own bank account. No bank account reconciliation required by Employer. Public sector employers (schools and government) must send a check for FSA payroll deductions to WageWorks or push funds via wire or ACH credit to WageWorks instead of Aflac. Employers subject to ERISA will provide semi-monthly deposits to WageWorks (instead of Aflac) equal to 1/24 of total annual FSA elections. Per RSA, employer will authorize WageWorks to initiate ACH debits on the employer's bank 	<ul style="list-style-type: none"> Ideal for school groups, municipalities, counties, parishes and state governments. Ideal for private sector employers that prefer making predictable monthly deposits to the WageWorks claims paying account.

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Funding Option 1 – Daily ACH Debit

WageWorks writes checks, issues direct deposits and card payments on WageWorks' bank account. FSA claims are paid without requiring the employer's pre-approval. Each day, WageWorks is reimbursed by employer by allowing WageWorks to initiate ACH debits on employer's bank account. Employer's bank account may include a zero balance feature.

- Each day, employer is notified via email of the replenishment funds that WageWorks will pull via ACH Debit.
- Listing of claims paid is available at the WageWorks website.
- Check payments are secured by Positive Pay feature.
- Benefit payments are issued within 2 to 3 business days.

Funding Option 2 – Client Bank Settlement

WageWorks writes checks, issues direct deposits and card payments on the employer's bank account to pay FSA claims. The bank account must include a zero-balance feature. Claims are paid without requiring the employer's pre-approval or prior funds confirmation by WageWorks.

- Employer is not notified via email of transactions paid from employer's bank.
- Listing of claims paid is available to employer on the WageWorks website.
- Positive Pay feature is not available for issued checks.
- Benefit payments are issued within 2 to 3 business days.

Funding Option 3 – Fast Forward

Employer deposits funds in WageWorks' bank account to pay FSA claims. Public Sector employers wire or remit FSA payroll deductions to WageWorks every pay period. Private employers authorize WageWorks to initiate semi-monthly ACH debits on the employer's bank account equal to 1/24th of annual participant elections. WageWorks writes checks, issues direct deposits and card payments on the WageWorks bank account to pay FSA claims, without requiring the employer's pre-approval.

- Listing of claims paid is available at the WageWorks website.
- Check payments are secured by Positive Pay feature.
- Benefit payments are issued within 2 to 3 business days.

IMPORTANT: See page 1 for Aflac's recommendation of the WageWorks funding method that is the best fit.



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