

# FSA Funding Options Quick Guide

Available **ONLY** to clients transitioning from Aflac to WageWorks

## Aflac’s TOP recommended FSA funding with WageWorks if your current funding method is “ACH Debit Zero Balance”

Your current Aflac FSA funding operates like this:	Aflac’s Top Recommendation	Important Facts about this Funding Method	Actions Required by the Employer
<p><b>ACH Debit Zero Balance</b></p> <ul style="list-style-type: none"> <li>▶ Employer pre-approves claims based on Checks Awaiting Printing report (CAP).</li> <li>▶ Aflac pulls daily from Employer account, then releases payments on Aflac account.</li> <li>▶ Daily checks &amp; direct deposit.</li> <li>▶ No flex debit card.</li> </ul>	<p><b>Funding Method 1 Daily ACH Debit (see page 2)</b></p> <ul style="list-style-type: none"> <li>▶ WageWorks issues payments on WageWorks bank account, then pulls daily reimbursement daily from Employer bank account.</li> <li>▶ Employer visits website to see payment made. Notification via email.</li> <li>▶ Daily checks &amp; direct deposit.</li> <li>▶ Flex debit card available.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Participants are reimbursed in 2 to 3 days rather than 5 to 7 days.</li> <li>▶ Participants and dependents can use flex debit cards.</li> <li>▶ Employer does not need to approve claim reimbursements (Checks Awaiting Printing report (CAP) report) prior to payment.</li> <li>▶ Check payments are secured by Positive Pay feature for fraud protection.</li> <li>▶ 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.</li> <li>▶ Employer receives a daily email notification of the amount to be pulled from its bank account by WageWorks.</li> <li>▶ Employer website reports details of the daily ACH debit on a consolidated employee payment report.</li> <li>▶ Single daily payments lead to simplified bank reconciliation.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Employer must review and sign the new Reimbursement Services Agreement (RSA) with WageWorks.</li> <li>▶ Per the RSA, employer will authorize WageWorks to initiate ACH debits on the same employer bank account that is currently used for FSA funding.</li> <li>▶ Employer updates its checkbook based on a daily email that notifies employer of funds pulled to replenish WageWorks.</li> </ul>

## Aflac’s Alternate Recommended Method

Your current Aflac FSA funding operates like this:	Aflac’s Alternate Recommendation	Important Facts about this Funding Method	Actions Required by the Employer
<p><b>ACH Debit Zero Balance</b></p> <ul style="list-style-type: none"> <li>▶ Employer pre-approves claims based on Checks Awaiting Printing report (CAP).</li> <li>▶ Aflac pulls daily from Employer account, then releases payments on Aflac account.</li> <li>▶ Daily checks &amp; direct deposit.</li> <li>▶ No flex debit card.</li> </ul>	<p><b>Funding Method 2 Daily Client Bank Settlement (see page 2)</b></p> <ul style="list-style-type: none"> <li>▶ WageWorks makes payments from Employer account.</li> <li>▶ Daily or weekly checks &amp; direct deposit.</li> <li>▶ Daily card settlements on Employer checking account.</li> <li>▶ Employer visits website to see payment reports.</li> <li>▶ Flex debit card available.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Participants are reimbursed in 2 to 3 days.</li> <li>▶ Participants and dependents can use flex debit cards.</li> <li>▶ Checks issued on employer’s account are not secured by Positive Pay feature for fraud protection.</li> <li>▶ Each day, multiple batch payments are issued on Employer’s bank, including all checks, direct deposits and card settlements.</li> <li>▶ Multiple transactions per day lead to a more complex bank reconciliations process for the Employer.</li> <li>▶ Employer must reconcile payment details by accessing and reviewing up to four reports on WageWorks website.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Employer must review and sign the new Reimbursement Services Agreement (RSA) with WageWorks.</li> <li>▶ Employer must procure new signature cards for Employer’s bank account.</li> <li>▶ Employer must review website each day for a listing of claims paid in order to update employer’s checkbook.</li> </ul>

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### **Funding Method 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 e-mail 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 2–3 business days.

### **Funding Method 2 – Daily Client Bank Settlement**

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

- ▶ 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 2–3 business days.

### **Funding Method 3 – Daily ACH Credit**

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, employer reimburses WageWorks for benefits paid on the previous day by wiring funds or ACH credit to WageWorks.

- ▶ Each day, the employer is notified via e-mail of the replenishment funds it must wire to WageWorks.
- ▶ Listing of claims paid is available to employer on the WageWorks website.
- ▶ Check payments are secured by Positive Pay feature.
- ▶ Benefit payments are issued within 2–3 business days.

### **Funding Method 4 – 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 1/24<sup>th</sup> 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 2–3 business days.

### **Funding Method 5 – Self-Pay**

FSA claim checks are written by the employer and issued on the employer's bank account. Each week, the employer must review the WageWorks site for a list of FSA claims payable to participants. Since the employer issues the FSA claim checks, the time frame for plan participants to receive their benefit payments will vary.

- ▶ Payments by check only. Direct deposit or flex debit card are not available.
- ▶ A weekly listing of checks to be written by employer is available at the WageWorks website.
- ▶ FSA checks must be written and issued by employer weekly.
- ▶ Check payments are not secured by Positive Pay feature.

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**IMPORTANT: See page 1 for Aflac's recommendation of the WageWorks funding method that is the best fit, based on the employer's current funding model.**

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