

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 Credit”

Your current Aflac FSA funding operates like this:	Aflac’s Top Recommendation	Important Facts about this Funding Method	Actions Required by the Employer
<p>ACH Credit</p> <ul style="list-style-type: none"> ▶ Employer pre-approves claims based on Checks Awaiting Printing report (CAP). ▶ Employer transmits ACH credit to Aflac bank account. ▶ Aflac releases checks from Aflac account. ▶ Daily checks and direct deposit. ▶ No flex debit card. 	<p>Funding Method 1 Daily ACH Debit (see page 2)</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, rather than 5 to 7 days. ▶ Participants and dependents can now use flex debit card. ▶ Employer does not need to approve claim reimbursements (Checks Awaiting Printing report (CAP) report) prior to payment. ▶ 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 will save the cost of wiring funds to WageWorks because the daily repayment will automatically be 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. ▶ Single daily payments lead to simplified bank reconciliation. 	<ul style="list-style-type: none"> ▶ Employer must review and sign the new Reimbursement Services Agreement (RSA) with WageWorks. ▶ Per the RSA, employer will authorize WageWorks to initiate ACH debits on the employer’s bank account. ▶ Employer updates its checkbook based on a daily email that notifies employer of funds pulled to replenish WageWorks.

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>ACH Credit</p> <ul style="list-style-type: none"> ▶ Employer pre-approves claims based on Checks Awaiting Printing report (CAP). ▶ Employer transmits ACH credit to Aflac bank account. ▶ Aflac releases checks from Aflac account. ▶ Daily checks and direct deposit ▶ No flex debit card. 	<p>Funding Method 3 Daily ACH Credit (see page 2)</p> <ul style="list-style-type: none"> ▶ WageWorks issues payments on WageWorks bank account. ▶ Employer visits website to see repayment due WageWorks. Notification via email. ▶ Employer wires repayment to WageWorks bank account. ▶ Daily checks and direct deposit. ▶ Flex debit card available. 	<ul style="list-style-type: none"> ▶ Same advantages as above. ▶ Employer wires funds to WageWorks daily. ▶ Employer incurs bank wiring costs. 	<ul style="list-style-type: none"> ▶ Employer must review and sign the new Reimbursement Services Agreement (RSA) with WageWorks. ▶ Every day, employer must initiate ACH credits to wire replenishment funds to WageWorks based on a daily email notification.

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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 1/24th 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 2–3 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.

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.
