

DOs and DON'Ts

What can I use the HRA for?

The HRA account may be used for eligible out-of-pocket healthcare expenses that are not covered by insurance. Refer to page 3 for a summary of eligible and ineligible expenses. These tax-free amounts are subject to IRS compliance and Plan rules.

Who can use the HRA?

Your HRA can only be used for qualified eligible expenses that are incurred on or after the date you, your Spouse, and/or your Dependent(s) become eligible.

NOTE: Domestic Partners and Children of Domestic Partners who are not considered “qualified dependents” under the Internal Revenue Code are not eligible Dependents under the HRA.

How do I access my HRA?

1) Benny Card (Visa)

The Benny Card allows a Participant and/or their eligible Dependent(s) who are enrolled under the NCPT Health and Welfare Plan to use their card to directly pay for qualified healthcare expenses at the point of service or point of sale for qualified medical expenses.

You should keep itemized statements and/or the Explanation of Benefits (“EOB”) for all expenses paid with the Benny Card. You may be required to submit copies of the statements as the IRS has rules regarding the substantiation of HRA incurred claims subject to certain exceptions. You will receive a letter requesting additional information by mail if you are required to submit proof or substantiation for a charge. Failure to timely respond may require the Plan to temporarily suspend access to your Benny Card. As such, it is important that you timely provide any documentation necessary to prove your HRA claim is a qualified medical or healthcare expense.

2) Reimbursement Claim Form

You can be directly reimbursed for out-of-pocket qualified healthcare expenses. A completed Reimbursement Claim Form and supporting documentation are required for all transactions. Refer to Acceptable Supporting Documentation below for more details about what document to submit.

To request a Reimbursement Claim Form contact NWPS at HRA@kandg.com or 855/512-1170 or visit www.ncptf.com (HW - Forms > HRA Claim Form).

What is Acceptable Supporting Documentation?

In general:

- ◆ 1) A Patient’s Statement and/or detailed receipt generated by your healthcare provider; or
- ◆ 2) An EOB statement from your insurance company:

Must include all of the following information:

- Provider’s name,
- Patient’s name,
- Date of Service,
- Description of the service received, or item purchased,
- Billed and Paid Amount for the service,
- Adjustment amount (if applicable)
- Amount covered by insurance, and
- Your Final Responsible Amount (aka out-of-pocket expenses)

(If the expense is part of a treatment plan, e.g., orthodontia with payment arrangement, provide a copy of your signed contract or payment agreement with healthcare your provider.)

What is Not Acceptable Supporting Documentation?

- Copies of credit/debit card receipts, check copies, or bank statement transactions **without** supporting service statement(s) are **NOT** acceptable documentation.
- Balance Due Statements, Balance Forward Statements, or Collection Notices without complete service details (patient name, date of service, type of service, amount covered by insurance, and amount paid out-of-pocket) are **NOT** acceptable documentation.

What Are Permissible Situations where Supporting Documentation is not Required?

- **Matching Copay.** If the dollar amount of the transaction for a provider equals the dollar amount of the copay for that service under the Health Plan covering the Participant-Cardholder, the charge is fully substantiated without additional need for receipt or further review.

Example. Bob uses the Benny Card at a pharmacy to buy five non-generic prescriptions for a total transaction of \$50. The HRA Plan’s system matches the amount of the transaction (\$50) with the \$10 copay for non-generic prescriptions under Bob’s coverage. Since the amount of the transaction is an exact multiple not in excess of five times the maximum copay for prescriptions and the transaction is at a pharmacy, the transaction is substantiated without further review.

What could happen to my account if Supporting Documentation is Not Provided?

If supporting documentation is not provided you and/or your eligible Dependent(s) could be required to repay the improper amount. The unsubstantiated amount will be reported to the IRS as taxable income if the amount exceeds \$600. You will receive an IRS Form 1099-Misc by January 31st of the following year end. To avoid receiving a 1099-Misc, appropriate documentation needs to be received by December 31st of each calendar year.

How do I view my HRA account?

Register at <https://my.wexhealthcard.com>. Registration will require you to enter: Member ID (your Social Security Number), Card Number, Zip Code, an email address, and you will be prompted to create a Password.

You can view your balance and all Benny Card Activity Details, including any reasons that a transaction may have been declined when attempting to use your Benny Card.

You may receive an email and/or a letter from NWPS requesting supporting documentation. Contact NWPS at 855/512-1170 or HRA@kang.com for questions.

HRA ELIGIBLE EXPENSES: What's Eligible?

The IRS defines eligible health care expenses as amounts paid for the diagnosis, cure, mitigation or treatment of a disease, and for treatments affecting any part or function of the body. The expenses must be primarily to alleviate a physical or mental health condition or illness. They don't include expenses that are merely beneficial to general health, such as vitamins or a vacation. The products and services listed below are examples of medical expenses eligible for payment under a Health Reimbursement Account. This list is *not meant to be all-inclusive*. Moreover, items could be on the list that are not covered by this Plan. Such expenses must be medically necessary. IRS regulations could also change this list. Some example of ineligible expenses are also listed. Please visit <https://www.irs.gov/pub/irs-pdf/p502/pdf> for more information.

Eligible Expenses (Medicare Part B and D & COBRA Premiums)

DENTAL SERVICES

Dental X-Rays
Dentures
Exams/Teeth Cleaning
Extractions
Fillings
Gum Treatment
Oral Surgery
Orthodontia/Braces
Crowns/Bridges

MEDICAL TREATMENTS/PROCEDURES

Acupuncture
Alcoholism and Drug Addiction (inpatient treatment)
Breast Reconstructive Surgery
Hearing Exams
Hospital Services/Surgeries/Inpatient
Infertility/Fertility Procedures
In Vitro Fertilization
Norplant Insertion or Removal
Physical Examination (not employment-related)
Physical Therapy
Reconstructive Surgery (if medically necessary due to a congenital defect or accident)
Speech Therapy
Sterilization
Transplants (including organ donor expenses)
Vaccinations/Immunizations
Vasectomy and Vasectomy Reversal
Weight Loss Program (prescribed by doctor)
Well Baby Care

OBSTETRIC SERVICES

Lamaze Class (child rearing classes excluded)
Midwife Expenses
OB/GYN Exams
OB/GYN Prepaid Maternity Fees (reimbursable after date of birth)
Pre and Postnatal Treatments

LAB EXAMS/TESTS

Blood Tests
X-Rays
Cardiographs
Laboratory Fees
Metabolism Tests
Urine/Stool Analysis

VISION SERVICES

Optometrist/Ophthalmologist/Optician
Eye Examinations
Eyeglasses
Contact Lenses
Laser Eye Surgeries
Artificial Eyes
Prescription Sunglasses
Radial Keratotomy/LASIK

MEDICATION

Insulin
Prescribed Birth Control and Vitamins
Prescription Drugs

PRACTITIONERS

Allergist
Anesthetist
Chiropractor
Christian Science
Dermatologist
Gynecologist
Homeopath
Naturopath
Neurologist
Orthopedist
Osteopath
Physician/Specialist
Psychiatrist
Psychoanalyst
Psychologist

MEDICAL EQUIPMENT, SUPPLIES and SERVICES

Abdominal/Back Supports
Ambulance Services
Arches/Orthopedic Shoes
Contraceptive, prescribed
Counseling
Crutches
Diagnostic Devices (Diabetic test kits)
Hearing Devices and Batteries
Hospital Bed and services
Learning Disability (special school/teacher)
Medic Alert Bracelet or Necklace
Oxygen Equipment
Prescribed Medical//Exercise Equipment
Prosthesis

Splints/Casts or Support Hose
Syringes
Transportation Expenses (essential to care)
Tuition Fee at Special School for Disabled Child
Weight Loss Drugs (to treat specific disease)
Wheelchair
Wigs (hair loss due to disease)

Ineligible Expenses

The IRS does not allow the following expenses to be reimbursed. This list is not meant to be all-inclusive.

Baby Sitting or childcare
Controlled substances such as marijuana
Contact Lens or Eyeglass Insurance
Cosmetic Surgery/Procedures
Cosmetics and similar items
Dancing/Exercise/Fitness Programs
Diaper Service
Electrolysis or hair removal
Flexible spending account
Funeral, cremation or burial expenses
Personal Trainers or Exercise Equipment
Hair Loss Medication
Hair Transplant
Health Club Dues
Household help
Illegal operations and treatments
Insurance Premiums (life insurance or disability)
Long Term Care Premiums
Marriage Counseling
Maternity Clothes
Personal use items
Piano, dancing, art and/or ballet lessons
Vitamins or Nutritional Supplements
Swimming Lessons
Teeth Whitening/Bleaching
Tuition fees and deposits
Residential nursing homes
Veterinary fees
Weight loss programs

Internal Revenue Code Section 213d governs the eligible expenses. IRS Publication 502 is written to help taxpayers determine what qualified expenses can be deducted on their income tax returns.

Expansion of Qualifying Medical Expenses: Over the Counter Medicines/Drugs and Menstrual Care Products

Pursuant to the Coronavirus Aid, Relief and Economic Security Act (known as the "CARES" Act), the type of qualifying medical expenses that may be purchased with funds or seek reimbursement from an HRA include 1) over-the-counter (OTC) medicines and drugs without a prescription and 2) menstrual care products (defined as tampons, pads, liners, cups, sponges and similar products used by the individual with respect to menstruation).

Dated: Feb. 2023