

# FLEX ONE® ACCOUNT ESTABLISHMENT INFORMATION AND CHECKLIST

## Important steps for establishing your Flex One account

### > For all Flex One Cafeteria Plans:

- Employer's Acknowledgment:** After executing and adopting your Plan Document, please sign and date the Employer's Acknowledgment in order to officially adopt and execute your plan. Place the signed and dated Employer's Acknowledgment in your files with a copy of your Plan Document Packet.
- Summary Plan Description:** A copy must be provided to each eligible employee as soon as possible. Regulations require distribution within 120 days of the effective date of the initial plan year and within 90 days of the effective date of coverage for all subsequent plan years.

### \* > For all Flex One plans with FSAs when Flex One is the claims processor: *N/A for our plan*

To ensure that your account is established in a timely manner, the following documents must be returned to Flex One **at least 10 working days prior to the effective date of your plan**. You may return these documents by toll-free fax to (877) FLEX-SRA (877-353-9772) or by mail to Aflac Benefit Services/Flex One, 1932 Wynnton Road, Columbus, GA 31999-9950.

- Salary Redirection Agreements (SRAs):** Completed SRAs for all Flexible Spending Account (FSA) participants must be returned to Flex One.
- Reimbursement Services Agreement (RSA):** The RSA must be signed in the second signature block and returned to Flex One. It will be signed by Flex One and returned to you for your records.

## Important information for administering your Flex One account

- Plan Identification Number (PIN):** The Department of Labor regulations require that welfare benefit plan sponsors assign a three-digit PIN number to their welfare plans (including cafeteria plans) for identification purposes. Numbering for welfare plans should begin at 501 and proceed consecutively. If you have other plans (e.g., health coverage) assign the next open number. This number must be indicated on the Summary Plan Description.
- Affiliated Companies:** Only those companies described in Section 414(b), (c) or (m) of the Internal Revenue Code can participate in a cafeteria plan. In addition, if there are affiliated companies, nondiscrimination testing may be affected by affiliated companies. Consult your tax advisor.
- 5500 and Summary Annual Report:** There is no Form 5500 filing requirement for the cafeteria plan itself. IRS Notice 2002-24 suspended this requirement. Please note that Notice 2002-24 does not affect annual reporting requirements under ERISA. Thus, welfare benefit plans subject to ERISA, which may include Health Flexible Spending Accounts (FSAs), must continue to file Form 5500 and any applicable schedules (unless an applicable exception applies) even if the benefits are funded through the cafeteria plan. You should contact your tax or legal advisor to find out if your Plan is subject to ERISA and whether filing a Form 5500 (including any applicable schedules) for your Plan is required.
- Nondiscrimination Testing:** Tax nondiscrimination tests, including the Eligibility, Contributions and Benefits, and Concentration of Benefits tests, must be performed. In the case of Flexible Spending Accounts (FSAs), nondiscrimination tests must be performed for each FSA. Upon request, Aflac Benefit Services will assist you at no extra charge with the Cafeteria Plan Key Employee 25% Concentration Test, Dependent Care 55% Average Benefit Test, and Dependent Care 5% Shareholder Test.
- Health FSAs:** You, as Plan Sponsor, are responsible for ensuring that the Health FSA maximum, is in line with your risk tolerance/ Remember IRS Notice 2005-42 allows an additional 2 ½ month period (i.e., grace period) in which to incur additional medical expenses. If you have selected the grace period feature, the Aflac sample plan incorporates this extension for Health FSAs.
- Eligibility:** Any eligibility waiting period for pre-tax benefits should generally be uniformly applies. You, as Plan Sponsor, are responsible for ensuring that the eligibility period listed in your plan documents does not violate Internal Revenue Service or Department of Labor regulations.
- Privacy:** You, as Plan Sponsor, are responsible for ensuring that your plan does not violate the privacy requirements set forth in the Gramm-Leach-Bliley Act of 1999 (GLB) and, if applicable, the Health Insurance Portability and Accountability Act of 1996 (HIPAA). GLB regulates the privacy of financial information and applies to all Flex One plans (see the attached "Privacy Practices"). HIPAA protects privacy by regulating the disclosure of protected health information (PHI), so Plan Sponsors of only Health FSAs must comply with HIPAA privacy requirements (Health FSA Plan Sponsors only, see the attached "Important Privacy Information").

\* If you have any questions regarding this checklist, please contact Flex One toll-free at (877) FLEX-IVR (877-353-9487), and one of our Customer Service Representatives can assist you Monday through Friday from 8:00 A.M. to 7:00 P.M. EST.

**Employer Acknowledgment:** Your signature verifies that an Aflac sales representative has reviewed the above information with you.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

