



PLUMBERS LOCAL 98 FRINGE BENEFIT FUNDS

P.O. BOX 159
TROY, MICHIGAN 48099-0159
(248) 641-4988 (866) 646-8919

ATTENTION: IMPORTANT INFORMATION ABOUT THE USE OF YOUR BENNY CARD

Dear Participant,

As discussed at a recent Union meeting, the Trustees of the Plumbers Local 98 Insurance Fund considered ending the Benny Card program due to numerous complaints about substantiation (i.e. recordkeeping) requirements. However, we now have heard from significantly more Participants that they support continued use of the Benny card, even with the substantiation requirements imposed by the IRS. **Therefore, we want to confirm that the Benny Card program is not changing.**

Below is a reminder of the IRS substantiation requirements.

Substantiation

Substantiation means that expenses put on your Benny card must be backed up by receipts, EOBs, etc. There are certain transactions that are exempt from substantiation requirements, such as amounts charged by medical providers that match plan co-payments, prescription co-payments, other set amounts, or recurring approved expenses. For exempt transactions, you will not have to submit documentation to the Fund Office after you use your Benny Card.

If the charge to your Benny Card is not exempt from the documentation requirements, you will receive a letter from the Fund Office requesting documentation required by the IRS to substantiate your purchase, which includes:

- Name of the individual for whom the charges relate
- Name of the provider
- Description of the service
- Date the services were provided
- Service charge and/or out-of-pocket expense not paid by insurance or the Fund

An Explanation of Benefits (EOB) for the purchase in question can be submitted in response to a substantiation request. If you do not have an EOB, you may submit an itemized bill from your provider that includes the information listed above and amount you paid. Please note that cancelled checks and billing statements are not considered adequate substantiation. Once you provide sufficient documentation, we can substantiate your purchase. If you do not respond to the first request, the Fund Office will send a second request and, if necessary, a third and final request. Failure to respond to the final, third request will result in suspension of your Benny Card.

It is imperative that you respond to these requests. Failure to do so could result in suspension of your Benny Card.

If your Benny Card is suspended, the only way to remove the suspension is by:

- Providing the requested documentation
- Reimbursing the Fund for the amount of the purchase in question

While your card is suspended, you may submit other covered expenses for reimbursement by mailing in your paper receipts and EOBs. If your card is in suspension as of the end of the calendar year, you will receive an IRS Income Tax Form 1099 declaring as income the amount of the purchase(s) that resulted in suspension of your Benny Card.

If you have any questions about this notice or your Benny Card, please call the Fund Office at the above number.

W2231295.DOC