

Aflac Now CardSM

Questions and Answers



Welcome to Aflac Flex One®, a provider of cafeteria plan services! We are excited to offer you the Aflac Now Card as a faster and more seamless method for your employees to receive their pre-tax contributions. The following questions and answers will provide helpful tips and guidelines for you and your employees when using the Aflac Now Card:

- Q. Since we have a Plan Administrator, do we need to prefund a checking account since our employees use the Aflac Now Card to recoup their contributions?** Yes, we suggest that two payroll deductions from all participating employees be deposited into a non-interest-bearing checking account prior to the beginning of your plan year. This amount will help serve any immediate Aflac Now Card transactions that are made at the beginning of the plan year. For example: If Jane Doe has an annual election of \$3,500 and she is on a semimonthly payroll (26 deductions), her deduction amount would be \$134.62. You would then prefund the bank account by two of those deductions ($\$134.62 \times 2 = \269.24) for her, and similarly, for each participating employee. As the employer, you may always deposit more if you choose.
- Q. Why is it important for us to have our bank account prefunded?** You will receive an e-mail notification advising you of the approved payment card transactions through the previous evening. Those funds will be pulled from your bank account daily. If funds are not available in your bank account at the time of retrieval, you will be contacted by our department. After the third attempt to retrieve funds with no success, all payment cards will be temporarily suspended. It is also important to keep this account funded properly because each participating employee now has two means of receiving reimbursement. They have the traditional way of submitting a claim form with receipts, and they are now able to use their Aflac Now Card. This increases the possibility that the employee will exhaust his or her annual election earlier in the year.
- Q. When will my employees receive their Aflac Now Cards?** Once the enrollment process is complete for the plan year, your employees will receive their payment cards within 20 mailing days.
- Q. Will the Aflac Now Card come in an Aflac envelope via the mail?** The card will be mailed First Class to each cardholder; however, it will come in a plain white envelope with only Aflac's return address printed on the outside. Please make sure that your employees are aware of this to ensure that they receive their Aflac Now Card.
- Q. How is the Aflac Now Card activated?** The card will be automatically activated the first time it is swiped for an eligible expense at an approved health care service provider or merchant.
- Q. Can the Aflac Now Card be used at any store as a credit or debit?** The Aflac Now Card is defined as a payment card rather than a credit or debit card. It is not a credit card because it is not charging a balance that is owed by the cardholder and, in turn, charged interest. It is not a debit card as it does not withdraw from the cardholder's personal checking/savings account, and it does not have a personal identification number (PIN). It is simply a payment card that provides cardholders direct access to their pre-tax contributions.

- Q. Can the Aflac Now CardSM be used at any merchant?** While the transactions of the Aflac Now Card are supported by MasterCard[®], it does not ensure that the card can be used where MasterCard is accepted. The Aflac Now Card was designed to be used solely for out-of-pocket medical expenses. Aflac has taken steps to control where the card can be used. The card may be used only at merchants with a valid health care Merchant Category Code, including pharmacies and drug stores. A Merchant Category Code (MCC) is a special code assigned to each merchant by MasterCard that identifies the type of merchant. For example, the card cannot be used at pharmacies inside a grocery store or department store unless that pharmacy has a separate MCC that identifies it specifically as a pharmacy.
- Q. Can the Aflac Now Card be used for transactions during the end-of-year grace period?** No, the card will not work on transactions made during the grace period at the end of each plan year. Any transactions that occur during this two-month, 15-day grace period must be submitted on the Request for Reimbursement form along with the necessary receipts attached and submitted via fax to the Aflac Benefit Services Claims department at 1-877-FLEX-CLM (1-877-353-9256).
- Q. Are employees still required to submit receipts for each transaction made with their Aflac Now Card?** Yes, they are still required to submit receipt substantiation for each transaction. Although the card swipe was cleared at the time of the transaction, the receipt(s) must still be submitted to Aflac for verification purposes as required by IRS regulations.
- Q. What occurs when receipts are not submitted following each payment card transaction?** If receipts are not submitted within 14 days, the cardholder will receive a letter requesting them. If after a total of 60 days no receipts have been submitted, the participant's card will be temporarily suspended until the requested substantiation has been provided.
- Q. Whose responsibility is it to provide Aflac with correct substantiation for each payment card transaction?** That responsibility belongs to the cardholder. A common misconception is that since a payment card is being used, substantiation is no longer required; however, according to IRS regulations, the use of a payment card for out-of-pocket medical expenses under the Health Flexible Spending Account does not nullify the requirement that receipts or substantiation be submitted in order to be compensated for those transactions.
- Q. What happens if the payment card swipe approves on a transaction that is ineligible?** The transaction will be posted as an overpayment on the cardholder's account. Cardholders can offset the overpayment amount by two different means. They can either (1) submit eligible claim(s) to compensate for the overpaid amount, or they can (2) write their employer a check for the overpayment amount. The employer would then deposit that money back into the checking account from which the payment card swipe was originally deducted. The employer would then need to notify Aflac Benefit Services of the offset via mail or fax so that we can update the account balance for that cardholder.
- Q. How can my employees check the available balance on their Aflac Now Card?** Cardholders can obtain this information by either contacting a customer service representative with Aflac Benefit Services at 1-800-323-5391 or by checking the monthly activity statement that we distribute to them.

We value you as a customer. If we may be of further assistance, please call us toll-free at 1-800-32-FLEX1 (1-800-323-5391). Our customer service representatives are here to assist you Monday through Friday from 8 a.m. to 7 p.m. Eastern time.

