



Dear Plan Participant,

National Benefit Services would like to introduce enhancements that will allow you to use your SmartFlex debit card at grocery and discount stores and reduce the need for submitting receipts.

Starting on January 1st, 2008 a new intelligent system (Inventory Information Approval System – IIAS) will identify at the point of sale all *eligible healthcare items*. The healthcare amount will be charged to your SmartFlex account and will be automatically approved. This means that you will have to submit fewer receipts for your pharmacy expenses. This also includes eligible healthcare expenses such as prescription and over-the-counter items! [Click here](#) for the latest list of participating merchants.

Please note, starting January 1st, 2008 the IRS requires that flexible spending account debit cards only be used at IIAS participating merchants. You will not be able to use the card at merchants that are not on the list. The card will continue to work at doctor's offices, hospitals, dental offices, vision centers and stand-alone pharmacies.

How Does it Work?

When you are at the checkout, present your SmartFlex card for payment. Eligible expenses will be paid by funds from your FSA or HRA account. If you are purchasing other items that are not eligible, a second form of payment will be requested.

For a full listing of approved merchants, click the following link:

[IIAS Merchant List](#)

(Please note: Merchants with an implementation date indicating "Live" are accepting debit cards. Merchants with a stated implementation date may be running by that date.)

Sincerely,
National Benefit Services, LLC