

## FAQs: Medcom Cares Program

- Q. What is the Medcom Cares Disaster Recovery Card?
- A. The Medcom Cares Card is an account-based benefit product allowing employers to offer targeted financial assistance to employees under IRS Section 139 rules.
- Q. What is IRS Section 139?
- A. Section 139 details the Disaster Relief Payments mandate which states employers may provide tax-free qualified disaster relief payments to employees to assist them in managing expenses during a federally declared disaster. COVID-19 falls into this category.
- Q. What is a Qualified Disaster Payment?
- A. This means any amount paid to, or for the benefit of, an individual to reimburse or pay reasonable and necessary expenses listed as a result of a qualified disaster.
- Q. Why utilize a Medcom Cares Card?
- A. The Medcom Cares card enables employers to provide financial assistance to employees who face challenges due to a Federally Declared Disaster to assist with some of their most basic needs during a time of crisis.
- Q. Is the Medcom Cares Card a tax-advantaged account?
- A. Yes. If used to provide qualified disaster relief payments to employees, the funds are not only tax-free for employees, but fully tax deductible for the employer.
- Q. Do employees submit claims or receipts for purchases?
- A. No. No substantiation is required for the Medcom Cares Card. In addition, the funds can be accessed **ONLY** through a debit card. There is no option for manual claims.
- Q. Can employees submit receipts for reimbursement?
- A. No. The Medcom Cares Card is pre-funded by the employer and cannot be used to reimburse employees for out-of-pocket expenses they already disbursed. It is best used to offset any additional expenses they may face during the disaster period.



- Q. How much money goes on the card?
- A. Employers determine the amount allocated to each card. The minimum requirement is \$250 but there is not a maximum limit.
- Q. How long is the program period?
- A. Funds are available on the Medcom Cares Card for 90 days. Once the plan period (90 days) expires, employers can fund the program again for employees.
- Q. Where can the funds be used?
- A. Employers can customize a list of eligible merchants ranging from grocery stores, to clothing stores, and utility companies. There are seven different categories and employers can select all or choose from the list.

## WHERE YOU CAN USE YOUR CARD

<b>Grocery &amp; Rx</b>	Wholesale clubs, discount stores, variety stores, retail food stores, grocery stores, supermarkets, miscellaneous food stores, service stations (not fuel), and pharmacies
<b>General Retail &amp; Office Supplies</b>	Office and commercial furniture, computers, commercial equipment, stationery, office supplies, department stores, retail for home furniture, household appliance stores, retail for radio, tv, computers, electronic sales, bookstores, and more
<b>Education &amp; Childcare</b>	Educational services, schools, universities, correspondence schools, vocational training, social services, childcare
<b>Healthcare</b>	213(d) merchants
<b>Clothing</b>	Clothing stores, shoe stores, sports apparel, children and infant stores
<b>Insurance &amp; Utilities</b>	Telecomm, cable, satellite, television, electricity, gas, oil heat, life and accident insurance, hospital and medical plans, title insurance, and more
<b>Transportation</b>	Suburban and local commuter passenger, railways, ferries, taxis, bus lines, and limousines



- Q. Can an employer choose to pay for some items under a merchant category but not others?
- A. No. If an employer chooses a category, all items under that category are available. For example, if an employer chooses to include the "Insurance & Utilities" category, they must cover everything under that category.
- Q. What happens to any remaining funds on the card at the end of the 90-day plan period?
- A. Any funds that were unused by the employee return directly to the employer at the end of the 90 days. Unlike cash or gift cards, there is no potential loss of money.
- Q. Can this card be distributed to furloughed and retained employees?
- A. This is 100% the employer's discretion. Employers determine what works best for their company and their employees.
- Q. How long is the implementation process?
- A. From start to finish, the implementation process takes approximately two weeks. The timeline can differentiate between employers due to when payments are submitted to Medcom Benefit Solutions.
- Q. What are the basic steps of the implementation process?
- A. The process starts with a consultation with the broker and employer, followed by the proposal request. Once the proposal is submitted, Medcom will set-up and complete the implementation meeting where we conduct the program set-up and arrange for funds transfer from the employer. After implementation and set-up, Medcom will distribute an employee communication and the debit cards.
- Q. What payments must be made and when?
- A. Employers are fully responsible for advanced funding of the cards and the payment of the administration fees. All money and fees are due to Medcom immediately after implementation. Debit cards are not activated until all payments are received.





- Q. Does the employer have to be a current Medcom client?
- A. No. Medcom welcomes all employers, existing or new, to take part in the Medcom Cares program.
- Q. Are the fees per card or per month?
- A. There is only one fee per card. The program lasts 90 days no matter how many cards an employer requests.
- Q. What are the fees associated with the Medcom Cares program?
- A. Fees may vary between employers due to the complexities of the account set-up, i.e., whether the employer chooses for the standard set-up or a customized set-up. Prices are based on a minimum of 30 employees and include a set-up fee, administration fee, and a fee per card.
- Q. How long does it take for employees to receive the debit cards?
- A. From start to finish implementation, set-up, distribution, and ordering of cards take approximately two weeks. The debit cards are activated and mailed to employees once payment-in-full is received.
- Q. Are Plan Documents included?
- A. Yes, Plan Documents are included in the administration of the Medcom Cares Program.
- Q. Where can we find more information about the Medcom Cares program?
- A. For more information, please reach out to our sales department at [sales@medcombenefits.com](mailto:sales@medcombenefits.com) or call us at (800) 523-7542.
- Q. Where can we request a proposal for the Medcom Cares program?
- A. Please use the button at the top of our website, [www.medcombenefits.com](http://www.medcombenefits.com), to "Request a Proposal." In the "Additional Notes" section, please let us know which categories to include and a projected contribution per employee.

