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## **5,000<sup>th</sup> Member Joins SIGIS, Group Helping Businesses Comply with IRS Regulations for FSA and HRA Debit Card Acceptance**

### ***Group poised to help merchants meet June 30 deadline for IAS implementation***

San Ramon, CA – May 13, 2009 – There is a moment of truth when a consumer presents a flexible spending account, healthcare savings account, or healthcare reimbursement account debit card to purchase a healthcare product: does the item qualify for purchase with such a card? Now, 5,000 entities that have a role in such transactions have joined the group that helps to provide the answer to that question.

The Special Interest Group for IAS Standards (SIGIS) announced today that its membership has reached this landmark level of 5,000. SIGIS was formed in December 2007 to establish a voluntary industry standard to meet IRS requirements for operating an Inventory Information Approval System (“IIAS”) by the mandated deadline of January 1, 2008. SIGIS is composed of a broad range of participants, including retailers, card issuers, third party plan administrators (“TPAs”), merchant acquirers, processors, financial institutions, trade association groups, software vendors, and payment card networks.

SIGIS provides members with a standard to implement an IIAS as required by Internal Revenue Notice 2006-69 which requires that a merchant’s point-of-sale system compare a customer’s purchases against an electronic file of eligible healthcare items that can be purchased with the customer’s FSA or HRA debit card.

“It is amazing that we have hit 5,000 members in just 17 short months”, said SIGIS Vice President Jody Dietel of WageWorks. “It has been great to see how major stakeholders have come together, working collaboratively in order to develop a standard, establish a process to monitor compliance with it, and to provide help and support to those companies working to implement their IIAS systems. The success of this effort is a testament to a lot of smart and experienced industry professionals who have and continue to volunteer their time for the benefit of SIGIS and its growing membership. While a lot has been accomplished in a short period of

time, more remains to be done as we help merchants, namely pharmacies and drugstores meet the IRS' June 30 deadline to implement an IAS," she added.

Supermarkets and other retailers had a January 1, 2008, deadline to comply with the IRS rule, while traditional drugstores and pharmacies have until June 30, 2009 to comply. The IRS has allowed an exemption from the IAS requirement for merchants whose prior year sales of eligible healthcare items represented at least 90% of their total sales (Internal Revenue Notice 2007-2). Known as the 90% Rule, this exemption must be applied for on a store-by-store basis. In addition, to certifying IAS compliant merchants, SIGIS has implemented a procedure for merchants qualifying for the 90% exemption to self-register with SIGIS. SIGIS then keeps a regularly updated list of both certified IAS merchants, and 90% exempt merchants.

The organization's website, [www.sig-is.org](http://www.sig-is.org), has more information and the forms necessary to join SIGIS and to begin the certification or exemption process. SIGIS is urging retail merchants who have not yet implemented an IAS system, or registered under the 90% Rule, to start the process immediately.

"Our systems and our standard are in place, and we stand ready to help any and all remaining merchants get their systems certified or registered as exempt under SIGIS's standard," said SIGIS Certification Committee Chair, Chris Byrd of Evolution Benefits. "It is our hope that another 5,000 merchants may be out there who want to get their systems set up to accept their customer's FSA and HRA payment cards for purchases of eligible healthcare items," he said.

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*Membership information for companies that accept and process transactions for FSA/HRA cards, as well as further information about the Special Interest Group for IAS Standards (SIGIS) can be found at: [www.sig-is.org](http://www.sig-is.org).*