



## Employee Benefits Press Release

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### DataPath Introduces *myResourceCard*: A 21st Century Solution For Employee Health Benefits

Little Rock, AR (October 8, 2003) – DataPath, a leading provider of software solutions for employee benefits, is pleased to introduce their new employee health benefits card platform, *myResourceCard*™. The platform is like no other in existence; it is designed around the operations of a Consumer Credit Card and not the typical debit card or corporate credit card.

Utilizing this platform, DataPath is able to achieve 100% compliance with the recently released Compliance Test For Electronic Payment Cards.

Originally a Corporate Credit Card, DataPath recently changed the focus of *myResourceCard*™ to a Consumer Credit Card in response to IRS Revenue Ruling 2003-43. This ruling enumerated issues including the Tax Form 1099 filing requirements for debit and corporate cards (scenarios 1 & 3 respectively). Recently proposed regulations may do away with the 1099 filing requirements for medical expenses directly paid from Flexible Spending Account (FSA) and Health Reimbursement Account (HRA) Plans but will in no way affect the filing requirements for Transportation and Parking Plans or Dependent Care Plans.

“Recent informal comments from a representative of the U.S. Treasury indicated that the 1099 filing issue might have a substantial problem passing the approval of the U. S. Senate,” said John Robbins, Sr., president of DataPath. “Other issues such as ERISA Pre-Funding and EDI File Format are still present with the debit card and corporate card approaches. These issues are not resolved with this ruling and still present problems for employers and administrators that are concerned with compliant administration.”

With the Consumer Credit Card Approach, employees are able to avoid the hassle of out-of-pocket health care expenses. Employees enjoy the convenience of having access to Qualified Reimbursement Plan Funds without waiting for reimbursements via checks or direct deposit. Employees no longer feel the pain of "Spending" their money twice (one as a salary reduction and then again as payment for the expense). Employees have a method of payment for personal expenses charged on the *myResourceCard*™.

Employers will have a reduced level of risk with the Consumer Credit Card Approach compared to the debit card or corporate credit card approach. Employers can have pre-set limits for employee accounts independent of the employee's election within a reimbursement plan such as a 125, 132 or 105. Employers have the security that any misuse of myResourceCard™ can result in a deactivated or suspended card. Employers save additional money due to the increased participation in pre-tax benefits increasing their FICA savings by as much as 40% in some cases.

Administrators have added efficiency due to the integration between the Card System and the Plan Administration System when using the Consumer Credit Card Approach. Administrators have control over the plan and ensure that 100% of the reimbursements are a result of a properly adjudicated claim. Administrators will manually review fewer claims, which relates to increased efficiency and reduced costs. They will have the confidence of knowing that they are administering a plan that is fully compliant and back up by a Written Guarantee of Compliance by DataPath.

The myResourceCard™ solution is scheduled for beta implementation in Fall 2003 with full implementation after January 1, 2004. For more information on myResourceCard™, contact DataPath at 501-296-9990, or call Benjamin Lewis of Perception, Inc. at 301-963-7555.

#### ABOUT DATAPATH

DataPath, founded in 1984, is a management-owned, privately held company based in Little Rock, AR, and produces software solutions for administering employee benefit plans. Clients include employers, outsourcing benefit consultants, and plan service providers.

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**DataPath**

**Web site:** <http://www.myresourcecard.com>