

# Flexible Spending Account (FSA) Frequently Asked Questions

## Health Care, Limited Purpose FSA Questions

### Am I eligible to participate in a health care or limited purpose FSA?

If you are a salaried state employee you are eligible to participate. If you are an OPS employee you are not eligible to participate.

### What is a health care FSA?

Use this account for your eligible out-of-pocket medical, dental or vision services or products and eligible pharmacy products.

### What is a limited purpose FSA?

You can use this account only for your eligible dental, vision and preventive care expenses not covered by your health plan. Use a health savings account for all other medical expenses.

### How will I benefit from using an FSA?

With an FSA, you pay for eligible health care expenses with tax-free dollars. You won't have to pay federal or Social Security taxes on the money you put into the plan. The more you use your plan, the more money you save. Your exact savings will depend on your personal tax rate.

### How does the plan work?

You select the amount – up to the federal limit – that you would like to put into your health care account based on your needs for the coming plan year. Tax-free money from your paycheck will then be added to your account. You may use your Benny® prepaid benefits card if your plan allows or pay for eligible health care expenses and then submit a claim for reimbursement.

### Can I change the amount I am contributing during the plan year?

Generally, you cannot change the elections you have made after the beginning of the plan year. However, there are certain limited situations when you can change your elections. These situations are defined by the IRS and outlined in the plan's [Qualifying Status Change \(QSC\) Event Matrix](#).

### I know I will have a major medical expense in January. Will a health care FSA help me since I contribute all year?

Yes, the entire amount in your health care FSA is available on Jan. 1, so you can use your debit card or submit a claim, even before the state withholds your regular contribution from your paycheck. Once you incur the expense, file your claim to be reimbursed. If you are a new employee, the health care FSA amount is available as of the date you enroll in the health care FSA.



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## **How do I receive reimbursements?**

You can fax or mail claim forms and supporting documentation to Chard Snyder or you can submit your claim online through the FSA & HSA Information portal in People First. Supporting documentation can be a receipt, a bill, an explanation of benefits summary (EOB) or any documentation that provides the date of service, the type of service, the service provider's name and the amount. After the claim has been reviewed and the expense approved, payment is then issued to you via direct deposit or check.

## **Do I need to set up direct deposit with Chard Snyder for my FSA reimbursement?**

If you would like to have Chard Snyder reimburse you for claims directly into your personal checking or savings account, yes. To update your banking information, log in to [People First](#), click FSA & HSA Information and navigate to the Profile tab. If you prefer to receive a check, you do not need to provide this information.

## **What is an eligible expense?**

An eligible expense is any health care expense approved by the IRS for reimbursement through the plan. These eligible expenses are often the same expenses allowed for income tax return deductions. Expenses reimbursed through an FSA cannot be itemized and resubmitted through an income tax return and you may not use your debit card or be reimbursed for expenses that occurred before the beginning of the FSA plan year. Eligible expenses include items and services incurred by the participant, their spouse and any qualified dependents. You may not use your FSA for pre-payment of services or health insurance premiums.

You may access the complete and up-to-date list of eligible items online through the FSA & HSA Information portal in [People First](#), navigate to the Tools & Support tab and click Eligible Expenses List.

## **What happens to funds at the end of the plan year?**

Your plan has a grace period that allows you to continue to incur eligible expenses through March 15 of the year following the plan year. You also have an additional 30 days (until April 15) to turn in claims for reimbursement.

## **Do I enroll each plan year?**

No. The amounts that you have elected to contribute are for the duration of the plan year in which they are made. Your election amount will roll over to the next plan year provided you do not make any changes.

## **Are there any risks to using the FSAs?**

FSAs are "use it, or lose it" accounts. You have from Jan. 1 of the current plan year until March 15 of the next plan year to incur eligible expenses. Then by April 15 of that next plan year, you must submit all claims for all the money in your account. Any money you do not spend is not reimbursed to you. It's important to figure carefully how much you want to withhold from your paycheck and how much you will need for eligible expenses.



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## Dependent Care FSA Questions

### **Am I eligible to participate in a dependent care FSA?**

If you are a benefits eligible state employee, you are eligible to participate.

### **What is a dependent care FSA?**

Use this account for eligible dependent care expenses, such as daycare, that you pay to take care of a qualified dependent. You use this account for dependent care expenses only, not health care expenses. The money accumulates in your dependent care FSA as it is deducted from your paycheck each pay period. Your dependent care FSA reimburses you only up to the amount available in your account.

### **How will I benefit from using a dependent care FSA?**

With a dependent care FSA, you pay for eligible dependent care expenses with tax-free dollars. You won't have to pay federal or Social Security taxes on the money you put into the plan. The more you use your plan, the more money you save. Your exact savings will depend on your personal tax rate.

### **Which dependents are eligible?**

Your natural, adopted and foster children who have not reached their 13th birthday and family members who cannot physically or mentally care for themselves are eligible. All dependents must live with you for more than half the year and be claimed on your federal tax return.

The IRS defines persons as physically or mentally not able to care for themselves if they cannot dress, clean or feed themselves because of physical or mental problems. Also, persons who must have constant attention to prevent them from injuring themselves or others are considered not able to care for themselves.

If a dependent is over the age of 13, Chard Snyder will ask you to provide a letter of medical necessity describing the condition from which he or she suffers.

### **Is there a special rule for divorced parents?**

Yes. The parent the child lives with most of the time may use the dependent care plan even if the other parent claims the child as a tax dependent. If the dependent lives with both parents for the same amount of time per year, the parent with the highest adjusted gross income may use the plan.

### **How much may I put in the dependent care account?**

The most a household may set aside is \$5,000 a calendar year. Married couples filing separate tax returns may each set aside up to \$2,500 each calendar year.

### **May I pay my teenager or spouse to watch my younger child?**

No. Your babysitter may not be your spouse or your tax dependent under the age of 19.



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### **How will I be repaid for my expenses?**

You can submit a claim form and receive a check or direct deposit payment or you may use the Benny® prepaid benefits card.

### **When should I submit my claim?**

You may submit your claim at any time during your plan year. Your claim will be paid after the care has been provided. For example, if you pay on the first of the month in which care is to be provided, you may submit a claim each week, every two weeks or at the end of the month and you will be reimbursed for the care your dependent has received, or up to the balance of your account.

### **Is there a limit to how much I can ask for?**

You may only receive the amount of money that is in your account when you submit your claim. If, for example, you submit a claim for \$200 and you have a balance of \$160, you will receive payment of \$160. The remaining \$40 will be sent when more money is added to your account.

## **Debit Card Questions**

### **Do I have to use Benny or can I submit claims and be reimbursed?**

You may submit claims and be reimbursed. The card is a convenience but you are not required to use it.

### **If I make a purchase without Benny, how do I submit a claim for reimbursement?**

You can submit claims to Chard Snyder by fax, through the mail or online. You will need a claim form to submit claims through the mail. The claim form is available on the [myBenefits](#) website and on the Chard Snyder FSA/HSA portal, accessed through the [People First](#) website.

Fax: 888.245.8452 (Please DO NOT include a fax cover page.)

Mail: Send claim form and copies of receipts to 3510 Irwin Simpson Road, Mason, OH 45040.

Online: Log in to your account and select Claims. Enter the claim information, upload receipts and click Submit.

### **May I use Benny if I receive a statement due for a medical service?**

As long as the date of service is within the plan year, you have enough money in your account to cover the balance due and the provider accepts MasterCard, you can simply write the card number on the statement and send it back to the provider or call the provider and give the card number and expiration date (MM/YY) over the phone.

### **Can I use Benny to access last year's money left in the account this year?**

Yes. Benny will use last year's money first until the end of the grace period. The grace period ends on March 15 each year.



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## **What happens when my employment is terminated or I resign?**

Card privileges are closed when we receive notification of a termination or resignation. You may continue to submit claims for purchases and services that were incurred before the date of your last payroll warrant.

## **Verifying Expenses**

### **I was informed that there would be no paperwork needed with this card. Why did I just receive a letter asking for information?**

A high percentage of transactions are automatically approved. The IRS requires you to save all your receipts in this program in case you are audited. The IRS requires Chard Snyder to verify expenses and you may be asked to submit copies of your itemized receipts to verify that your expenses comply with IRS guidelines. If the Benny® prepaid benefits card system cannot verify that the expense meets IRS guidelines, Chard Snyder will ask you to submit copies of your itemized receipts.

Each receipt must show the merchant or provider's name, the service received or the item purchased as well as the date of the expense/service and the amount paid. Handwritten notes, credit card transaction receipts or previous balance receipts cannot be used to verify a transaction.

### **Why was my transaction selected for an audit?**

Your transaction was not audited. When you use your Benny to pay for services from a medical provider such as a hospital, clinic, doctor or dentist, you may receive a letter from Chard Snyder asking you to provide paperwork to verify that your claim was for an eligible expense. For example, the IRS requires us to confirm that you went to the dentist for a check-up and not for teeth-whitening and that the date of service occurred within the time period covered by your plan.

Many vendors code over-the-counter merchandise such as bandages and prescriptions so that Benny recognizes them at the cash register. This is known as the IIAS system and these purchases do not require further approval.

Some vendors choose not to participate in the IIAS system but are certified so that you may use the card. When you use the card at certified vendors you will receive a letter from Chard Snyder asking for copies of your receipts.

### **Can I have my provider send you the information you are requesting?**

Yes. Please make sure the provider includes the card holder's name and employer so that we can match the information to your account. We also recommend that you obtain a copy of the information for your file in case you are audited by the IRS.

### **Why can't Chard Snyder call the provider and ask for the information that is needed?**

It is the card holder's responsibility to send us this information when requested. We cannot contact the provider on your behalf because of HIPAA regulations.

### **What if I fail to submit receipts to verify a charge? What is the notification process?**

If your claim needs to be verified, you will receive an email or letter from Chard Snyder requesting an itemized receipt, insurance EOB's or an itemized statement from your doctor or provider. If we do not receive a response, a second notice will be sent 30 days after the first. If we do not receive a response to the second notice, a final notice will be sent 30 days after the second notice. Your Benny will be suspended the day the final notice is sent. To reinstate your card, you must provide the required records or repay the amount in question.

### **What if I lose my receipt?**

Usually the service provider can provide an account history or replacement receipt. If a receipt cannot be located or recreated, you will be asked to send a check or money order to Chard Snyder so the amount can be credited back to your account or to substitute a claim.

### **Are there other letters that I may receive in this program?**

There are two other letters that you may receive:

- A request for more information is sent when the information provided is not sufficient to allow us to approve the transaction. When this letter is sent, you will have 30 days to send in the requested information before your card is suspended.
- An ineligible expense request letter is sent when it has been determined that the transaction in question included an ineligible expense. When the letter is sent, you will have 10 days to either substitute another claim for the ineligible expense or to repay your account by sending a check or money order, made payable to Chard Snyder, before your card is suspended. If you fail to take one of the actions above, the state will initiate involuntary wage deductions for employees and collections proceedings for former employees.



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