

Health Care Flexible Spending Account (FSA)

Why should I enroll in a Health Care FSA?

Without an FSA, you pay your out of pocket medical, dental and vision expenses with your after-tax income. This means that as you earn your wages, they are taxed and you can only spend what is left. When you enroll in an FSA, you do not pay taxes on the amount of your election, so the amount of taxes you are paying is reduced.

Who is eligible to participate?

You may enroll in a Flexible Spending Account if you are eligible to enroll in your employer's medical insurance plan, even if you obtain your medical insurance from another source. Employees who are enrolled in an HSA medical plan are not eligible to participate in the Health Care FSA but may be eligible to participate in the Limited Purpose FSA.

What expenses are eligible?

Expenses are eligible for reimbursement if they meet all of the criteria listed below:

- Expenses must be necessary for the diagnosis, treatment, cure, mitigation or prevention of a specific medical condition.
- Expenses must be incurred during the plan year, or the plan year's grace period, to be considered eligible.
- Expenses must be incurred by you or your qualified dependents.
- Eligible expenses include the out-of-pocket expenses associated with your medical plan, such as copayments and deductibles, as well as other expenses that may not be covered by your medical insurance, like dental care, hearing aids, orthodontia, prescription drugs, psychiatric services and vision care.
- **Ineligible expenses** include cosmetic procedures, teeth whitening, vitamins or supplements, among others. A comprehensive list is available on our website.

How do I calculate my election?

Estimate the predictable, out-of-pocket medical expenses you can expect to pay for yourself and your qualified dependents during the next year. You will need to understand what your insurance plan(s) will pay because the FSA will not reimburse you for expenses paid by insurance.

Your contributions are the amount of your election divided by the number of pay periods in a year. This amount will be automatically deducted from each paycheck before taxes are calculated.

How do I access the funds in my FSA?

There are two ways to use the funds in your FSA.

- **Debit Card:** Your BenefitsWorkshop Debit Card automatically deducts from your FSA balance. The Debit Card can be used at most medical providers and pharmacies that accept credit cards. There is no PIN number and you do not need to activate the card. Simply swipe the card and sign the receipt. **We recommend that you always retain a detailed receipt or itemized bill for each Debit Card transaction, as many times you will need to submit documentation showing the funds were spent on an eligible expense.**

- **Manual Claim:** You also have the option of paying for expenses yourself and filing a *Health Care Expense Documentation* form to request reimbursement. Your reimbursement will be mailed to you, or deposited directly to your bank account if you have submitted a *Direct Deposit Authorization* form. You can submit a *Direct Deposit Authorization* form when you enroll, or at any time during the plan year. Both forms are available on our website and easy to complete.

What else do I need to know about using the BenefitsWorkshop Debit Card?

In some cases, no paperwork is required for Debit Card Transactions. For example, we will automatically approve the copays you are required to pay by your employer's medical insurance plan. Also, many retailers have systems in place to automatically approve transactions, which eliminates the need for documentation.

However, other times we are required by the Internal Revenue Service to obtain documentation from you that shows the funds were spent on an eligible expense. Appropriate documentation is either a detailed receipt, an itemized bill from your medical provider, or an explanation of benefits from your insurance company. All documentation should contain these key pieces of information: date of service, provider name, patient name, and services performed/items purchased. Documentation should be mailed or faxed to us within ten days of the transaction, along with a *Health Care Expense Documentation* form.

If you do not submit appropriate documentation in a timely manner, you will be sent a reminder letter. Continued failure to comply may result in the suspension of your Debit Card privileges and/or other actions deemed appropriate by BenefitsWorkshop and your employer.

What happens to money left in my account at the end of the plan year?

You have until December 31, 2023 to use your funds, and until March 31, 2024 to file claims for this plan year. You will not be able to access any funds remaining in your account with your BenefitsWorkshop Debit Card after the plan year ends. To access your account during the grace period, you must pay for your expenses out of pocket and submit a claim to be reimbursed.

IRS rules will allow you to carry forward up to \$610 in unused funds into the next plan year. If you have money in your account after March 31, 2025, and you are a participant in the 2025 plan year, up to \$610 will be added to your 2025 available balance.

You may have a right to continue participation after termination or loss of eligibility under COBRA, but participation may not extend beyond the end of the plan year. If your participation ends during the plan year and you do not elect to continue under COBRA, any unused funds will be forfeited.

Can I change my enrollment later?

Once you are enrolled in a Health Care FSA, you may only change your contribution within 30 days of a qualifying event. Qualifying events include marriage, divorce, gaining a dependent, losing a dependent, becoming eligible for coverage, or becoming ineligible for coverage.

For more information, please visit our website or contact Customer Service.

www.benefitsworkshop.com/palmbay • (888) 537-3539 • info@BenefitsWorkshop.com

The content of this newsletter is believed to be correct; if there is a discrepancy between the newsletter and the plan documents covering these benefits, the plan documents will govern the operation of the plan.

