



## Take Control of your Health Care Expenses with Pre-Tax Dollars



A flexible spending account (FSA) permits you to set-aside funds from your paycheck, without ever paying tax on that money.

### Health Care FSA

Your employer is offering you two accounts. The first is a health care FSA available for reimbursing, tax-free, out-of-pocket medical, vision, dental and hearing expenses for you and your family.

In addition, for your health care FSA only, you may be reimbursed up to the amount you elect for the plan year, at any time, regardless of the amount you have deposited to date. It's like an interest free loan. There isn't another account like it!

A general purpose health FSA provides reimbursement for medical, vision, dental and hearing expenses for the entire family.

*Please note, if your spouse contributes to a health savings account (HSA), you should not enroll in the health FSA as it will render your spouse ineligible for the HSA.*

A more detailed listing of eligible health care FSA expenses is included in this brochure.

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### Work-Related Dependent Care FSA

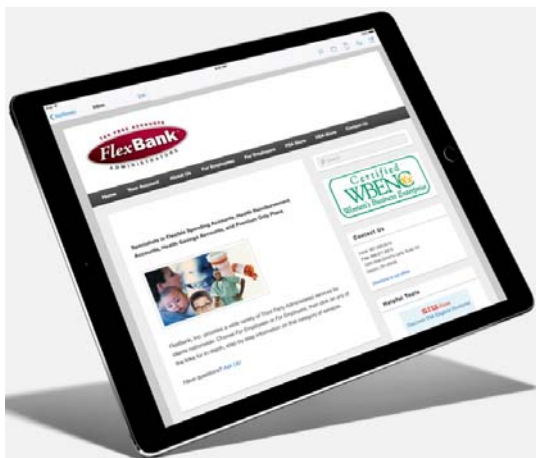
The second account is for work-related dependent care. In order to be considered eligible for reimbursement, the dependent care expense must have been incurred so that you and your spouse, if married, can be gainfully employed. Gainful employment includes being a full time student.

The account may be used for your child, up to age 13, and for adult day care for a spouse, or child age 13 or older, who is physically or mentally incapable of self-care.

A few examples of eligible expenses are: day camps, nursery schools, before/after school programs, daycare centers and private sitters who claim payment as income on their personal tax return.

A few expenses not considered eligible are: activity fees (i.e. for field trips); late payment fee made to a daycare provider; overnight camp (including the day-time portion); babysitting fees paid for a healthy child while parent is recuperating from an illness (regardless of doctor's advice.); tuition for schooling in kindergarten or higher; care provided by your child under 19 at the end of the calendar year or any other person for whom the employee could claim a tax dependent deduction.

This account is different from the health care FSA in that you may be reimbursed up to what you have deposited to date.



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# ***A Flexible Spending Account saves you money.***

## ***The Benefits***

As you now know, the money you set aside in your FSA is pre-tax. When you don't have to pay taxes, it's like getting an instant pay raise. The money is deposited into your FSA each pay period through pre-tax payroll deduction. You then get to make withdrawals for eligible expenses...tax-free!

## ***The Rules***

No one likes rules. But, the rules are easy once you know what they are.

1. Plan ahead because you can only elect once a year during your FSA open enrollment period.
2. Your elected amount, with few exceptions, can't be changed during the plan year.
3. If you have insurance, it must pay first before you can be reimbursed from your FSA. Your FSA can only reimburse what you actually owe, not necessarily what you've paid.
4. Any money left in your account at the end of the plan year cannot be returned to you...you have to use it or lose it.

## ***The Secret of living with the rules.***

In order to avoid the "use it or lose it" rule, you should only set aside money in your account you know you will use during your plan year on eligible expenses you know you will be buying anyway. Those are typically repetitive expenses, like a maintenance medication you know you'll take every day. And, predictable expenses, like a pair of glasses you can plan to purchase.

Your dates of service must be during your employer's plan year, so make sure to budget carefully.

# Health Care FSA Sample Eligible Expenses

## Eligible Expenses

Acupuncture  
Alcoholism / Drug treatment  
Ambulance charges  
Arch supports  
Arthritis gloves  
Bandages / Band-Aids  
Bariatric surgery  
Birthing classes  
Blood pressure monitors  
Blood sugar test kits/strips  
Body scans (MRIs)  
Brace for knees, wrists, back  
Breast pumps and supplies  
Chiropractic fees  
Compression hosiery  
Contact lenses & solutions  
Contraceptives  
Co-pays / Co-insurance  
Costs for physical or mental illness confinement

CPAP devices  
Crutches / cane  
Deductible expenses  
Dental implants  
Dental treatment  
Dentures  
Diabetic supplies  
Durable medical equipment  
Eyeglasses & eye exam  
First aid kits  
Hearing aids & batteries  
Incontinence supplies  
Infertility treatment/IVF  
Insulin supplies  
Laboratory fees  
Laser eye surgery  
Liquid adhesive for small cuts  
Mastectomy related bras  
Medical alert bracelet  
Medical records charges  
Midwife  
Mileage  
Motion sickness wristband  
Occlusal guards  
Orthodontia/Invisalign  
Orthopedic shoe insert  
Ostomy, colostomy supplies  
Ovulation monitor  
Physical therapy  
Prescriptions  
Pregnancy test kits  
Psychiatric care  
Reading glasses  
Rehydration solution  
(Pedialyte for children)  
Rubbing alcohol  
Saline solution ("L")

Seeing eye dog & expenses  
Shipping & handling for eligible medical expenses  
Smoking cessation programs  
Special communication equipment for the deaf  
Speech therapy  
Sterilization procedures  
Sunscreen  
Taxes on medical services & products  
Telemedicine & online medical consultation  
Telephone for hearing impaired  
TENS machine  
Thermometer  
Transportation expenses primarily for medical care  
Treatment for substance abuse  
Vaccines  
Walkers  
Wheelchair & repairs  
X-rays

## Dual Purpose Expenses Requires a doctor's note or Rx w/ a diagnosis stated

Air purifier  
Dietary supplements  
Fitness tracker  
Health club dues  
Humidifier  
Hypnosis  
Petroleum jelly  
Massage therapy  
Vitamins for medical condition  
Waterpik  
Weight loss programs

## Over the Counter Medicines Examples below, all require a valid prescription.

Acne medicine  
Antacids  
Antibiotic ointments  
Anti-itch creams  
Allergy medicines  
Cold medicines  
Diaper rash cream  
Eye drops  
Laxatives  
Lice treatment  
Motion sickness medicine  
Pain relievers  
Smoking cessation products  
Wart remover treatments

## Ineligible Expenses

"Concierge" annual fee  
Cosmetic procedures  
Court ordered DUI class  
CPR class  
Dental floss  
Deodorant  
Diet & weight loss foods  
Electrolysis  
Eyeglasses/contacts warranty  
Face creams & moisturizers  
Hearing aid warranty  
Hand lotion  
Imported drugs  
Insect repellant  
Insurance premiums  
Late fees  
Marital counseling  
Maternity clothes  
Mattresses  
Medical marijuana  
Missed appointment fee  
Mouthwash  
Non-prescription sunglasses  
Prepayments  
Sunglass clips  
Teeth whitening  
Toiletries & cosmetics  
Toothbrushes & toothpaste  
Vitamins for general health

### **FlexBank reimburses DAILY!**

Within 24 business hours of receiving your claim form and itemized receipts, FlexBank will issue a check, or directly deposit your reimbursement into your personal bank account. It takes two business days for a direct deposit to appear in your bank account.

### **Review your account 24-7**

You may view your account balance 24-7 at [www.FlexBank.net](http://www.FlexBank.net).

### **Call FlexBank!**

If you have questions and want to talk with someone in person vs. researching online, please call FlexBank's office Monday – Friday from 8:00 am to 5:00 pm at 888.677.8373.

# Expense Estimate Worksheet

## **Enrollment is quick and easy.**

Pay close attention to this worksheet. It will help you think of expenses you are already buying that you can now pay with pre-tax dollars. You may also want to review previous year's expenses to help you budget.

Only elect the amount you know for sure you will spend because you don't want to lose any money if you don't use it.

\*Orthodontics: Your plan may be designed to reimburse orthodontic expenses only if you are paying monthly installments to the orthodontist. If your plan is designed this way, you must first submit to FlexBank your orthodontic contract that details your down payment and subsequent monthly payments. Please see your benefits administrator to find out how your plan operates.

## **Dates of service are important.**

In order to be considered an eligible expense, the date of service must be during your plan year. It does not necessarily matter when you pay for an expense; it is the date that services are rendered that is important.

Dates of service must have occurred- you cannot be reimbursed for pre-paid services not yet rendered. This includes pre-payments as required commonly by dentists and OBGYN providers.

If you terminate during your plan year, dates of service must be while you were employed in order to be eligible for reimbursement.

You have 90 days after the end of your plan year to submit receipts to FlexBank.

## **Forms can be found online.**

You can find forms on [www.flexbank.net](http://www.flexbank.net). Click For Employees, FSA, Forms Online. Some examples include an Enrollment Form, Claim Form and a Direct Deposit Authorization.

## **Account #1: Estimated Health Care Expenses**

### **Medical**

Doctor office visits \_\_\_\_\_  
Prescriptions \_\_\_\_\_  
Deductibles & co-insurance \_\_\_\_\_  
Hearing exams, hearing aids/batteries \_\_\_\_\_  
Chiropractic fees \_\_\_\_\_  
Post-deductible medical \_\_\_\_\_

### **Dental**

Fillings \_\_\_\_\_  
Bridges \_\_\_\_\_  
Crowns \_\_\_\_\_  
Dentures \_\_\_\_\_  
Orthodontics\* \_\_\_\_\_  
Exams and x-rays \_\_\_\_\_

### **Vision**

Eye exams \_\_\_\_\_  
Lenses/frames \_\_\_\_\_  
Contact lenses & lens solutions \_\_\_\_\_

## **Total Health Care Expenses**

- You may use your health care FSA for eligible expenses for your spouse and for your children through the calendar year in which they attain age 26. You can use your health care FSA to pay for the child's medical expenses even if your child is not your tax dependent.
- A child over age 26 may generally be considered your dependent if you provide over 50% of the child's support.
- If you have medical, dental or vision insurance, the insurance must pay their portion first before FlexBank can reimburse what you owe.

## **Account #2: Estimated Dependent Care Expenses**

Childcare/babysitting service \_\_\_\_\_  
Before and/or after school care \_\_\_\_\_  
Day camps \_\_\_\_\_  
Adult dependent care \_\_\_\_\_

## **Total Dependent Care Expenses**

- Children are eligible up to their 13<sup>th</sup> birthday.
- The maximum you may contribute per calendar year is \$5,000 if you are single or married and filing jointly. The maximum per calendar year is \$2,500 if you are married and filing separately.
- You may participate in this account if the dependent care enables you and your spouse to continue working.
- In the case of a divorce or separation, only the custodial parent may claim reimbursement for dependent care expenses.
- The individual who provides the care cannot be your spouse, your child under age 19, nor someone you claim as your tax dependent.
- Your provider must claim the income on their tax return.
- You may change your election during the plan year if you have a change in cost or change in provider.



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# Health Care FSA Grace Period & Debit Card Q&A

## What is a health care FSA grace period?

This feature, called a “grace period”, permits you to incur expenses for 2-1/2 months in the new plan year and use up your last plan year funds.

The health care FSA grace period is available to anyone who is a participant on the last day of the plan year.

## If I have \$50 left in my health care FSA after the end of my plan year, am I able to incur new expenses and be reimbursed from the money I have left to spend?

Yes. You may incur expenses for your previous plan year through the 15<sup>th</sup> of the third month after the end of that plan year. For example, calendar year plans that end on December 31<sup>st</sup> have through March 15<sup>th</sup> to incur expenses for the prior year funds.

## How long do I have to submit receipts for the previous plan year?

Your “run-out” period to submit claims for the previous plan year is 90 days after the end of the plan year. Your documentation must be postmarked, faxed or mailed by midnight of the 90<sup>th</sup> day.

## What happens to the money if it is not used within the plan year plus the 2-1/2 month grace period?

Any monies not used will be forfeited.

## Is the 2-1/2 month grace period also available for the work-related dependent care FSA?

No. It is only available for the Health Care FSA.

## During the first 2-1/2 months of the new plan year, you will be in what is called the “grace period” for claims submission. During this time, your debit card is only loaded with your new year election.

During the 2-1/2 month extension period:

- ✓ Claims with dates of service from **last** year will be reimbursed from last year’s unused amounts. You must submit itemized receipts and claim form to FlexBank for reimbursement.
- ✓ Claims with dates of service from **this** year will be reimbursed from this year’s elected amount. You may use your debit card for these purchases, or you may submit itemized receipts and a claim form to FlexBank. It’s your choice.

If at the end of the 90 day run-out period, there is still an unused balance from last year, FlexBank’s system will automatically apply claims incurred during the grace period to the last plan year’s remaining balance, if applicable. The grace period funds will then be added to your new plan year health care FSA election on your debit card.

Example: John is a participant in a calendar year health FSA. He has \$50 left to spend on December 31<sup>st</sup> and has the additional 2-1/2 months to incur new expenses for his \$50 balance. He has elected \$500 for the new plan year.

In January, John incurs and submits a \$90 receipt for contact lenses. This \$90 would be reimbursed from the \$500 from the new plan year, leaving a balance of \$410.

In February, John submits another claim for a \$20 doctor office co-pay incurred in December of last year. This amount would be reimbursed from the remaining unused balance of \$50 from last year leaving an unused balance of \$30.

Further assume that John submits no further expenses during the grace period for expenses incurred in either plan year. Shortly after the close of the grace period, FlexBank’s system will re-assign \$30 of expenses incurred during this year to use up the remaining unused balance of \$30 from last year leaving him \$0 left to spend for last plan year. John’s remaining unused balance from this year would then be increased from \$410 to \$440.

## How does the grace period affect my eligibility to own/contribute to a health savings account (HSA)?

In general, if you, or your spouse want to be eligible to own/contribute to an HSA, you must have a zero balance in a **general purpose** health care FSA by the end of your FSA plan year in order to be HSA-eligible on the first day of your new plan year. Call FlexBank to discuss in detail how the grace period may affect you.

Please contact FlexBank should you have further questions about the health care FSA grace period.



# How Does My Health Care Debit Card Work?

Your debit card gives you immediate access to your full annual health FSA election at any time during the year! When you pay for qualified expenses, you don't have to worry whether or not you have money in your own bank account. The downside? Just a few rules you will need to remember. They aren't difficult, but they are required just the same.

## **Do I have to send FlexBank my receipts? I thought it would be paperless.**

Yes, other than flat dollar copays and prescriptions, the IRS requires itemized statements be submitted for debit card swipes. **An itemized statement is one that shows the date of service, services rendered, patient name and the amount insurance paid.** The IRS requires itemized documentation to prove the purchase is an eligible expense, the date of service has occurred within your plan year and insurance has made their payment. If documentation is required, FlexBank will send a letter or an email letting the participant know the amount of the expense and an itemized statement is required.

## **Insurance Must Pay First!**

When you have insurance, whether it is for medical/vision/dental, and you are responsible for some of the expense, the insurance company must process the claim/procedure first before the card can be used. Many dental offices are asking for a partial payment up front before they will do any work. You cannot use the card for that payment because the insurance company has not processed the claim yet even if the dental office has a "Predetermination of Benefits" from your insurance company.

## **What if I don't send in itemized statements?**

The card will be suspended until itemized statements are received. Once a letter or an email is sent, you have approximately 50 days to submit the paperwork to FlexBank. If the item purchased is deemed ineligible, you must repay your employer and the money will be added to your debit card for a future expense.

## **What can I purchase with my debit card?**

The debit card can only be used for IRS approved medical, vision, dental and hearing expenses that have dates of service within your current plan year. If you have a "limited" FSA, you may use your card for dental and vision expenses only. Cosmetic services are NOT eligible whether you use your debit card or not. If you are unsure of something, please call FlexBank for guidance or visit our website, [FlexBank.net](http://FlexBank.net), we are here to help.

## **Can I use my debit card to pay for over-the-counter (OTC) medicines?**

No. You will need to submit a doctor's prescription to FlexBank in order for these items to be considered eligible. Therefore, the debit card will not work when you try to purchase OTC medicines with your debit card.

## **Where can I use the card?**

The card will only work at places that provide medical, vision, dental or hearing products and services. Some examples are doctor's offices, dental offices, hospitals and pharmacies.

## **Why won't the card work?**

A few reasons: 1) you don't have enough funds left for the purchase, 2) the provider is typing in your debit card manually and does not enter the three digit code on the back of your card, 3) the credit card machine isn't coded for your expense, i.e. a collection agency, PayPal, etc. or 4) your debit card has been suspended. **You should always be prepared to pay for the expense out of your pocket and then submit an itemized statement to FlexBank for reimbursement.**

## **How do I check my account balance?**

Login to [MyBenny.com](http://MyBenny.com). You'll need to enter your Member ID (it's your SS# number without dashes). You might notice "WEX" branding, MyBenny.com will be migrating to [My.WEXHealthCard.com](http://My.WEXHealthCard.com) in the future, but both website addresses are functional. This site enables you to track the documentation being requested and why your card might be suspended.

## **Can I walk into FlexBank with an expense I paid for out-of-pocket and receive a check on the spot?**

FlexBank is not able to reimburse you on the spot if you have a health debit card. We can process a claim received in the morning the same day for pick up and have a check ready for you after 4:00 pm. If you fax or email the claim ahead of time, we recommend you call to verify receipt.

## **Debit card replacement or additional cards?**

If you lose your debit card or are in need of more than two cards, you may order them. The fee for an additional two (2) cards is \$5.00 and will automatically be deducted from your flexible spending account balance.

