



## FSA ADMINISTRATION Frequently Asked Questions

### **Q. What is the advantage of enrolling in a Flexible Spending Account (FSA)?**

A. An FSA allows you to set aside money on a pre-tax basis, lowering your taxable income and reducing your out-of-pocket expenses. These pre-tax dollars can be used to cover Health Care and Dependent Care expenses.

Participants can save 15- 30% in taxes, depending on their tax bracket. And, employers save money by not having to match FICA taxes – almost 8% - on those funds.

### **Q. How does the money become available in my FSA account?**

A. Each year, you allocate a specific dollar amount to be deducted from your paycheck and deposited into your FSA account. The entire yearly amount is available on the first day of the Plan Year.

The payroll deduction is calculated by dividing the annual election by the number of paychecks you receive in a year. You must make separate elections for the Health Care Flexible Spending Account and the Dependent Care Flexible Spending Account.

### **Q. Is there a maximum amount for reimbursement?**

A. Each employer sets the maximum amount allowed for the reimbursement of Health Care expenses. The IRS sets the annual limit for eligible Dependent Care expenses at \$5,000 per year if you are married filing jointly or single head of household, and \$2,500 if you are married filing single.

### **Q. What types of Health Care expenses are eligible for reimbursement?**

A. Qualifying items include, but are not limited to:

- Aspirin
- Antacids
- Antiseptic sprays and creams
- Band-aids
- Contact lenses and solution
- Co-payments/coinsurance for medical and dental
- Deductibles - medical and dental
- Dental work (non-cosmetic)
- Diabetic supplies
- Ear drops
- Eyeglasses, prescription sunglasses
- Hospital bills and lab fees
- Lasik eye surgery
- Motion sickness medicine
- Nicotine gum/patches
- Oral contraceptives
- Orthodontia
- Over-the-counter medications
- Prescriptions
- Psychiatric care
- Psychologist fees
- Routine physicals (not covered by insurance)
- Weight loss program treating a medical condition
- Wheel chairs
- X-rays

### **Q. What types of Health Care expenses are not eligible for reimbursement?**

A. Items purchased for general health purposes are not considered medical care and are not reimbursable. Such non-qualifying items include, but are not limited to:

- Baby wipes
- Cosmetic supplies and procedures (teeth whitening/bleaching)
- Feminine products (tampons, sanitary napkins)
- General hygiene items (shampoo, soaps, deodorant)
- Herbs
- Vitamins
- Moisturizers and powders
- Suntan lotion
- Toothpaste, dental floss, mouthwash

**Q. What types of Dependent Care expenses are eligible for reimbursement?**

A. Qualifying items include, but are not limited to:

- Before & after school programs
- Care of disabled dependents
- Childcare expenses
- Day camp
- Eldercare expenses
- Preschool (daycare)

**Q. What happens if I don't spend all the money in my FSA account by the end of the Plan Year?**

A. In compliance with IRS guidelines, contributions that are not used during the Plan Year cannot be returned and you forfeit the balance in your account(s). Before making an election, you are encouraged to carefully estimate your annual expenses. The FSA calculator can help you determine your spending for the year.

You can also check your account balance online at anytime. If a balance remains, you should see if there are any eligible expenses you have left to incur or authorized products you could purchase (i.e. over-the-counter medications or a new pair of glasses).

**Q. Can I make a change to my FSA contributions during the year?**

A. You may not change your contributions during the year unless there is a change in Family Status. Examples of a change in Family Status include: marriage, birth of a child, change in spouse's employment, divorce or legal separation, death or loss of employment.

**Q. How do I receive reimbursement for eligible expenses?**

A. To submit a claim for reimbursement, simply fill out the Reimbursement Claim Form (pdf) and mail or fax it with copies of your receipts to: Altus Benefit Administrators, P.O. Box 1643, Providence, RI 02901-1643 or fax: 401-457-7266

If your employer has selected a debit card option, you may use your MBI Benefits Card directly at pharmacies, physician and dentists' offices, as well as health care or day care providers. If the MasterCard logo is not accepted at the location where an eligible expense was incurred, you will need to fill out a claim form for reimbursement.

*Because the IRS requires you to substantiate any claims paid from your account, you may also be asked to submit receipts for eligible expenses using the MBI Benefits Card.*

**Q. What types of receipts may I be asked to provide?**

A. Qualifying receipts include:

- Receipts for office co-payments
- Receipts for prescriptions
- Explanation of Benefit (EOB) statements from an insurance company, showing the amount the insurance company paid and how much you must pay
- Invoices from medical and/or dental expenses, which the insurance company does not cover
- Receipts from daycare or eldercare facilities or receipts an employee must pay to an in-home health care provider.

*Some items may require further documentation from a physician, health care or day care provider.*

**Q. Is there a Direct Deposit Option for Reimbursement?**

A. You have the option to receive your reimbursement by check or through Direct Deposit to your checking or savings account. To sign up for Direct Deposit, complete the Direct Deposit Authorization Form (pdf) and return it to Altus Benefit Administrators with a voided check.

**Q. How can I check my Flexible Spending Account balance?**

A. You have 24-hour access to your Flexible Spending Accounts online at [www.altusbenefitadmin.com](http://www.altusbenefitadmin.com). You may also contact the Altus Benefit Administrators' Customer Service Center at 1-800-371-7542, Monday – Friday, 8 am - 5 pm EST.