

Flexible Spending Account (FSA) Frequently Asked Questions

1. What happens if I don't spend all of the money? Where does it go?

You will forfeit the money that remains in your account. Any excess funds are kept by the employer and can be used to offset the costs of administering the program. The IRS regulations require this, and do not allow employers to return the money to plan participants or to carry unused funds over to the next plan year.

2. Is there a listing of all of the eligible health care expenses?

Eligible health care expenses are based on the interpretation of Section 213 (d) of the IRS code. As such, you will never find an all-inclusive, definitive listing of eligible expenses. The IRS defines eligible expenses as, "Amounts paid for the diagnosis, cure, mitigation, treatment, or prevention of disease, and for treatments affecting any part or function of the body. The medical care expenses must be primarily to alleviate or prevent a physical or mental defect or illness." For more information, you can visit the IRS website, www.irs.gov. For a partial listing of eligible expenses, you can go to www.myflexlogin.com and visit the Resources Section.

3. May I use my Health Care FSA to reimburse my spouse's medical expenses, even if he is enrolled in a different health insurance plan?

Yes, the FSA does not require that your dependents be covered under your health insurance plan. You can use your account to pay for eligible health care expenses for your family, regardless of the health insurance plan in which they are enrolled.

4. Can I use my Health Care FSA to reimburse outstanding medical expenses from the prior year?

No, expenses must be incurred during the current plan year. The only exception to this rule is orthodontics. You can use your FSA to cover payments made for braces, even if the braces were put on before the start of the current plan year.

5. What happens to my FSA if I terminate employment in the middle of a plan year?

You will have a specific amount of time, called the run-out period, during which you can submit claims that were incurred prior to your termination date. Your employer determines the run-out period. You may not be reimbursed for any claims incurred after your termination date. However, you may be able to continue your Health Care FSA coverage under COBRA.

6. I don't know how much I should contribute. What do most people do?

There is no amount that will be right for everyone. FSA elections vary greatly, depending on the individual participant and his or her particular situation. You should make your election by carefully examining your expected out of pocket health care expenses for the upcoming year.

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7. Can I get an extra FSA debit card for my spouse?

Yes, you can request up to four debit cards for your family. You will automatically be sent one card, and you can request additional cards via our website, www.myflexlogin.com.

8. Does my daycare provider need to be licensed in order to use the Dependent Care FSA?

No, you can use the Dependent Care FSA to cover expenses for anyone who watches your children while you and your spouse are working. It can even be a family member, as long as that person is not your tax dependent. The only rules that apply are that you must provide the Social Security number or Tax ID of your daycare provider, and that person must claim the income.

9. My spouse is a stay at home parent, can I use the Dependent Care FSA to pay for preschool?

No, the regulations state that care must be rendered so that both you and your spouse can be gainfully employed, look for gainful employment or attend school.

10. Can I transfer money from my Health Care FSA to my Dependent Care FSA?

No, you can use funds only for the purpose for which the election was initially made. IRS regulations do not allow funds to be transferred or commingled between accounts. So, the money in your Health Care FSA may only be used for health care expenses and your Dependent Care FSA may only pay for dependent care expenses.