Flexible Spending Plan

Oklahoma County

Welcome to HealthSmart!

Enclosed is Your Benefit Plan

Enrollment Guide

Effective Date: **1/1/2024**

Table of Contents

INTRODUCTION 2

THE VALUE OF A PRE-TAX DOLLAR 3

MAKING YOUR FLEXIBLE SPENDING DECISION 4

GENERAL PROVISIONS 5-6

HEALTHCARE REIMBURSEMENTS 7

HEALTHCARE FSA LIST OF ELIGIBLE HEALTHCARE EXPENSES 8

OVER THE COUNTER (OTC) ITEMS 9

HEALTHCARE FSA FAQs 10

DEBIT CARD FAQs 11-15

HEALTHCARE FSA ANNUAL EXPENSE WORKSHEET 16

DEPENDENT CARE REIMBURSEMENTS 17

DEPENDENT CARE FSA FAQs 18-20

DEPENDENT CARE FSA ANNUAL EXPENSE WORKSHEET 21

Welcome to HealthSmart!

OKLAHOMA COUNTY is pleased to offer you this Flexible Spending Plan. As you know, healthcare and day care expenses can add up. Flexible Spending Accounts (FSAs) give you a way to pay for these expenses with tax-free dollars. Because you bypass taxes, you save money.

There are different types of accounts:

- **Healthcare Flexible Spending Account**
- **Dependent Care Flexible Spending Account**

You may choose to participate in one or more of the account(s) listed above, depending on your individual needs. A detailed explanation of this program can be found within the **Making Your Flexible Spending Decision** section.

Notable Mentions

- ✓ After you receive a reimbursement check, you may view your flex Explanation of Benefits (EOB) online.
- ✓ Claim forms are available online at https://healthsmart.wealthcareportal.com.

YOUR FLEX CLAIMS ADMINISTRATOR IS:

HealthSmart Benefit Solutions | P.O. Box 16647| Lubbock, TX 79490-6647

Phone: 844-516-3658 | Fax: 844-319-3669

The Value of a Pre-Tax Dollar

FSAs allow you to save money because your contributions to the accounts are deducted from your paycheck before Federal and Social Security taxes are calculated. The amount of savings you will enjoy by participating in an FSA will depend on your individual tax bracket and the amount of money that is withheld from your paycheck on a tax-free basis. For example, an individual in the 15% tax bracket will save approximately $0.23 on each dollar. The above savings example is derived from 15% federal income tax and 7.65% Social Security (FICA) tax, which equals 22.65%. Depending on where you live, you may also save on state and local income taxes *(see the tax savings example below)*.

TAX SAVINGS EXAMPLE

	WITH PLAN:	WITHOUT PLAN:
Gross Salary	$25,000	$25,000
Health / Day Care Expenses (Pre-Tax)	($1,200)	(N/A)
Taxable Income	$23,800	$25,000
Tax (25%)	($5,950)	($6,250)
Net Salary	$17,850	$18,750
Health / Day Care Expenses (After-Tax)	(N/A)	($1,200)
Take-Home Pay	$17,850	$17,550
TAX SAVINGS:	**$300**	**N/A**

How a Flexible Spending Benefit Works

A Flexible Spending Account is an account with automatic deposits of pre-tax payroll deductions. Here's how it works:

- You decide in advance how much to contribute to each account each plan year using the Annual Expense Worksheet to help you budget.
- Your contributions are automatically withheld in equal amounts from your paychecks throughout the year before taxes are applied.
- For reimbursement, submit an Explanation of Benefits (EOB) or itemized statement(s) with a claim form after normal expenses have been incurred.
- Reimbursements for eligible expenses are tax-free so you never pay taxes on the money you set aside!
- Expenses that are reimbursed through your healthcare FSA are not tax deductible at the end of the year. By using the Flexible Spending Benefit, you not only receive federal tax savings but also FICA savings.

Making Your Flexible Spending Decision

A Flexible Spending Account helps you pay for eligible expenses that are not covered by your basic health plan such as deductibles, co-payments, or coinsurance amounts. Eligible expenses also include many services that may not be covered by your basic plan, for example eyeglasses. Over-the-counter medicines and/or drugs require a prescription to be considered an eligible expense.

When calculating your estimated out-of-pocket expenses, please keep in mind that you can be reimbursed for out-of-pocket medical expenses for your spouse, child and any dependent who is a "qualifying child" or relative, regardless of whether they are on your medical plan. A child is a son, daughter, stepchild, or foster child under the age of 27. The definition of a "qualifying child" or relative is defined below (a "qualifying child" is not the same definition as a child of yours). To determine who is a qualifying child or relative, the following 4 tests must be met: relationship test, residency test, support test and qualifying child or qualifying relative test.

Relationship Test

- A descendant of your son, daughter, stepchild, or foster child *(for example, your grandchild)*
- Brother, sister or a son or daughter of either of them (for example, a niece or nephew)
- Father, mother or an ancestor or sibling of either (for example, your grandmother, grandfather, aunt, or uncle)
- Stepbrother, stepsister, stepfather, stepmother, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law
- Any other person (other than your spouse) who lived with you all year as a member of your household if your relationship did not violate local law

Residency Test

- Must reside in your home for more than half of the year (1-year requirement for last bullet under relationship test)
- Must be a Citizen or National of the U.S., Canada, or Mexico (except for an adopted child)

Support Test

- You must provide over half of the individual's support

Qualifying Child or Qualifying Relative Test

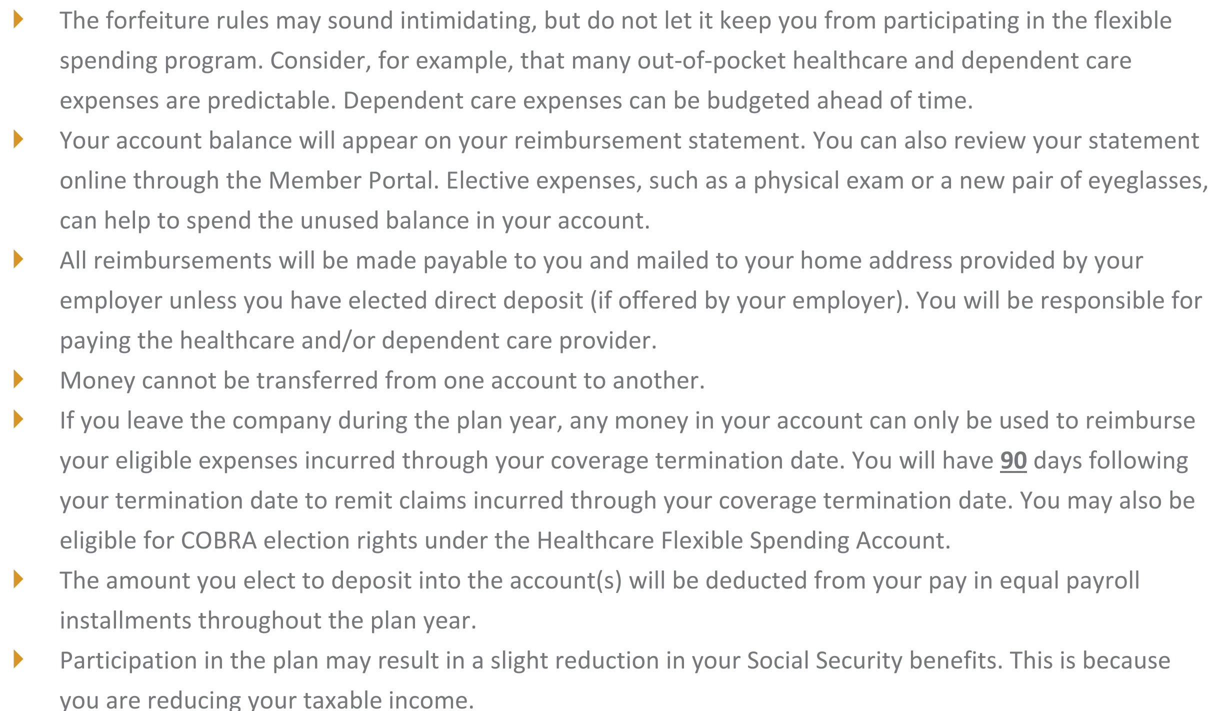
- Dependent is eligible if you are the only one claiming this qualifying child or qualifying relative as a tax dependent
  - *Special rules apply in divorced or separated situations. For further clarification, please review IRS Publications 502 available at www.irs.gov. You may still be able to claim your child even if the other parent is also claiming this same child.*

If all 4 tests are met, you may include eligible expenses of your child or relative in your calculations. If you decide to open a Healthcare FSA, you may deposit up to $2,400 into the account each year.

General Provisions

Flexible Spending Accounts are a valuable benefit that can increase your take-home pay through tax savings. However, to receive these savings, you must abide by the rules established by the IRS for the program as follows:

- Open enrollment is held annually for you to elect the benefits you wish to participate in during the plan year. Elections must be made prior to the beginning of the plan year and/or your effective date. The Flexible Spending Account plan year is **January 1, 2024 – December 31, 2024.** Eligible expenses must be incurred during this time frame to be eligible for reimbursement. Incurred refers to the date the service is provided, regardless of when you are billed or when you pay for it.
- After the plan year starts, you cannot change your elections unless you experience a "Family Status Change." The change must be consistent with the status change per IRS rules. The following qualified election changes are defined by the IRS. You must contact your Human Resources department within 30 days of the status change to make an election change, wherein a new enrollment must be completed. These include:
    - Marriage or Divorce or legal separation
    - Birth or Adoption of a child
    - Death of a dependent or spouse
    - Change (gain or loss) in employment status of yourself or your spouse
    - Change of Care Giver (dependent care only)
    - Child Turns 13 (dependent care only)
- Submitted expenses cannot be reimbursed by any other source (i.e., paid by your insurance company), and cannot be deducted on your personal income tax return. We encourage all employees to conservatively elect how much to deposit into their Healthcare and Dependent Care FSAs.
- Maximum dependent day care expenses allowed for the plan year are $5,000 per family unit; $2,500 if married and filing separate.
- Maximum health care expenses allowed by the IRS are $3,050 per plan year. (Your company has the option to elect maximum and minimum amounts). Oklahoma County has elected a $2,400 annual maximum.
- If you have insurance, an Explanation of Benefit (EOB) statement or an itemized statement is required to document your claim.
- The IRS requires that money in the accounts not used for eligible expenses incurred in the same plan year be forfeited for your healthcare and daycare expenses. This is known as the "use it or lose it" rule. If you have a balance in your healthcare account at the end of the plan year, any funds remaining in your account will be forfeited, unless your employer has chosen the rollover or grace option. For more information, see below.
- Your employer has chosen to allow you to rollover up to **$500** of your previous year's balance of unused healthcare FSA funds. Funds will be available the first day of your new plan year. Going forward, until the rollover amount is depleted up to $500 of unused funds will continue to roll from year to year if you are **an active employee.** You do not have to make a new election for the balance to roll from year to year.



- The forfeiture rules may sound intimidating, but do not let it keep you from participating in the flexible spending program. Consider, for example, that many out-of-pocket healthcare and dependent care expenses are predictable. Dependent care expenses can be budgeted ahead of time.
- Your account balance will appear on your reimbursement statement. You can also review your statement online through the Member Portal. Elective expenses, such as a physical exam or a new pair of eyeglasses, can help to spend the unused balance in your account.
- All reimbursements will be made payable to you and mailed to your home address provided by your employer unless you have elected direct deposit (if offered by your employer). You will be responsible for paying the healthcare and/or dependent care provider.
- Money cannot be transferred from one account to another.
- If you leave the company during the plan year, any money in your account can only be used to reimburse your eligible expenses incurred through your coverage termination date. You will have **90** days following your termination date to remit claims incurred through your coverage termination date. You may also be eligible for COBRA election rights under the Healthcare Flexible Spending Account.
- The amount you elect to deposit into the account(s) will be deducted from your pay in equal payroll installments throughout the plan year.
- Participation in the plan may result in a slight reduction in your Social Security benefits. This is because you are reducing your taxable income.

IRS Section 125 cafeteria plans are currently allowed by the federal government. However, the government may limit or discontinue these plans in the future at its discretion. In the meantime, enjoy using the tax-free advantages that the Flexible Spending Accounts offer.

Healthcare Reimbursements

Healthcare claims should first be submitted to your insurance carrier. To receive reimbursement from your Healthcare Flexible Spending Account, submit a claim form with your EOB (Explanation of Benefits) or itemized statement(s) to HealthSmart via the online portal, fax, mail, or the HealthSmart Mobile App. Claim forms are available online at https://healthsmart.wealthcareportal.com.

Documentation Requirements

Any documentation submitted to HealthSmart for reimbursement of qualified medical expenses is required by the IRS to include the following information:

- Date service was received, or purchase was made
- Description of service or item purchased
- Dollar amount paid (after insurance, if applicable)
- Name of service provider or place of purchase
- Name of the individual for whom the service or expense was provided

The following forms of documentation are always unacceptable for substantiation:

- Provider statements that only indicate the amount paid, balance forward or previous balance
- Credit card receipts
- Bills for prepaid dependent care/medical expenses where services have not yet occurred
- Handwritten receipts
- Generic receipts

Be sure to keep copies of your submitted claims and supporting documentation.
Documentation received by HealthSmart will not be returned.

You will have **90** days following the end of the plan year to submit claims incurred during the plan year. Claims for over-the-counter (OTC) items must include the itemized cash register receipt attached to the claim form. Refer to page 14 for more information on IRS rules regarding OTC purchases, based on the 2020 Cares Act.

Your healthcare claim(s) will be reimbursed up to your total annual contribution amount. This is true regardless of how much you have contributed to the account at the time you submit your claim(s).

Healthcare Flexible Spending Account, List of Eligible Healthcare Expenses

The following categorizes medical expenses as **eligible** for possible reimbursement under this program. **This list is not all-inclusive.** HealthSmart also has a helpful expense table on the HealthSmart website: https://healthsmart.wealthcareportal.com. Additional information can be found at: www.irs.gov.

All service for medical, dental or vision must be considered by the enrollee's coverage prior to submitting to their flexible spending account. **The Explanation of Benefits (EOB) or itemized statement must be submitted with your reimbursement request for consideration.**

Acne Medicine
Acupuncture
Ambulance Service
Analgesics (all pain relievers)
Anti-inflammatories
Antacids
Antibacterial Medication
Antidiarrheal
Antiemetics (for treating nausea, vomiting or motion sickness)
Antifungals
Antihistamines (allergies/colds)
Band-Aids
Birth Control Pills
Braille Books and Magazines
Breast Pump and Supplies (for lactation purposes only)
Calamine and Bug Bite Lotion
Car Controls for the Disabled
Chiropractic Care
Cold Remedies
Contact Lenses and Solutions
Cosmetic Surgery (necessary due to birth defects, accidents, etc).
Cough Suppressants/Expectorants
Crutches
Decongestants
Dental Fees
Dental Implants (excluding veneers)
Dental Plan Deductibles or Copays
Dermatologists
Dietary Supplements (including daily vitamins)
Diagnostic Tests
Diaper Rash Ointments
Doctor's Fees
Durable Medical Equipment
Eye Drops
Fiber Supplements
Health Club Dues / Memberships ★
Hearing Aids and Batteries
Hearing Exams and Treatment
Hospital Services (minus phone/TV)
Humidifiers
Immunizations
Injections
Insulin
In-Vitro Fertilization
Lab / X-Ray Fees, Deductibles or Copays
Laxatives
Medical Nursing Home Services
Massage Therapy *
Medical Plan Deductibles or Copays
Midwife/Doula
Mileage to/from Medical Services (documentation of service incurred required)
Muscle or Joint Pain Ointments
Nasal Sprays
Nicotine Gum or Patches
Optometrist Fees
Ophthalmologist Fees
Organ Transplants
Orthodontic Treatment (special rules apply)
Orthotics
Oxygen
Osteopaths
Pedialyte for Dehydration
Periodontal Fees
Physical Exams
Physical Therapy
Pregnancy Test (OTC)
Prenatal Care (reimbursed by service date)
Prenatal Vitamins
Prescription Drugs and Copays
Prescription Eye Glasses
Psychiatric Fee (medical diagnosis required)
Psychologist Fee (medical diagnosis required)
Psychotherapy (medical diagnosis required)
Reading Glasses
Radial Keratotomy / PRK / Lasik
Saline Solution
Services for Diagnosing and Treating Severe Learning Disabilities ★
Sinus Medications/Nasal Sprays
Sleeping Aids
Substance Abuse Treatment
Sunburn Ointment
Sunscreen
Suppositories/Hemorrhoid Creams
Surgery
Telephone for the Deaf and Hearing Impaired
Transportation for Medical Care
Vaccinations
Vision Plan Deductibles or Copays
Wart Removal Treatments
Weight Loss Programs / Drugs ★
Wheelchairs

★ ***These items require a prescription or a Letter of Medical Necessity that includes diagnosis and treatment description from a licensed doctor and must be dated prior to purchase or service incurred date.***

Over the Counter (OTC) Items

Recently Congress passed the **CARES ACT** (COVID -3 Stimulus Bill), which included language to permanently reinstate coverage for over-the-counter drugs from FSAs and HSAs, without the need for prescription. They also included menstrual care products to the list of eligible expenses.
To be reimbursed, provide the cash register receipt that lists the products purchased showing item, provider, and date of purchase. If you have the Flex Benefit Card, it will take some time before the merchants can update their inventory control systems (SIGIS) to accommodate payment with the card. Therefore, you will have to pay with another form of payment and send it to us for reimbursement. Always keep your receipts for your OTC items, as many smaller drug stores/pharmacies will not have the inventory control system.

OVER THE COUNTER (OTC) DRUGS AND ITEMS

OTC drugs and items must be purchased for use by you, your spouse and/or dependents and intended for use in the same Plan Year in which you request reimbursement. **Bulk purchases are not allowed.**

Partial Over-The-Counter Drug List

Reminder: Your unreimbursed medical spending account can reimburse OTC drugs and items used primarily for medical care. You must submit a third-party receipt that lists the name of the eligible OTC items.

Drug or Item	Examples Only
Allergy medicine	Actifed, Benadryl, Claritin and Sudafed
Acid Reduction	Axid AR, Gax-X, Maalox, Mylanta, Tums, Tagamet and Zantac
Antihistamines	Actidil, Actifed, Allerest, Benadryl, Claritin, Dimetane and Nyquil
Antidiarrheal	Pepto-Bismol, Immodium and Kaopectate
Anti-fungal	Lamisil AT, LotraminAF and Tinactin
Anti-itch creams and lotions	Bactine, Benadryl cream, Cortaid, Calamine lotion and Hydrocortisone
Asthma	Athmanefrin and Primatene Mist
Cold Sore	Abreva, Carmex and Releev
Cold Medication	Advil cold, Afrin, Alka Seltzer Cold and Flu, Nyquil, Thera-ful and Tylenol Cold and Flu
Contraception	Condoms and Contraceptive creams and foam
Contact Lenses Solution	Allergan, Aosept, Bausch & Lomb and Opti-Free
Cough Suppressants	Dimetapp, Mucinex DM and Robitussin
Diaper Rash Ointments	Boudreaux Butt Cream, Desitin and Calmoseptine
Eye Drop for Allergy/Dry Eyes	Alaway ad Thera Tears
First Aid Items	Bandages and Gauze, First Aid Kits, Rubbing Alcohol and Neosporin
Hemorrhoid Treatment	Hemorid and Preparation H
Incontinence Supplies	Depends, Poise and Wearable Panty and Briefs
Liniments	BenGay, Biofreeze and Tiger Balm
Medical Bracelets	Bracelets Identifying Medical Conditions
Medical Supplies and Devices	Blood Pressure Monitors, Cholesterol Test, Crutches, Diabetic Supplies, Pregnancy Test and Wheel Chair
Menstrual Cycle Medications and Products	Midol, Tampons, Maxi Pads and Pamprin
Motion Sickness	Equate, Dramamine and Vertifix
Pain Relief	Advil, Aleve, Excedrin, Motrin, Orajel and Tylenol
Wart Removal	Compound W and Dr Scholl's Wart Removal

Information on Vitamins and Supplements as well as Dual Purpose Drugs located on next page.

Q: Are Vitamins and Supplements Eligible?

A: Most Vitamins and supplements are eligible. Weight loss drugs need a Letter of Medical necessity.

Q: What are Dual Purpose Drugs?

A: A Dual-Purpose Drug is a drug that can be used for general well-being, cosmetic purposes, or a medical condition. For instance, Retin-A can be used for acne treatments and wrinkle reduction, therefore, it would require a letter from a licensed physician stating its purpose.

Q: Are there minimum and maximum amounts I can contribute?

A: Your employer may specify a minimum contribution amount that you must contribute, as well as a plan cap that you may not exceed. For further inquiry, check with HealthSmart at: 844-516-3658.

Q: How do I get reimbursed for my expenses?

A: You may visit https://healthsmart.wealthcareportal.com and file a claim online or print an FSA claim form and submit through the Mobile App, fax, or mail along with your expense documentation.

Q: If I use my Benefit Card to pay for qualified medical expenses, do I still need to keep my receipts and other documentation?

A: Yes. All eligible expenses are required to be validated. Most expenses paid for with your Benefit Card can be electronically validated, but you should always keep your receipts and other documentation for tax purposes and in case further expense validation is necessary.

Q: Do I have to wait for the money to be deposited into my account before I can make a claim for reimbursement?

A: No. The entire amount you set aside is available to you on the first day of the plan year.

Q: Can I request FSA reimbursement for eligible services I received before the plan year begins if I am not billed until after the start of the plan year?

A: No. According to IRS guidelines, an expense is incurred at the time the service is provided, not when you are billed or when you pay for the service.

Q: Can I be reimbursed for my spouse's deductible, copays, or other out-of-pocket medical expenses?

A: Yes. Your FSA dollars can be used to reimburse qualifying out-of-pocket medical expenses (not covered by insurance) incurred by; yourself, your spouse, your children (under age 27 as of end of employee's taxable year), and your qualified relatives as defined in your group Plan Document.

Q: What if I have incurred expenses at the end of the plan year but I don't submit a claim by the end of the plan year?

A: Your employer may specify an additional amount of time, called a "run-out period" at the end of the plan year to submit claims for services provided during the plan year. For further inquiry, check with HealthSmart at: 844-516-3658.

Debit Card FAQs

Q: What is the Benefit Card?

A: HealthSmart provides a card that is a special purpose debit card that gives participants an easy, automatic way to pay for qualifying expenses without having to pay out of pocket. The card lets participants electronically access their pre-tax amounts set aside in their pre-tax benefit accounts.

Q: How does the Benefit Card Work?

A: It works like a debit card, with the value of the participant's account(s) contribution stored on it. When participants have eligible expenses at a provider/merchant that accepts debit cards, they can use their card. The amount of the eligible purchases will be deducted – automatically – from their account and the pre-tax dollars will be electronically transferred to the provider/merchant for immediate payment. The card eliminates the need to submit a claim and wait for the reimbursement to pay the provider.

Q: Is the Benefit Card just like other debit cards?

A: No. The card is a special-purpose debit card that can be used only for eligible benefit expenses.
There are no monthly bills and no interest.

Q: How many Benefits Cards will the participant receive?

A: The participant will receive one card free of charge. If participants would like additional cards (free of charge) for other family members over the age of 18, they may request additional cards at their enrollment time or call our Customer Service Department at 844-516-3658.

Q: Do participants need a new Benefit Card each year?

A: No. If the respective employee benefit account(s) remain part of the participant's benefit plan and the participant elects to participate each year. The card will be loaded with the new annual election amount at the start of each plan year or incrementally with each pay period, based on the type of account(s) the participant has. New cards will be automatically reissued every 3 years.

Q: What if the Benefit Card is lost or stolen?

A: Participants should call HealthSmart's Customer Service Department to report a card lost or stolen as soon as they realize it is missing. HealthSmart can then turn off their current card(s) and issue replacement card(s). Replacement cards are issued at an additional fee which will be deducted from the participant's funds.

Getting Started and Activating Your Card

Q: How do participants activate the Benefit Card?

A: The card will be activated upon first use of eligible expenses.

Q: What dollar amount is on the Benefit Card when it is activated?

A: Depending on your benefit:

For Health Care FSAs, the dollar value on the card will be the annual amount that participants elected to contribute to their respective employee benefit account(s) during their annual benefits enrollment. It's from that total dollar amount that eligible expenses will be deducted as participants use their cards or submit manual claims.

Dependent Care FSAs are funded incrementally at each pay period, so it is especially important to be aware of account balances to avoid card declines at the point of service.

Using the Card

Q: Where may participants use the Benefit Card?

A: The card can be used to pay for eligible goods and services at providers/merchants that offer these goods or services and accepts prepaid cards. IRS regulations allow participants to use their cards in approved medical, dental, or vision facilities, pharmacies, discount stores, department stores, and supermarkets that can identify FSA-eligible items at checkout. Participants can find out which businesses are approved by visiting www.sig-is.org.

Q: Are there places the Benefit Card will not be accepted?

A: Yes. The card will not be accepted at locations that do not offer the eligible goods and services, such as hardware stores, restaurants, bookstores, gas stations and home improvement stores.

Benefit Cards may not be accepted at pharmacies, discount stores, department stores, and supermarkets that cannot identify FSA-eligible items at checkout. Access an online nationwide list of retailers accepting Benefit Cards.

Q: If asked, should participants select "Debit" or "Credit"?

A: The Benefit Card is actually a prepaid card. But, since there is no "prepaid" selection available, participants should select "Credit." Participants do not need a PIN and cannot get cash with the card.

Q: How does the Benefit Card work in participating pharmacies, discount stores, department stores, and supermarkets?

A:

1. Bring prescriptions, vision products, OTCs, and other purchases to the register at checkout to let the clerk ring them up. Have the cashier ring up all of your items together.
2. Present the card and swipe it for payment.
3. If the card swipe transaction is approved (e.g., there are sufficient funds in the account and at least some of the products are FSA-eligible), the amount of the FSA-eligible purchases is deducted from the account balance and no receipt follow up is required. The clerk will then ask for another form of payment for the non-FSA-eligible items.
4. If the card swipe transaction is declined, the clerk will ask for another form of payment for the total amount of the purchase.
5. The receipt will identify the FSA-eligible items and may also show a subtotal of the FSA-eligible purchases. Keep your receipts if further validation is needed by HealthSmart.

NOTE: When using the card at a vision, dental, or medical provider, the service diagnosis and procedure code is not passed to HealthSmart. As such, these services may require additional validation.

Q: What if participants lose their receipts or accidentally swiped the Benefit Card for something that's not eligible?

A: Usually the service provider can recreate an account history and provide a replacement receipt. If a receipt cannot be located, recreated, or if the expense is ineligible for reimbursement, the participant can repay the amount so it can be credited back to the participant's FSA account.

Q: May participants use the Benefit Card if they receive a statement with a Patient Due Balance for a medical service?

A: Yes. As long as they have money in their account for the balance due, the services were incurred during the current plan year, and the provider accepts debit cards, participants can simply write the card number on their statement and send it back to the provider.

Q: How do participants know how much is in their account?

A: They can visit the Member Login site and view their account activity and current balance. Or, they can call HealthSmart at the phone number on the back of the card to obtain their current balance. Participants should be aware of their account balance before making a purchase with the card.

Q: What if participants have an expense that is more than the amount left in their account?

A: By checking their account balance participants will have a good idea of how much is available. When incurring an expense that is greater than the amount remaining in their account, participants may be able to split the cost at the register. (Check with the merchant.) For example, participants may tell the clerk to use the Benefit Card for the exact amount left in the account, and then pay the remaining balance separately. Alternatively, participants may pay by another means and submit the eligible transaction manually, online, with the appropriate documentation.

Q: What are some reasons that the Benefit Card might not work at point of sale?

A: The most common reasons why the card may be declined at the point of sale are:

1. The participant has insufficient funds in his or her employee benefit account to cover the expense; even minimal amount will cause the card to decline.
2. The participant is attempting to purchase non qualifying expenses. (Remove non eligible expenses and ask the merchant to retry the card).
3. The merchant is encountering problems (e.g. coding or swipe box issues).
4. The provider you are purchasing from does not have an inventory control system in place or does not have the correct merchant code.
5. You are purchasing an over-the-counter medication that requires a prescription and one was not presented to the merchant; or the merchant does not have the appropriate prescription matching system.

Q: Is the participant responsible for charges on lost or stolen Benefit Cards?

A: If HealthSmart and the issuing bank are notified within 30 days, the participant will not be responsible for any charges. If the notification is after 30 days, the participant may be responsible for the first $50 or more. Replacement cards are issued with a replacement fee per card which will be deducted from the participant's eligible FSA funds.

Q: Can a participant use the Benefit Card to access last year's funds in the New Year?

A: The IRS allows for a grace period in the current year to use up funds carried over from the prior year. You may call HealthSmart to determine if your plan offers a grace period. During a grace period the participant's card will utilize funds from the previous plan balance before utilizing funds from the new plan year.

If your company does not have the grace period, then once the plan year ends, any balance left in the account can be obtained by submitting a claim form with proper documentation for services incurred in the previous plan year. Your company will have a limited time period in the new plan year to submit a claim. Once that time period has ended, any funds left in the account may be forfeited.

Q: How will a participant know to submit receipts to verify a charge?

A: The participant will receive an email or letter from HealthSmart if there is a need to submit additional documentation. All receipts should be saved per the IRS regulations.

Q: What if participant fails to submit receipts to verify a charge?

A: If receipts are not submitted as requested to verify a charge made with Benefit Card, then the card may be suspended until receipts are received. The card will remain suspended until HealthSmart receives repayment or documentation. Submitting a receipt or repaying the amount in question will allow the card to become active again.

Q: What documentation MAY be required when a participant utilizes their Benefit Card?

A: It is highly recommended that participants keep all receipts should additional information be required. IRS regulations require benefit card transactions be substantiated with your provider itemized statement or Explanation of Benefits. Simply submitting a credit card receipt does not satisfy this requirement. The IRS requires the following validating information for a transaction to be considered eligible:

- Name of the service provider or place of purchase
- Date(s) the service was incurred
- Name of the individual for whom the service or expense was provided
- Detailed description of the service or expense provided (referred to as type of service)
- Amount or cost of the service or expense
- Provider Tax ID and Signature (for Dependent Care FSAs only)
- Drug name and Rx number for prescriptions
- Over-the-counter medicines or drugs with cash register receipt showing FSA eligible

NOTE: Failure to provide required documentation will result in suspension of your Benefit Card causing the sale to be declined at the point of sale.

Over-the-Counter Medications

Due to the 2020 Cares Act ruling, some OTC medicines and drugs no longer require a Letter of Medical necessity or prescription. Refer to page 8 for the items that will still require a Letter of Medical necessity or prescription.

Medical Service Providers

The Benefit Card has category codes to identify the type of business done by merchants accepting their cards. One of these category codes is for Medical Service Providers, which includes pharmacies, hospitals, doctors' offices, and other health care facilities.

Exception: HealthSmart will auto-approve transactions that match your plan's co-payment amounts (up to multiples of five), reoccurring expenses from previously approved transactions.

HealthCare FSA
Annual Expense Worksheet

Health Care Flexible Spending Account

Please refer to the enrollment material for a summary list of qualified medical expenses eligible under your employer's plan. For a full description of the FSA plan, refer to your employer-provided summary plan description.

Due to the 2020 Cares Act Ruling, Over-the-counter (OTC) medicines or drugs are eligible for reimbursement.

Annual Medical Expenses, such as:	
Deductibles & coinsurance	$ __________
Medical office visit co-payments	$ __________
Routine physical exams	$ __________
Hearing exams, hearing aids	$ __________
Prescription drugs	$ __________
Weight loss program (prescribed by Doctor)	$ __________
Other eligible expenses	$ __________
Dental expenses, such as:	
Fillings, crowns, fixed bridge, or other restorative expenses	$ __________
Braces, spacers, and retainers	$ __________
Wisdom teeth or oral surgery	$ __________
Treatment exceeding your plan's limits	$ __________
Vision care expenses, such as:	
Exams	$ __________
Eyeglasses, contact lenses	$ __________
Lasik or other corrective eye surgery	$ __________
Non-prescription reading glasses	$ __________
Prescribed sunglasses	$ __________
Estimated Annual Expenses Total	$ __________

Dependent Care Reimbursements

When submitting a Dependent Care Reimbursement Claim, complete a claim form. If Part 2 of the claim form is not completed and signed by your daycare provider, attach a fully itemized statement with the date(s) of service, description of service, provider's name and Tax ID number or SSN and the amount due. Claims should not be submitted until after the dependent care services have been incurred. You will be reimbursed for your claim in full only if there are sufficient funds in your account. Otherwise, you will receive reimbursement for the amount in your account and the remainder of your claim will be pended and automatically paid as you make additional payroll deposits to your account. Claim forms are available online at https://healthsmart.wealthcareportal.com

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Any documentation submitted to HealthSmart for reimbursement of dependent care expenses is required by the IRS to the following information:

- Dates of service (must already be incurred)
- Dollar amount paid
- Name of day care provider
- Provider's Tax ID number
- Dependent's names and date of birth

NOTE: If a dependent care statement is unavailable, a signature from the provider with their Tax ID/Social Security number on the claim form is sufficient.

The following forms of documentation are always unacceptable for substantiation:

- Provider statements that only indicate the amount paid, balance forward or previous balance
- Credit card receipts
- Bills for prepaid dependent care/medical expenses where services have not yet occurred
- Handwritten receipts
- Generic receipts

Be sure to keep copies of your submitted claims and supporting documentation.
Documentation received by HealthSmart will not be returned.

You will have **90** days following the end of the plan year to submit claims incurred during the plan year. Termination of employment may affect your eligibility for this program (*refer to the General Provisions portion of this packet*).

Dependent Care FSA FAQs

Q: What is the difference between a Medical (Health Care) FSA and a Dependent Care FSA?

A: Dollars from a Medical FSA can only be used for qualified out-of-pocket medical expenses, including deductibles, copays, prescriptions, and over-the-counter supplies. Dependent Care FSA dollars can only be used for child care services for your dependents who are younger than thirteen years of age or adult dependents who are unable to care for themselves.

Q: What is the maximum amount I can contribute to a Dependent Care FSA?

A: The current maximum amount that can be contributed to a Dependent Care FSA is $5,000 for a married couple filing taxes jointly, or for a single person filing as head of household; or $2,500 for a married couple filing taxes separately.

Q: What funds are available to me on the first day of the plan year?

A: Unlike Health Care FSA funds, Dependent Care FSA funds are not available on the first day of the plan year. The only funds available at any time are the dollars that have already been set aside (already deducted from your paychecks) and are in the account. Advance reimbursements from your Dependent Care FSA are not allowed.

Q: What happens if my child turns 13 during the plan year? Can I use the funds in my Dependent Care FSA account for the entire year?

A: No. You will only be reimbursed for eligible child care expenses incurred before your child's 13th birthday. However, you may adjust your elections by filing for a Qualified Change in Status.

Q: Can I use my Dependent Care FSA for domestic partners and their dependents?

A: No. You can only use your money in your Dependent Care FSA for eligible dependents on your Tax Return.

Q: If I participate in a Dependent Care FSA, will I still be able to claim the dependent care tax credit on my federal income tax status?

A: No. If you participate in the HealthSmart Benefits Solutions Dependent Care FSA plan, you are not allowed to claim any other dependent care tax benefits for the tax-free amounts you receive through this plan. However, you can claim expenses not reimbursed through your FSA.

Q: What happens if I terminate employment during the plan year?

A: Please check with HealthSmart at 844-516-3658 or see the plan rules on your member login site for how you should file claims after termination.

Q: What happens if I submit a claim for an amount greater than what I have in my Dependent Care FSA account at the time?

A: If you submit a claim for an amount greater than what you have in your Dependent Care FSA account at the time, the portion of the claim that is above the amount you have in your account will remain 'pending' until funds are available from future contributions.

Q: If I pay my dependent care provider in advance of the services, can I file my claim after I pay?

A: Yes. Only charges that have been fully incurred can be distributed for reimbursement.

Q: What does "incurred" mean?

A: Incurred is defined by the IRS as the date(s) that the services are provided. Expenses are not considered to be provided at the time you are billed. That means for Dependent Care FSAs, if you pay for services in advance, you cannot claim the expenses until you receive services. For example, if you pay for services in advance, if you pay January's expenses at the beginning of the month, you cannot be reimbursed until the end of January when all the services have been received.

Q: Do Kindergarten charges qualify as Dependent Care FSA expenses?

A: No. Expenses for education do not qualify as Dependent Care expenses. However, if you are charged for after care for the portion of the day that your child attends the school for care, this charge does qualify as a Dependent Care expense. Your provider must provide you with documentation for the charges for the portion of the day that is specifically for care.

Q: Do summer camps that include an overnight stay qualify as Dependent Care expenses?

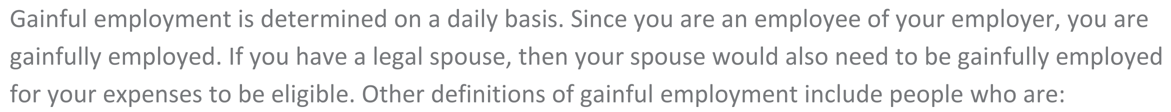
A: No. Expenses that include overnight care are not qualified expenses. The charges cannot be prorated to include the portion that was for care during the day while you were working.

Q: Do charges for food, transportation and activity fees qualify as Dependent Care Expenses?

A: No. Only charges for care qualify as Dependent Care expenses. Separately billed charges for food, transportation and activity fees do not qualify.

Q: What does "gainfully employed" mean?

A: One of the requirements for you to receive reimbursements from a Dependent Care FSA is that the expense is incurred allowing you and your spouse to be gainfully employed. This mean that you are working and earning an income. You are not considered gainfully employed during paid vacation time or sick days.



Gainful employment is determined on a daily basis. Since you are an employee of your employer, you are gainfully employed. If you have a legal spouse, then your spouse would also need to be gainfully employed for your expenses to be eligible. Other definitions of gainful employment include people who are:

- Unemployed but actively seeking work; or
- Self-employed; or
- Physically or mentally not capable of self-care; or
- Full-time students.

Dependent Care FSA Annual Expense Worksheet

Dependent Care Flexible Spending Account

You can use the Dependent Care FSA to help pay your expenses for nursery school or daycare for younger children, disabled older children, a spouse, an elderly parent, or a disabled parent who lives with you full-time.

Each person must meet the definition of a "qualifying" child or dependent under the IRS Child and Dependent Care Credit guideline [i.e., an eligible child must be under age 13 (unless disabled and has less than $3,800 gross income) when care was provided and claimed as a dependent on your tax return].

Annual Dependent Expenses for:	
Day Care Center(s) for Child Care	$ __________
In-home Care for Child Care	$ __________
Nursery and Pre-School	$ __________
Before/After School Care	$ __________
Summer Day Camps	$ __________
Day Care for a Disabled Adult or Child	$ __________
In-home Care for a Disabled Adult or Child	$ __________
Elder Care	$ __________
Estimated Annual Expenses Total	$ __________

Eligible and Non-Eligible Dependent Care Expenses

Eligible Dependent Care Expenses	Non-Eligible Dependent Care Expenses
Amounts Paid for Child and Dependent Care if you and your Spouse are gainfully employed. (If spouse is not employed, must be looking for work or a FT student).	Amounts Paid for Child and Dependent Care if you or your spouse are off work due to illness, injury, vacation or leave of absence – including maternity leave.
Before and After School Expenses for children under the age of 13 Summer Day Camp Expenses Daycare Center Elder Care	Boarding Schools Charges for Food, Diapers, Clothing or Supplies Fees for Extracurricular Activities (i.e. gymnastics, swimming, dance) Full and Half-Day Kindergarten Nursing Homes Summer Sleep-Over Camps Transportation to/from Dependent Care Location