

MIAMI UNIVERSITY

FLEXIBLE SPENDING ACCOUNT (FSA) FREQUENTLY ASKED QUESTIONS

How do employees benefit from participating in a Flexible Spending Account?

FSAs benefit employees by allowing them to pay for certain healthcare and dependent daycare expenses with pre-tax dollars. Each dollar that goes into the plan is free from federal and state taxation.

How do employees participate?

Each eligible employee elects whether or not to participate in the plan and how much to contribute. Elections are made within 31 days of your hire date (or benefits-eligible date) and/or during the annual open enrollment period. Elections are made for the entire plan year (January 1 – December 31). This annual election is divided into equal installments and is payroll deducted pre-tax each pay period. Participants can then submit requests and receive reimbursements for approved expenses incurred throughout the plan year.

Can participants change elections during the plan year?

Once an employee is enrolled, the elections made cannot be changed during the plan year unless there is a qualifying event (i.e. change in marital status or change in number of dependents). Qualifying events are determined by the employer.

What are the annual election limits?

The Healthcare FSA has an annual limit of \$3000 and the Dependent Care FSA has an annual limit of \$5000. Please refer to the Chard Snyder website at <http://chard-snyder.com/fsa1.asp> for additional limits on the Dependent Care FSA.

How do participants receive reimbursements?

Participants can fax, email or mail claim forms and supporting documentation to Chard Snyder. Supporting documentation can be a receipt, a bill, an explanation of benefits summary and/or any documentation that provides the date of service, the type of service and the amount. After the claim has been reviewed and the expense approved, payment is then issued to the employee via direct deposit or a check. Claims are processed daily and payments are issued at least once per week. Expenses can also be paid using a Benny™ Prepaid Benefit Debit Card. Please refer to the Chard Snyder website for more information on the Benny™ card.

What is an eligible expense?

An eligible expense is any healthcare or dependent daycare expense approved by the IRS for reimbursement through the plan. These eligible expenses are often the same expenses allowed for income tax return deductions. Please note that expenses reimbursed through an FSA cannot be itemized and resubmitted through an income tax return. Eligible expenses include items and services incurred by the participant, their spouse and any eligible dependents. A list of eligible expenses can be found on the Chard Snyder website.

What happens to funds at the end of the plan year?

Any unused amounts left in the accounts at the end of the plan year cannot be carried over into the next plan year. These funds are forfeited and are not available for reimbursements. Participants have a grace period of 2 ½ months to allow for time to submit all claims. Services must be rendered prior to March 15th of the following year and submitted by March 31 to avoid forfeiture.