

# Making the most of your plan!

Flexible Spending Account - Limited



Middlebury College



  
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# Making the Most of Your Cafeteria Plan



## Cafeteria Plan:

A pre-tax reimbursement plan regulated by IRS Section 125. A Cafeteria Plan allows an employer to select a variety of reimbursement options and assistance programs as pre-tax benefits for employees.

## Be Ready When Life Happens

It's that time of the year when you have the opportunity to choose the best health benefits for you and your family.

You work hard for your paycheck and your employer wants you to keep as much of it as you can. That's why your employer has established a Cafeteria Plan. A Cafeteria Plan is often referred to as a Flexible Spending Account or an FSA. A healthcare FSA allows you to set aside money for non-reimbursed healthcare expenses on a pre-tax basis. A dependent daycare FSA allows you to do the same for dependent daycare expenses. As you incur healthcare and/or dependent daycare expenses throughout the year, you can get reimbursed with tax-free dollars from your spending account.

With an FSA, every dollar you set aside saves you taxes and increases your spendable income. You elect to have your annual contribution deducted from your paycheck each pay period, in equal installments throughout the year – before federal income, state income (in most cases) and Social Security taxes are taken out. So, when tax season rolls around you won't be taxed on the amount you set aside in your FSA.

# \$675

is the amount the average family of four in the U.S. can expect to save by enrolling in an FSA.

Out-of-Pocket Expenses	Annual Average	Taxes Saved (27% Tax Bracket)
Physician	\$820	\$221
Inpatient Hospital	\$730	\$197
Pharmacy	\$540	\$146
Outpatient Hospital	\$310	\$84
Other	\$100	\$27
<b>Total</b>	<b>\$2,500</b>	<b>\$675*</b>

The example above illustrates healthcare related expenses the average family of four can expect to pay for office visits, prescription copayments, dental work, new glasses, or an unexpected hospital stay. If that \$2,500 were put into an FSA before taxes, the family could **save over \$675!**

\*The amount you save in taxes with a Flexible Spending Account will vary depending on the amount you set aside in the account, your annual earnings, whether or not you pay Social Security taxes, the number of exemptions and deductions you claim on your tax return, your tax bracket and your state and local tax regulations. Check with your tax advisor for information on how participation will affect your tax savings.



**IMPORTANT:** You must re-enroll in the Healthcare and Dependent Daycare FSAs each year. You must use all of your contributions each year or risk losing these funds. Be sure to review this information carefully before enrolling in the plan.

## Start Saving - Sign-up Today!

To get you started, we've prepared a few simple worksheets to help you plan your FSA contributions. You will find worksheets enclosed or you may use the interactive planning tool at [www.myCafeteriaPlan.com](http://www.myCafeteriaPlan.com).

The key to getting the most from your FSA is to maximize your contributions based on the expenses you expect to incur during the plan year.

1. Review the list of eligible expenses on the myCafeteriaPlan website.
2. Review your healthcare expenditures from last year.
3. Make a list of any eligible expenses you anticipate during the plan year.
4. Be sure to include insurance plan deductibles
5. Estimate your cost for each of these expenses. The total of your estimates is what you should contribute to your FSA.

# The Details of Your Cafeteria Plan



## How much money can I put into the plan?

For each account (Healthcare or Dependent Daycare), there is an annual election limit.

### Annual Election Limits

Type of Account	Annual Election Limit
Healthcare FSA	\$2,750
Limited FSA	\$2,750
Dependent Daycare FSA	\$2,500 or \$5,000*

\*The limit for a Dependent Daycare FSA is determined by your tax filing status and is either: \$2,500/tax year for Married Filing Separately; or \$5,000/tax year for Single Head of Household or Married Filing Jointly. Please note: if your spouse is a participant in the same or another cafeteria plan, the total of your Dependent Daycare FSA elections cannot exceed \$5,000 for the tax year.

## What is a Limited FSA?

If you or your spouse are contributing to an HSA, due to IRS regulations, you can only have a Limited FSA.

A Limited FSA can be used to reimburse any out-of-pocket expenses related to dental and vision services covered by insurance, including copays and deductibles. Also included are dental, orthodontic and ophthalmologist's fees and expenses including prescribed treatments and maintenance (such as contact solution).

## Can I change my election during the plan year?

You can only change your election if you have a qualifying change of status event. Qualifying events include:

- A change in your legal marital status
- A change in the number of your dependents
- A change in your work schedule (hours worked)

To find out if a specific event qualifies as a change of status, visit [www.myCafeteriaPlan.com](http://www.myCafeteriaPlan.com) or contact a myCafeteriaPlan representative.

## When will I be reimbursed for claims I submit?

Any claims received by noon (12pm EST) Thursday will be processed (if eligible) the following day.

## What if there is money left in my account at the end of the plan year?

At the end of the plan year, after all eligible reimbursements have been made, any unused funds up to \$550 will rollover into the new plan year. Any unused funds in the Healthcare FSA or Limited FSA account over \$550 will be forfeited.

Any funds remaining in the Dependent Daycare FSA are forfeited.

In order to prevent the loss of funds, it is important to plan carefully so that your annual election matches your actual expenses as closely as possible. Only expenses incurred during the current plan year are eligible for reimbursement from current plan year funds.

Even if you enroll in an HSA in future years, the rollover monies can be maintained in the Limited FSA benefit.

# Planning for Your Healthcare FSA



## Eligible Expenses

Because FSAs are funded with pre-tax dollars, the IRS determines the expenses that are eligible for reimbursement. The list of eligible expenses is extensive and is updated often. If you are uncertain about whether or not an expense qualifies for reimbursement, you should verify its eligibility before incurring the expense. A current list of IRS-approved expenses can be viewed at [www.myCafeteriaPlan.com](http://www.myCafeteriaPlan.com).

Any out-of-pocket expenses that are related to services covered by insurance are eligible. These include:

- Copays, deductibles, prescription drug copays.
- Dental, orthodontic and ophthalmologist's fees and expenses including prescribed treatments and maintenance (such as contact solution).
- Chiropractic fees and expenses.

In general, any treatment for a specific medical condition is reimbursable; cosmetic or general health expenses are not. For example, teeth-whitening and multi-vitamins are not eligible, but prescription sunglasses would be eligible.

**Insurance premiums are not eligible for reimbursement.**

The Limited FSA only reimburses eligible dental and vision expenses.

## List of Eligible Expenses

This list is NOT comprehensive and is intended only as a guide to reimbursable expenses. To find out about specific items visit [www.myCafeteriaPlan.com](http://www.myCafeteriaPlan.com) for more information.

### Healthcare Expenses Allowed

- Acupuncture
- Ambulance
- Chiropractors' Fees
- Coinsurance
- Contacts/Lens Solution
- Copayments
- Crutches
- Dentists' Fees
- Dentures
- Diabetic Supplies
- Eye Exams/Glasses
- Fees Associated with Organ Donations
- Guide Animals (Purchase, training & care)
- Hearing Aids/Batteries
- Immunizations/Vaccinations
- Insulin
- Laboratory Fees
- Language Training for Disabled Person
- Laser/Lasik Eye Surgery
- Obstetrical Fees
- Physical therapists' Fees
- Prescription Drugs
- Radial Keratotomy
- Routine Physicals
- Skilled Nurses' Fees
- Smoking Cessation Treatments & Prescriptions
- Treatment for Substance Addiction
- Transportation Expenses (for Medical Reasons)
- Wheelchair

### Healthcare Expenses Not Allowed

- Cosmetic Surgery
- Dietary and Nutritional Supplements
- Electrolysis
- Exercise Equipment or Programs
- Food for Weight Loss Programs
- Hair Removal
- Hair Transplant
- Health and Beauty Aids
- Herbs and Herbal Treatments
- Insurance Premiums
- Massage Therapy to Relieve Stress or Depression
- Teeth Whitening
- Varicose Vein/Spider Vein Treatments
- Vitamins
- Expenses already reimbursed by another form of insurance
- Expenses incurred prior to or after the end of the claim period

## Healthcare FSA Worksheet

Eligible Healthcare FSA Expenses	Annual Amount
Medical Expenses	\$
Dental Expenses	\$
Vision Care Expenses	\$
Prescription drugs	\$
Other Items	\$
<b>Total Annual Healthcare FSA Expenses</b>	<b>\$</b>





# Planning for Your Dependent Daycare FSA



## What expenses are eligible for reimbursement from a Dependent Daycare FSA?

- Preschool
- Daycare
- Before and After Care
- Summer Day Camp
- Nanny

## Important Information Required When Filing Dependent Daycare Claims

- Provider's Name and Taxpayer Identification Number (TIN) or Social Security Number (SSN)
- Dependent's age
- Description of Service
- Dates of Service

## Who is considered a dependent?

Only children under the age of thirteen or adults or children over the age of thirteen who are incapable of self-care are considered dependents. In addition, the dependent must reside with the participant for the majority of the year in order to be eligible for coverage under the Dependent Daycare FSA.

\*To be eligible for a Dependent Daycare FSA, a participant must be employed and, if married, the participant's spouse must also be employed. A change in employment status for either the participant or the participant's spouse may result in a change in or loss of eligibility.



**TIP:** If the completed claim form is signed by the provider, no other documentation is necessary (the information on the claim form itself is sufficient).

## Dependent Daycare Expenses Not Allowed

- Tuition and expenses from grade K-12 schooling
- Expenses incurred prior to or after the end of the plan year

## Is my entire Dependent Daycare election available from the start of the plan year?

Only the amount that has been deducted from your paycheck minus any previously reimbursed claims is available for reimbursement.

If you submit a claim that is larger than your available balance the claim will continue to be reimbursed as payroll deductions occur, until the claim has been reimbursed in full or your annual election has been reached.



## Dependent Daycare FSA Worksheet

Eligible Dependent Daycare Expenses	Annual Amount
Licensed Daycare Facility	\$
Preschool Program	\$
After-school Program	\$
In-home Child & Dependent Daycare Services	\$
Other Eligible Expenses as defined by IRS	\$
<b>Total Annual Dependent Daycare Expenses</b>	\$

# Discover the Flex Card



A Flex Card is a stored value card that reflects the balance of your Healthcare and/or Dependent Daycare Flexible Spending account. Once you swipe your card at the point of purchase, choose “Credit” or “Debit” on the keypad.

Choosing “Credit” will require only your signature. Choosing “Debit” will require you to enter your PIN. When the Flex Card is swiped, the funds are withdrawn from your account.

## How do I benefit from using a Flex Card?

Using a Flex Card eliminates the time spent waiting on reimbursement checks. This allows you to bypass the inconvenience of restricted cash flow arising from the “lag time” between the expense and the reimbursement. However, you will be asked to document your expense after using the card if the amount doesn’t match a copay or is not a prescription.

## Will I still need to keep my documentation?

You should always keep your documentation, regardless of eligibility for automatic approval. According to IRS regulations, each Flex Card transaction needs to be verified for eligibility in the same way that paper claims are verified. If a transaction cannot be automatically approved as allowed by the IRS, myCafeteriaPlan will request follow up documentation.

## What is a “documentation request?”

A documentation request is a notice that supporting documentation is needed to verify transactions that have occurred.

When you receive a document request, **please respond immediately**. Gather all supporting documentation for each transaction listed and submit it along with the reminder letter. Failing to respond could result in your Flex Card being temporarily placed on hold.

Automatically approved transactions will not be included in the notice.



## Will I be asked to document all the expenses paid with the card?

We automatically approve as many flex card transactions as possible, as allowed by the IRS. If we are unable to automatically approve a transaction, you will receive a notice requesting documentation. To avoid receiving notices, only use your card for copays with your employer’s benefit plan, prescriptions, and at Inventory Information Approval System (IIAS)\* approved merchants.

Remember, the IRS doesn’t consider all services or products provided by doctors, dentists, dermatologists or eye doctors to be eligible pre-tax expenses.

\*To learn more about IIAS and find out what stores qualify, you may access <https://www.sig-is.org/>.

## What happens if I use my Flex Card for an ineligible expense?

If the transaction is ineligible or lacks the necessary documentation, you will be notified of the transaction and the amount of time you have to respond. You may either repay the plan or submit substitute documentation. At the end of that period, if the expense has not been approved or repaid, either a payroll deduction for that amount will be taken by your employer, or your Flex Card will be temporarily placed on hold. You will be notified of any payroll deductions by your employer.

## What if my card is lost or stolen?

If your card is lost or stolen, you can order replacement cards online by logging into your account at [www.myCafeteriaPlan.com](http://www.myCafeteriaPlan.com). You can also call myCafeteriaPlan. Cards are issued in pairs. There is a \$5 fee for each pair of cards issued, which is deducted directly from your account.



**TIP:** Only use your card for expenses incurred in your current plan year. For example, if you receive a bill in January for services performed in December, don’t use your card to pay the balance.

# How to File a Claim



## STEP ONE >>

1. Confirm that the expense is eligible to be reimbursed.
2. Gather all documentation and/or explanations of benefits (EOB).
3. Be sure the documentation you submit includes:
  - Provider Name and Address
  - Patient/Dependent Name
  - Description of Service
  - Date of Service
  - Amount Charged
4. Submit copies of all documentation. Keep originals for your files.



## STEP TWO >>

Choose **ONE** method below to submit your claim



### Web

1. Go to [www.mycafeteriaplan.com](http://www.mycafeteriaplan.com) - log in to your account. Click the "File A Claim" link.

2. Enter your claim.

Once you are finished, read the terms & conditions and click "submit."



### Mobile

1. Go to [www.mycafeteriaplan.com/mobile](http://www.mycafeteriaplan.com/mobile) to install the app on your smartphone.

2. Log into your account using the mobile app and select the "File A Claim" link from the main screen.

3. Enter the claim information and attach the picture of your documentation.

4. Once you are finished, click "Submit."



### Mail/Fax

1. Complete the claim form you received from your Human Resources department or download the form from your online account at [www.mycafeteriaplan.com](http://www.mycafeteriaplan.com). After logging into your account, go to the "Tools and Support" tab.

2. Print and sign your claim form.

3. Attach supporting documentation.

4. Fax your claim and copies of supporting documentation to: **937-865-6502**

OR

Mail your claim to: **myCafeteriaPlan, Attention: Claims**  
**432 East Pearl Street, Miamisburg, OH 45342**



# More Information



## Tracking Your Account(s) Online

Go to [www.myCafeteriaPlan.com](http://www.myCafeteriaPlan.com) and click on the “Participant” button, then click the link under **New User** to set up your account.

Once you’ve logged in to your account, you’ll be asked to answer a few short security questions and create your password.

You can also check your account balance(s) and see the status of any claims you have submitted.

In addition to 24-hour account access, myCafeteriaPlan’s comprehensive website provides downloadable claim forms, answers to frequently asked questions (FAQ pages), and detailed information about cafeteria plan rules and claim submission. Visit the Employee Home page at [www.myCafeteriaPlan.com](http://www.myCafeteriaPlan.com) for answers to all of your cafeteria plan questions.

## Contact Us!



**Online:** [www.myCafeteriaPlan.com](http://www.myCafeteriaPlan.com)

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