

## Medford Lakes Board of Education

### Flexible Spending Account FAQ's

#### **How Does A Flexible Spending Account (FSA) Work?**

Each year, eligible employees have the opportunity to enroll in the Medical and Dependent Care Flexible Spending Accounts offered by the Medford Lakes Board of Education. Flexible Spending Accounts allow you to use pre-tax dollars to pay for eligible unreimbursed medical and dependent care expenses.

If you participate, you will elect to have a specified amount of pre-tax money deducted from your paycheck each pay period. These dollars are subtracted from your gross earnings before taxes and put into a flexible spending account. Once enrolled, you will be issued a debit card to access funds in your Flexible Spending Account. Present your card at the time of payment to make qualified purchases for medical goods and services, as well as dependent day-care services. Alternatively, you may submit a receipt for a qualified expense, and be reimbursed from this account.

#### **Why Participate in an FSA?**

The bottom line: FSAs save you money. The contributions you make to an FSA are deducted from your pay check on a pretax basis –before federal income, social security, and most state taxes. The end result of your FSA contributions is a lower taxable income, and a tax advantaged vehicle to pay for out-of-pocket healthcare expenses. There's really no reason to forgo an FSA. Everyone has some type of out-of-pocket healthcare expenditures –thus, an opportunity to save! FSAs help you:

- Reduce taxable income –Contributions lower your reported annual income, resulting in lower taxable wages
- Save on healthcare expenses –Using pre-tax funds to pay out-of-pocket healthcare expenses can save you hundreds
- Offset rising healthcare costs and individual financial responsibilities

#### **Who is Eligible to Participate?**

All employees are eligible to participate, even if you have waived the health benefits available to you through the school.

#### **How Much Can I Contribute?**

The maximum you can contribute to the Medical Flexible Spending Account in 2019 is \$2700.

The maximum you can contribute to the Dependent Care Flexible Spending Account in 2019 is:

- \$5,000 for a married couple filing jointly
- \$5,000 for a single parent
- \$2,500 for a married person filing separately

## **Rollover Feature for the Medical FSA**

Knowing that many employees have concerns over losing any unused dollars at the end of the Medical FSA plan period, Medford Lakes Board of Education allows employees to carry over up to a maximum \$500 of unused funds into the next plan year. The rollover applies only to the Medical FSA.

## **The Use It Or Lose It Rule**

If you contribute dollars to a reimbursement account and do not use all the monies you deposit, you will only be able to carry over up to \$500 into the next plan year. Any additional monies above the \$500 rollover you will lose at the end of the eligible claims period. This rule exists because the IRS has established strict guidelines for plans with tax advantages. Estimate carefully the amount you want to contribute to your FSA, and only contribute dollars you're confident will be used before the end of the eligible claims period. If you need assistance, representatives are available to help you in determining what amount you should contribute.

## **When Do I Need to Use the Funds By?**

The FSA plan year is January 1st to December 31st. Participants may carry up to \$500 into the next plan year.

## **When Do The Contributions Begin?**

Contributions will begin with your first pay period in January. Contributions will be divided among 20 pay periods.

## **Medical FSA Eligible Expenses**

A medical FSA is used to pay for healthcare expenses that are not covered under your medical or other insurance plan. The IRS determines what expenses are eligible for reimbursement under a medical FSA. Common expenses that are eligible include; co-pays, deductibles, prescriptions, vision and dental expenses. In order to be eligible the expenses must:

1. Be for medical care.
2. Be incurred by you, your spouse or your eligible dependents.
3. Be incurred during the period of coverage.
4. Not be reimbursed by any other source. (Per IRS regulations, qualified medical expenses are not paid for or reimbursed for under any other health plan coverage.)

Some examples of ineligible expenses include teeth whitening and all cosmetic procedures.

## **Over the Counter Medications**

The cost of an over-the-counter medicine or drug cannot be reimbursed from Flexible Spending Arrangements unless a prescription is obtained. This does not affect insulin, even if purchased without a prescription, or other health care expenses such as medical devices, eye glasses, contact lenses, co-pays and deductibles.

Please note: Insurance premiums and long term care expenses are not eligible for reimbursement.

#### What Expenses Fall Under the Dependent Day Care FSA?

Common expenses that are eligible include; daycare facilities, after school programs, summer day camp, and in home babysitters. In order to be eligible the expenses must:

- Be for employment related expenses.
- Be incurred to allow you and your spouse (if applicable) to be gainfully employed.
- Be for your child who is under the age of 13 or for your spouse or tax dependent who lives in your home and is incapable of self-care.

#### **What if I want to make a change to my DCSA or MFSA election?**

The latest set of cafeteria plan regulations develops a process for determining if a participant is allowed to make a change to their election during the plan year. A change in status must have occurred. A change in status has occurred if the event falls into one of the following categories:

- Change in provider (DCSA only)
- Change in cost of day care (DCSA only)
- Change in legal marital status
- Change in number of dependents
- Change in employment status
- Change in work schedule (increase or decrease in hours)
- Dependent satisfies (or ceases to satisfy) requirements for eligibility

**The participant's election change must be consistent with the status change event. A change is consistent with the event for Medical Flexible Spending Accounts if the following occurs:**

- The employee, spouse, or dependent is gaining or losing eligibility for health FSA coverage.
- The election change corresponds with that gain or loss of coverage.

#### **What Happens If My Employment Ends During the FSA Plan Year?**

Terminated employees may only submit eligible FSA claims that incur during their time of employment. (Please note, if you are eligible for and elect COBRA, you may also elect to continue with your FSA contributions on a self-pay, after tax basis for the remainder of the plan year. Please see the Summary Plan Document for further detail).

#### **FSA Administrator – Flex Facts**

Flex Facts is the administrator for the Medical and Dependent Care FSA accounts for the school district.

Contact Information for Flex Facts:

-Phone: (877) 94-FACTS(32287)

-Fax: (877)747-8564  
-Email: support@flexfacts.com  
-Website: [www.flexfacts.com](http://www.flexfacts.com)  
-Flex Facts, 1200 River Ave, Suite 5C, Lakewood, NJ 08701

You can also access your account information between 8:30 AM and 8:30 PM by calling 877-94-FACTS (877-943-2287).

Claim Processing– Please note that you should retain all of your receipts. The IRS requires that the administrator request copies of receipts for certain claims. If you are required to send in receipts an e-mail or letter will be sent to you the business day after you use your card. If you are not able to use your card at the point of service you can file a claim online, by fax or by mail.

To file electronically log into your Flex Facts FSA account, click on the Request Reimbursement link under My Accounts on the top left hand side of the screen then follow the on-line instructions.

To file via fax or mail complete a Claim Form and send it along with a copy of the EOB to: Flex Facts Claims Department, 1200 River Ave, Suite 5C, Lakewood, NJ 08701, Fax 877-747-8564

Manual claims are reimbursed via direct deposit or manual check. To speed up the reimbursement process please sign up for direct deposit.

For a Flex Facts Claim form, please refer to the FSA section of your group's BenePortal site.

### **Accessing Your Account On-Line**

Once your enrollment is received and entered into the system you will be able to access your account information on-line:

1. Go to [www.flexfacts.com](http://www.flexfacts.com)
2. Click on the Participant Login button on the top right hand side of the screen.
3. Your first time logging into your account you will have to click on the Create Account button.
4. Enter in the information requested. You will need the following information

Your Employee ID which is your **Social Security Number**

Your Medford Lakes BOE Employer ID number- **GBSMELBOE**

5. Set up your username and password.

Note that your password must be at least 7 characters long and include at least one number and one letter. Once you log into your account you can access your account information including balances and claims history.

You can also access your account information between 8:30 AM and 8:30 PM by calling **877-94-FACTS (877-943-2287)**.