

# Indiana Regional Medical Center

## Flexible Spending Accounts FSA Employee Overview

**Plan Dates**  
**July 1, 2022 to**  
**June 30, 2023**

**Prepared By:**



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# Flexible Spending Account (FSA)

## What is a FSA Flexible Spending Account?

An FSA allows you to set aside wages from your gross pay BEFORE taxes are taken. Your non-taxed wages are made available for you to use on eligible medical expenses for you, your spouse and eligible dependents up to age 26. As explained below, FSA funds can be used for medical expenses like Doctor Co-Pays, Health Insurance Deductibles, Prescriptions/Rx's, Dental and Vision costs, plus much more.

## What is the Maximum FSA Amount I can Elect?

Under your FSA plan, the Maximum Annual FSA Election allowed is **\$2,850.00** 100% of your FSA Election will be available day one of your plan year.

## What Expenses are Covered by an FSA?

Eligible FSA health care expenses are those medical, dental, and vision care expenses. Generally, IRS rules state that medical care includes items and services that are meant to diagnose, cure, mitigate, treat, and/or prevent an illness or disease.

### ➤ Deductibles & Co-pay:

Expenses or costs such as health plan deductibles, doctor's & prescription co-pays, costs for out of pocket dental care and/or vision care.

### ➤ Over-the-Counter Medicines:

In 2011, the IRS began requiring Over-the-Counter (OTC) Drugs & Medicines (Except Insulin) will only be eligible for FSA reimbursement when prescribed by a physician.

## What is Dependent Care (DCAP) under a FSA

Dependent Care or DCAP is a separate account under an FSA Plan that allows a participant to set aside tax free contributions to pay dependent care expenses, such as: Child Care (at daycare centers, day camps, pre-school or private sitters), Before & After School Care & Adult Day Care expenses for care for elderly dependents.

Dependent Care accounts can reimburse eligible day care expenses for children UNDER age 13 and are dependents on your Federal tax return who are incapable of self-care. Dependent care expenses must be work related, your expenses must be incurred to allow you to work or look for work.

**A Dependent Care is considered a "Pay as You Go Plan"** Unlike the FSA's, Dependent Care is not "pre-funded" so Employees can only be reimbursed up to the amount they have contributed, per each payroll deduction made. Employees cannot be reimbursed for the full annual election on day one of the plan, as is with the Medical FSA.

- **Maximum Contribution for Dependent Care:** **\$2,500** Filing Single or Married Filing Separately **\$5,000** Filing Joint or Single Filing Head of Household

## Who's Health Care Expenses May I Include?

Under the FSA Plan, only the expenses of a participant, a spouse or a participant's dependents qualify. To qualify as a dependent, the person must be your dependent at the time health care expenses are provided. The dependent must also receive more than 50% financial support from the participant and have same principal residence.

## What Expense Dates can I include in my FSA?

You may include expenses that were incurred for services during the **Plan Dates of: July 1, 2022 to June 30, 2023**  
**Reimbursements are based on Date of Service, not Payment or Statement Dates**

## "Grace Period Ends" August 31<sup>st</sup>, 2023

Your plan has a '**Grace Period**' which extends the dates and allows extra time to incur expenses and use remaining FSA balances after the close of your plan year.

**August 31, 2023 is the last day you can incur and utilize any FSA 2022/2023 Plan Year funds**

## Run-Out Date August 31<sup>st</sup>, 2023

The '**Run-Out Date**' marks the last day for filing claims incurred during the plan year, If these claims have not been submitted by **8/31/2023**, these remaining funds will be forfeited under the IRS "Use It or Lose It" rule.

## Employees who may Resign or Terminate

\*Terminated employees have **30 days** to submit FSA claims, on a claim form, to C.H. Reams. These claims must have dates of service prior to the employee termination or resignation date in order to qualify for reimbursement.

## IRS Use It or Lose It?

Under IRS guidelines, if you contribute funds to an FSA Plan and have a balance remaining as of **September 1<sup>st</sup>, 2023** you will forfeit any remaining funds in your FSA account.

**What Health Care Expenses are ELIGIBLE and May be Reimbursed? (below is a partial list)**

Acupuncture	Diagnostic tests	Medical Alert (bracelet)	Prescription Drugs
Allergy shots & testing	Eye & Vision exams	23.5 per mile for Med Appt's	Psychiatric Care
Ambulance (Ground or Air)	Flu shots & Immunizations	Nursing services	Psychologist Care
Blind Services, equipment	Hearing Aids & Batteries	Obstetrical expenses	Smoking Cessation
Breast pumps for nursing	Home Health/Hospice Care	Operations & Surgeries	Speech Therapy
Chiropractor services	Hospital Expenses	Orthodontia & Braces	Ultrasounds
Contact Lenses & Eye Glasses	Insulin & Diabetic Supplies	Orthopedic services	Vision Correction
Co-Payments (Medical, Dental, Etc)	Lab Fees	Parking Fees for Med Appt's	Vaccinations
Dental Expenses	Laser LASIK Eye Surgery	Physical therapy (PT)	X-rays

**What Types of Services NOT-Eligible for FSA Reimbursement?**

ANY Cosmetic Procedures	Dental Bleaching	Hair Removal/Transplants	Special Beverage/Food
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**FSA Acceptable Over the Counter ELIGIBLE Items that Can be Purchased with FSA Card**

Bandages & Dressings	Contact Lens Solutions	Hot & Cold Packs	Sunscreens w/SPF+30
Blood Pressure Monitors	Diabetes Supplies & Insulin	Incontinence Supplies	Thermometers
Braces and Supports	Home Health Care/CPAP	Reading Glasses	Walkers & Wheelchairs

*(This is not a definitive list and is subject to changes as updates become available from the IRS)*

**Over the Counter (OTC) Medications do not require a Doctor Prescription to be Eligible for FSA in 2020.**

*Please Note: FSA Debit Cards MAY NOT work with some OTC Medications but you can submit on a paper claim form.*

Acid Controllers	Antibiotic Products	Digestive Aids	Pain Relievers
Anti-Diarrheal/Anti-Gas	Anti-Itch & Anti-Fungal	Hemorrhoid Preparations	Respiratory Treatments
Acne Med & Treatments	Cold Sore Remedies	Laxatives	Sleep Aids & Sedatives
Allergy & Sinus Products	Cough, Cold, Flu & Vicks	Nicotine Medications	Wart removal remedies

## How are FSA/DCAP Claims Reimbursed?

**When you incur Medical FSA expenses, you have 2 options for reimbursement:**



Connecting your Employee benefits with your wallet

**Option 1:** Use your mySourceCard® at any FSA qualified merchant that accepts MasterCard®. The card can be used to pay your doctor and dentist, hospital, pharmacy, opticians, vision care, chiropractors and other healthcare providers. If enrolled in DCAP, some Daycare Providers may accept as means of payment. The card will not work at restaurants, retail stores, gas stations, etc. Your FSA Approved Expenses are automatically deducted from your pre-tax FSA account without the hassle of submitting FSA Claim Forms or having to cash reimbursement Checks!

**Here are some of the advantages of the mySourceCard®**

- Instant Access to your FSA funds
- Payment goes directly to Provider from your FSA account
- No Need to Pay Cash Out of Your Pocket and submit claim
- A Card that handles FSA & Dependant Care (DCAP) charges
- Online access [www.MyRSC.com](http://www.MyRSC.com) for Account Balance & Transaction information
- **888-523-4308** Toll Free Number to check Balances and Transactions



**Option 2:** You can be reimbursed for FSA/DCAP expenses by submitting a paper claim with supporting documentation to your FSA Plan Administrator at C.H. Reams & Associates either by Fax, Email or Postal mail. Your FSA Plan Administrator will process the paper claims for reimbursement each Thursday and a reimbursement check will be mailed directly to your home. \*Dependent Care funds are only available as they are contributed per each payroll deduction.



It's Time to  
**Get Connected!**  
Your Debit Card Solution.

## FAQ's about MySource® Debit Cards

- **How does the card work?** Present your FSA *mySourceCard*® to a qualified FSA merchant or provider. The card is swiped and an authorization to pay will be issued. FSA funds for eligible expenses will then be transferred directly to the provider or merchant from your FSA Account through the MasterCard® network. *mySourceCard*® automatically sends you an email to notify you and give an updated FSA Fund Balance.
- **How does an individual activate the card?** Before using the card, the cardholder must activate the card by calling the number on the back of the card (888) 523-4308 or by calling C.H. Reams & Associates (800) 673-2518. You can also visit their website at [www.MyRSC.com](http://www.MyRSC.com) to activate your card.
- **Is this just another MasterCard® credit card?** The *mySourceCard*® automatically verifies the Merchant or Provider and will approve only if they are registered as a qualified FSA merchant or provider. Your FSA Card is treated like a credit card and you do not need a 'PIN Number' to receive authorizations.
- **Does my MySource Card Expire?** There is an Expiration Date on your card and if you are an active participant **a NEW MySourceCard will automatically be issued 30 days prior to the card expiration date.**
- **Will the card automatically determine if the provider is FSA eligible?** The card is restricted to certain merchant categories and is not accepted at all MasterCard® acceptance locations. The card is to be used *exclusively* for Qualified Expenses as defined by the plan in which you participate. The *mySourceCard*® only accepts FSA eligible provider codes related to FSA eligible expenses and the card will instantly deny merchants or providers that are not IRS approved for FSA qualified transactions.
- **Will I need to submit a claim form?** A claim form is not necessary if you use your *mySourceCard*®. However, you should retain all applicable receipts as they may be required to verify eligibility of expenses.
- **What will happen if I use my card for an ineligible expense?** If the card is used for an expense that is not a Qualified Expense, you are indebted to your employer and must repay the full amount of the non-qualified expense. If an error was determined, payment will be required to be returned to the FSA account. Failure to submit repayment in a timely manner will result in your FSA card being deactivated until the matter is resolved.
- **What if my provider doesn't have a charge card terminal?** You can still utilize funds from your FSA account by mailing or faxing in a paper FSA Claim to the Plan Administrators at C.H. Reams & Associates. These claims are processed weekly and a FSA reimbursement check will be mailed directly to you.
- **What if my card is lost or stolen?** You should immediately call either C.H. Reams & Associates (800) 673-2518 or Contact Card Services at 888-523-4308 and block your card. Your card should be deactivated and a new card can be ordered, however, there is a \$5 fee for replacing your *mySourceCard*®.
- **Can I get a card for my spouse or dependents?** Yes, Multiple Cards can be requested for family members. A \$2.00 fee may apply if additional cards are requested.

*Always remember, you can contact your Benefit Administrator at C.H. Reams & Associates  
(814) 453-4357 - (800) 673-2518 with any questions regarding your Flexible Spending Account*

# FSA Tax Savings Illustration on Medical Costs

	<u>Employee's Monthly Participation in FSA</u>	<u>Employee NOT Participating in FSA</u>
Employee Monthly Gross Pay based on \$30,000 salary	\$2,500.00	\$2,500.00
Employee Monthly Deduction based on \$2,000 FSA Plan ( $\$167.00 \times 12 \text{ months} = \$2,000$ in a FSA Annual Election)	<u>- 167.00</u>	<u>0.00</u>
Employee Monthly Taxable Gross Income	\$2,333.00	\$2,500.00
Taxes Withheld from Gross Pay (approximately 25%)	<u>- 583.00</u>	<u>- 625.00</u>
Net Take Home Pay for the Month	\$1,750.00	\$1,875.00
Employee Out of Pocket Health Expenses w/o FSA	<u>0.00</u>	<u>-167.00</u>
<b>Employee Total Monthly Take Home Income</b>	<b><u>\$1,750.00</u></b>	<b><u>\$1,708.00</u></b>

The Above Example illustrates an Employee/Family with FSA Out-of-Pocket expenses of \$2,000 a year

Monthly Increase in Take Home Pay due to FSA Account:     \$ 42.00 = Savings per Month  
 Yearly Savings if Utilizing the Tax Free FSA Account:     \$ 504.00 = Savings per Year

This worksheet may be used as a tool to estimate FSA Expenses that are likely to be incurred throughout the plan year. The following are general expenses eligible for reimbursement under the FSA and/or Dependent Child Care Reimbursement Plans

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**Medical Yearly Expenses**

Office Co-Pays                     \$ \_\_\_\_\_  
 Insurance Deductibles         \$ \_\_\_\_\_  
 Chiropractic                     \$ \_\_\_\_\_  
 Lab/Blood Work                 \$ \_\_\_\_\_  
 OB/GYN Visits                 \$ \_\_\_\_\_  
 Prescription Drugs             \$ \_\_\_\_\_

**Annual Medical Costs**     \$ \_\_\_\_\_

**Dependent Care (DCAP) Expenses**

Day Care Services               \$ \_\_\_\_\_  
 In-Home Care/Au Pair         \$ \_\_\_\_\_  
 Nursery & Preschool         \$ \_\_\_\_\_  
 After School Care             \$ \_\_\_\_\_  
 Summer Day Camps         \$ \_\_\_\_\_

**Dependent Care Costs**     \$ \_\_\_\_\_

**Dental Care Expenses**

Office Exam & Cleaning         \$ \_\_\_\_\_  
 X-Rays & Fillings             \$ \_\_\_\_\_  
 Crowns, Bridge                \$ \_\_\_\_\_  
 Orthodontics, Dentures       \$ \_\_\_\_\_

**Annual Dental Costs**       \$ \_\_\_\_\_

**Elder Care Expenses**

Day Care Center                 \$ \_\_\_\_\_  
 In-Home Care                    \$ \_\_\_\_\_

**Elder Care Costs**            \$ \_\_\_\_\_

**Vision Care Expenses**

Eye Exams                        \$ \_\_\_\_\_  
 Laser or Eye Surgery            \$ \_\_\_\_\_  
 Glasses/Contact Lenses         \$ \_\_\_\_\_

**Annual Vision Costs**        \$ \_\_\_\_\_

**TOTAL FSA**                     \$ \_\_\_\_\_

DIVIDE by number of  
Paychecks you will receive  
During the plan year (24)     \$ \_\_\_\_\_

**THIS IS YOUR PER  
PAY CONTRIBUTION**            \$ \_\_\_\_\_

**TOTAL DCAP**                    \$ \_\_\_\_\_


DIVIDE by number of  
Paychecks you will receive  
During the plan year (24)     \$ \_\_\_\_\_

**THIS IS YOUR PER  
PAY CONTRIBUTION**            \$ \_\_\_\_\_

**FSA Plan Enrollment**  
**-Indiana Regional Medical Center-**  
Salary Reduction for Plan Year Effective - 7/1/2022 – 6/30/2023

**To Calculate Your Payroll Deduction**

<b><u>REIMBURSEMENT PLANS</u></b>	<b><u>PER PAY CONTRIBUTION</u></b>	<b><u>ANNUAL CONTRIBUTION</u></b> (Per Pay x 24)
General Purpose Health FSA <i>Maximum Contribution \$2,850.00 Annually</i>	\$ _____	\$ _____
Dependent Care Assistance Plan <i>Maximum Contribution \$2,500.00 Single</i> <i>Maximum Contribution \$5,000.00 Married or Head of Household</i>	\$ _____	\$ _____
<b>TOTAL DEDUCTIONS</b>	<b>\$ _____</b>	<b>\$ _____</b>

Please be advised the *mySourceCard*<sup>™</sup>  has an Expiration Date.  
Do not throw away your card at the end of your FSA Plan Year as they are good for 3 years.

**A Replacement Card has a fee of \$5.00**

**A NEW MySourceCard will automatically be issued 30 days prior to the card expiration date.**

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## Reduce Out-of-Pocket Expenses with the mySourceCard

- Save money by using pre-tax dollars for health and dependent care expenses
- Take full advantage of your employee benefit plans
- Use your card instead of cash