

Health Care Reimbursement Accounts

How they work and why you want to participate

The primary advantage to enrolling in an IRS approved Flexible Spending plan is to reduce your taxable income. The secondary advantage is to help offset your eligible out-of-pocket expenses.

This plan, offered by your Employer, allows you to set aside PRE-TAX dollars for health and dependent care expenses that you would otherwise pay for with post-tax dollars. Flexible Spending Accounts (FSA) are exempt from federal taxes, Social Security taxes (FICA), and in most cases state income taxes.

For example, if you incur a deductible expense or office visit co-payment you may be reimbursed for those expenses through a Healthcare Flexible Spending Account. This plan allows you the opportunity to save approximately 30% or more on the expenses you, your spouse, or your dependents already incur for health care. The same holds true for the Dependent Care Flexible Spending Plan. By setting aside pre-tax dollars in a Dependent Care Flexible Spending Plan, you can take advantage of paying for childcare costs on a pre-tax basis.

The plan and process work like this:

- ▶ You elect to participate in either or both the health care and dependent care Flexible Spending plan
- ▶ Through payroll deduction, you begin setting pre- tax dollars aside based on your annual election.
- ▶ You incur an expense that qualifies for reimbursement.

You may either:

- ▶ Use your Benefits MasterCard for the purchase, if the merchant accepts the card, or
- ▶ Pay out-of-pocket and submit a claim for reimbursement

Remember, the funds from that account were never taxed; that is how you will save approximately 30% or more on your health and/or dependent care expenses!

The Department of Treasury modified its use-it- or-lose-it rule to allow for a rollover of FSA Healthcare funds. If your employer has implemented the rollover option, you can rollover up to the annual maximum selected by your employer into the next plan year.

The information in this packet is a brief overview of Flexible Spending plans and is in no way meant to guarantee benefits. More detailed information regarding both the health and dependent care reimbursement plans can be found online at <https://plansource.wealthcareportal.com/Page/Home>

Healthcare Flexible Spending Account

A Flexible Spending Account, or FSA, lets you set aside pre-tax money from your paychecks to spend on out-of-pocket healthcare expenses (i.e. co-pays, deductibles, over-the-counter items, etc.) that your insurance plans do not cover in full or are ineligible under the plans. Money that goes into an FSA is pre-tax, so you can save as much as 30% of each dollar you put into your FSA, as long as you spend the money on qualified health costs for you, your spouse or eligible dependents. Whether or not you are enrolled in the medical insurance plan through your employer, you are eligible for the FSA.

How to Access Your Reimbursement Account Online

To view your account balance, report a lost or stolen card as well as request reimbursement, first you must access your account using the PlanSource System. *Please note, to best use this system, you may need to disable any pop-up blockers.*

Using your web browser, navigate to <https://plansource.wealthcareportal.com/Page/Home>

First time users must "Register."

- Username – create your own username.
- Password – create your own password.
- Employee ID – is your social security number (no dashes).
- Registration ID – Select Employer ID and enter Employer ID (all capital letters)
- Follow the remaining steps to register.

Returning Users: Click "Log In", enter your created Username and Password. If you have forgotten your Username, please contact PlanSource.

After you have successfully created an account, you will have the ability to submit claims, check your balance, update your personal information, and view past claims. You may occasionally have to use your Employee ID again to reset your password.

By participating in this plan, you are able to save money on expenses you are already paying for like dental checkups, vision exams, eyeglasses, and much more.

For access to a tax savings calculator, list of eligible items, reimbursement claim forms and frequently asked questions, visit <https://plansource.wealthcareportal.com/Page/Home> or download the "My Benefits Account" mobile app!

Download the free application for use on any Apple or Android device. Just search for "MyBenefitsAccount" in the application store or scan the QR code below.



Android



iOS

FSA Eligible Medical Care Expenses 2024

Healthcare Flexible Spending Plan: Medical and dental expenses that qualify as expenses for medical care under IRS rules generally qualify as Eligible Expenses for reimbursement under the Plan. Those may take the form of co-pays, deductibles, and medical expenses not covered by other insurance. Often expenses that qualify for deductions under IRS rules are Eligible Expenses, but in some instances expenses that are deductible will not be reimbursable and expenses that are not deductible will be reimbursable. Some specific examples are identified below. The following is not an exhaustive list and there are other expenses that are eligible if they satisfy the IRS rules.

"Preventive care" includes periodic health examinations (e.g., annual physicals, routine prenatal and well-childcare), immunizations, tobacco cessation and obesity weight-loss programs, and screening services that are not for the treatment of an existing illness, injury, or condition. Preventive care also includes treatment of a related condition during the preventive care service or screening. Preventive Care also includes preventive drugs/medications (e.g., drugs/medications taken by a person who has developed risk factors for a disease that has not yet manifested itself or taken to prevent the reoccurrence of a disease).

Listing of Allowable and Disallowable Expenses

Dental & Orthodontic Care

Allowable expenses:

- ▶ Dental treatment
- ▶ Artificial teeth/dentures
- ▶ Braces, orthodontic devices

Expenses specifically disallowed by the IRS or courts:

- ▶ Teeth whitening
- ▶ Toothbrushes and toothpaste, even if special type is recommended by dentist

Therapy Treatments

Allowable expenses:

- ▶ X-ray treatments
- ▶ Treatment for alcoholism or drug dependency
- ▶ Legal sterilization
- ▶ Acupuncture
- ▶ Vaccinations
- ▶ Hair transplant
- ▶ Physical therapy (as a medical treatment)
- ▶ Fee to use swimming pool for exercises prescribed by physician to alleviate specific medical condition such as rheumatoid arthritis
- ▶ Speech therapy
- ▶ Smoking cessation programs and prescribed drugs to alleviate nicotine withdrawal

Expenses specifically disallowed by the IRS or courts:

- ▶ Physical treatments unrelated to a specific health problem (e.g., massage for general wellbeing)
- ▶ Any illegal treatment
- ▶ Cosmetic surgery
- ▶ Treatment for baldness (unless it is for a specific medical condition and not for cosmetic purposes)
- ▶ Electrolysis (unless it is for a specific medical condition and not for cosmetic purposes)

Fees/Services

Allowable expenses:

- ▶ Physician's fees and hospital services
- ▶ Nursing services for care of a specific medical ailment
- ▶ Cost of a nurse's room and board if paid by the taxpayer where nurse's services qualify
- ▶ Social Security tax paid with respect to wages of a nurse where nurse's services qualify
- ▶ Services of chiropractors
- ▶ Christian Science practitioner fees
- ▶ Diagnostic tests

Hearing Expenses

Allowable expenses:

- ▶ Hearing aids and hearing aid battery
- ▶ Hearing aid repair
- ▶ Special telephone equipment

Medicine and Drugs

Allowable expenses:

- ▶ Medicine and drugs that require a prescription
- ▶ Insulin
- ▶ Over the counter medicine and drugs used to alleviate or treat personal injuries or sickness (including antacids, antihistamines, aspirin/pain relievers, cold medicines, etc.)

Expenses specifically disallowed by the IRS or courts:

- ▶ Medicine and drugs for cosmetic purposes
- ▶ Dietary supplements if for general health

Medical Equipment

Allowable expenses:

- ▶ Blood Sugar test kits
- ▶ Wheelchair or autoette (cost of operating/maintaining)
- ▶ Crutches (purchased or rented)
- ▶ Special mattress & plywood boards prescribed to alleviate arthritis
- ▶ Oxygen equipment and oxygen used to relieve breathing problems that result from a medical condition
- ▶ Artificial limbs
- ▶ Support hose (if medical necessary)
- ▶ Wigs (where necessary to mental health of individual who loses hair because of disease)

- ▶ Excess cost of orthopedic shoes over cost of ordinary shoes
- ▶ Breast pumps for nursing mothers

Expenses specifically disallowed by the IRS or courts:

- ▶ Wigs, when not medically necessary for mental health
- ▶ Vacuum cleaner purchased by an individual with dust allergy
- ▶ Mechanical exercise device not specifically prescribed by physician

Physicals

Allowable expenses:

- ▶ Physicals and other well visits
- ▶ Immunizations

Expenses specifically disallowed by the IRS or courts:

- ▶ Physicals for employment purposes

Vision Care

Allowable expenses:

- ▶ Optometrist's or ophthalmologist's fees
- ▶ Eyeglasses and prescription sunglasses
- ▶ Insurance for replacement of lost or damaged contact lenses
- ▶ Contact lens and contact lens solutions
- ▶ Laser eye surgery

Assistance for the Handicapped

Allowable expenses:

- ▶ Cost of guide for a blind person
- ▶ Cost of note-taker for a deaf child in school
- ▶ Cost of Braille books and magazines in excess of cost of regular editions
- ▶ Seeing eye dog (cost of buying, training and maintaining)
- ▶ Household visual alert system for deaf person
- ▶ Excess costs of specifically equipping automobile for handicapped person over cost of ordinary automobile; device for lifting handicapped person into automobile
- ▶ Special devices, such as tape recorder and typewriter, for a blind person

Miscellaneous Charges

Allowable expenses:

- ▶ X-rays
- ▶ Expenses of services connected with donating an organ
- ▶ Excess cost of medically prescribed diet
- ▶ The cost of a medically prescribed weight loss program
- ▶ Breast reconstructive surgery following mastectomy as part of treatment for cancer
- ▶ Contraceptives
- ▶ Menstrual Products
- ▶ Fertility treatments
- ▶ Medical records charges
- ▶ Bandages
- ▶ Lactation supplies for nursing mothers
- ▶ Cost of transportation (e.g.) mileage) primarily for and essential to medical care

Expenses specifically disallowed by the IRS or courts:

- ▶ Expenses of divorce when doctor or psychiatrist recommends divorce
- ▶ Cost of cosmetics, and sundry items (e.g., soap, toothbrushes)
- ▶ Cost of special foods taken as a substitute for regular diet, when the special diet is not medically necessary, or taxpayer cannot show cost in excess of cost of a normal diet
- ▶ Maternity clothes
- ▶ Diaper service
- ▶ Distilled water purchased to avoid drinking fluoridated county water supply
- ▶ Installation of power steering in automobile
- ▶ Pajamas purchased to wear in hospital
- ▶ Mobile telephone used for personal calls as well as calls to physician
- ▶ Union dues for sick benefits for members
- ▶ Contributions to state disability funds
- ▶ Auto insurance providing medical coverage for all persons injured in or by the taxpayer's automobile, where amounts allocable to taxpayer and dependent is not stated separately
- ▶ Long-term care services
- ▶ Funeral expenses

Insurance

Allowable expenses:

- ▶ None

Expenses specifically disallowed by the IRS or courts:

- ▶ Health insurance premiums (including individual and non-employer sponsored coverage)
- ▶ Long term care insurance premiums

Dependent Care Reimbursement Account (Child Care)

Dependent Care Flexible Spending plans are designed to help you save money on the childcare expenses you and your spouse (if applicable) incur during the year. Childcare expenses may include day care, nursery school costs, or after-school programs.

This plan can also be used for expenses incurred in the care of elderly parents, a disabled spouse or a disabled child. Please note, the Dependent Care Flexible Spending Account is not for your dependents medical expenses; this account is specifically for the care of your child or IRS tax dependent while you and/or your spouse are working or attending school.

A requirement for eligibility is that you are employed and covered under this plan at the time your eligible dependent receives care.

You must also meet one of the following requirements for eligibility:

- ▶ Your spouse is working or looking for employment
- ▶ You are a single parent or guardian
- ▶ At a time when you are employed, your spouse is a full-time student at least five months during the year
- ▶ Your spouse is mentally or physically disabled and unable to provide for his/her own care
- ▶ You are legally separated or divorced and have custody of your child, even if you cannot claim an exemption for this dependent on your income taxes (for the time period that the child resides with you, this plan can be used to pay for childcare services)

An Eligible Dependent is a qualifying individual spending at least eight hours a day in your home and is one of the following:

- ▶ Your dependent under age 13 for whom you claim an exemption on your income taxes (expenses are no longer eligible for reimbursement upon the dependent's thirteenth birthday)
- ▶ A child under the age of 13 for whom you have custody, if divorced or legally separated
- ▶ Your spouse, if mentally or physically unable to provide self-care
- ▶ Your dependent, regardless of age, who is mentally or physically unable to provide self-care, even if you cannot claim an exemption for this dependent on your income taxes

Eligible Expenses for Reimbursement include:

- ▶ Care received inside or outside your home by someone other than: your spouse, a person listed as a dependent on your income tax return, or one of your children under age 19; the childcare provider must claim the payments received as income
- ▶ Care received from a qualifying child day care center or adult or dependent care center
- ▶ Care provided by a housekeeper as long as the services provided, in part, are for the care of a qualified dependent
- ▶ Care provided through nursery, preschool, after- school, or summer day camp programs

- ▶ Taxes for wages spent on eligible dependent care can also be submitted for reimbursement

Ineligible Expenses

- ▶ Include, but are not limited to dependent health care expenses, dependent care for a child age 13 or over, non-work-related babysitting, care that is educational in nature (kindergarten and beyond), or overnight camp. All submitted claims and receipts are reviewed and processed prior to issuing reimbursement (IRC §125; 129).

By contributing to this plan through payroll deduction, your Dependent Care Flexible Spending Account is funded from your check on a PRE-TAX basis. It is through this pre-tax deduction you save a percentage of each dollar you spend on eligible dependent care expenses.

By setting aside pre-tax dollars and participating in the Dependent Care Flexible Spending Plan, you can take advantage of paying for these incurred expenses on a PRE-TAX basis.

Managing your Flexible Spending Account

Receiving Your Benefits MasterCard

A Benefits MasterCard will be ordered for you and, for security purposes will arrive at your home address in a plain white, unmarked envelope; the card is blue and states "Benefits Card". It is not necessary to activate your card, it will automatically activate upon your first use. If you order a second card for a dependent, please note that your Benefits MasterCard will arrive separately from the card for your dependent.

Submitting Manual Claims

If you do not use your Benefits MasterCard and need to submit an expense for reimbursement, please see the online claim submission instructions found on

<https://plansource.wealthcareportal.com/Page/Home>

Process for Providing/Obtaining Receipts from Benefits MasterCard Purchases (when requested).

You may be required to submit receipts for Benefits MasterCard purchases. You will receive an email or letter (if we do not have an email on file) notifying you if receipts are required for substantiation purposes. This notification will include instructions for submitting your receipts.

If you do not respond to the initial notification within ten days, a second notice will be generated. If you do not respond to the second notification within ten days, it will be assumed that your transaction was for an ineligible expense and your card will be temporarily inactivated. If receipts are submitted and it is determined that the expense was ineligible, per IRC § 213(d), we will email an Ineligible Expense Notification and you will have ten days from that point to reimburse the plan for the ineligible

purchase. If you have not reimbursed the plan within ten days, your card will be temporarily inactivated, and your employer will payroll deduct the amount of undocumented expenses.

When and Where the Benefits MasterCard is Accepted

For the purchase of eligible over-the-counter expenses, the IRS requires merchants that are non-medical providers, such as grocery stores, convenience stores, warehouse clubs, supermarkets, discount stores, and online pharmacies to have an Inventory Information Approval System (IIAS). Through this system, eligible expenses are uniquely bar-coded; at the register when you purchase the item(s), the IIAS will automatically identify and validate items that are eligible for reimbursement through your Flexible Spending Account.

If the merchant is either listed below or on the IIAS merchant list that can be found in the publications section at www.sig-is.org, then the card will automatically substantiate your purchase and you will not have to submit a receipt. If the merchant is not listed below or on the IIAS merchant list as mentioned above, then your Benefits MasterCard will not be accepted. This does not mean that you cannot purchase eligible expenses at this store; it simply means that the Benefits MasterCard will not be accepted, and you will need to pay for the items out-of-pocket and submit a manual claim for reimbursement.

New IIAS merchants are added each month. An up-to-date list of providers is available at www.sig-is.org. Some participating retailers include:

- ▶ Albertson's – SuperValu
- ▶ A&P Supermarkets
- ▶ Busch's
- ▶ Cubs – SuperValu
- ▶ CVS Pharmacy
- ▶ Jewel – SuperValu
- ▶ Kroger
- ▶ Meijer
- ▶ OSCO – SuperValu
- ▶ Rite-Aid
- ▶ Safeway
- ▶ Sam's Club
- ▶ Sav-A-Center
- ▶ Target Stores
- ▶ Wal-Mart Stores
- ▶ Walgreens

Pharmacies and Drug Stores

The IRS requires all merchants accepting the Benefits MasterCard to implement the Inventory Information Approval System (IIAS). This allows your Benefits MasterCard to identify purchases at the point of sale. Retailers that are IIAS approved will accept your Benefits MasterCard and no receipts or proof of purchase will be requested from you.

Example: You shop at Target and purchase numerous items: band aids, contact lens solution, socks and laundry detergent. The best method of using the Benefits MasterCard is to segment your purchase and pay for the eligible expenses (band aids and contact lens solution) with the Benefits MasterCard and then pay for your remaining expenses however you choose.

When Receipts Are Required for Benefits MasterCard Purchases?

The Benefits MasterCard is also accepted at health care providers who supply health related items and services and who also accept MasterCard. Below is a list of services and the thresholds detailing when PlanSource will require the submission of receipts in order to validate the expense.

Chiropractic Services

Any amount charged to the card that is greater than \$150.00.

Dental Care / Orthodontics

Any amount charged to the card that is greater than \$250.00.

Doctor's Office / Emergency Room / Urgent Care

In general, if the amount of the charge matches the amount of the corresponding co-payment through your Medical Plan, or a multiple of the co-payment the card will be accepted. Any deviation from the co-payment schedule could result in a substantiation request.

Vision Care Providers

Any amount that is charged to the card that is greater than \$300.

Laboratory / Diagnostic Services

Any amount that is charged to the card that is greater than \$250.

90% Rule – Pharmacies and Drug Stores

The IRS allows retailers that certify themselves according to the 90% rule, the ability to accept your Benefits MasterCard. This means if 90% of goods sold at the retailer are eligible health care expenses, your Benefits MasterCard will be accepted. A list of those retailers will be found at www.sig-is.org. Some examples include Walgreens, Express Scripts, Medco and more. In some cases, however, you may be requested to substantiate your purchases from these retailers.

Non IAS Approved Pharmacies and Drug Stores

For retailers who do not have the IAS bar-coding system, your Benefits MasterCard will not be accepted, and you will need to pay for the items out-of-pocket and submit a manual claim for reimbursement.

Dependent Care Claims

You may be required to substantiate your dependent care expenses.

Should you ever have any questions regarding your Benefits MasterCard, please reach us at (888) 266-1732, option 2 for reimbursement account support.

It is important to note that each time you swipe your Benefits MasterCard you are certifying that, to the best of your knowledge, the items or services you are purchasing are legitimate expenses in accordance with your Plan and that they will not be submitted under any other Flexible Spending plan. You also certify that upon request, you will submit the necessary documentation to verify your purchase or service. This is an IRS regulated plan; therefore, we recommend retaining all documentation from purchases made with your Benefits MasterCard.

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