



Group Name: \_\_\_\_\_

Date: \_\_\_\_\_

### FLEXIBLE SPENDING ACCOUNT (FSA) KEY QUESTIONS FOR CUSTOMERS

Determine your customer's requirements by obtaining responses to the following questions:

**1. ACCOUNT TYPES:** Flexible Spending Accounts will be established for:

- Medical FSA and Dependent Care FSA
- Medical FSA only
- Dependent Care FSA only

**2. AUTOMATIC CLAIMS ROLLOVER:**

Will unreimbursed medical / prescription drug (if applicable) be automatically transmitted for processing against FSA funds?

- Yes  
Unreimbursed eligible expenses automatically transmitted from IBC claims systems for processing against FSA.
- No  
Paper claims submission required.  
Note: The automatic claims rollover option is available only with the Medical FSA; it is not available with Dependent Care FSA.

**3. DEBIT CARD:** Will members receive a debit card for use in paying copayments at point of service?

- Yes     No
- When debit card and automatic claims rollover are both included, copayments will not be automatically transmitted for processing against the Medical FSA. This is a safeguard against duplicate disbursements. The participant must use the debit card at point of service for paying copayments, or may submit a claim for reimbursement. The debit card option is available only with the Medical FSA; it is not available with Dependent Care FSA.

**4. PLAN MAXIMUMS:**

**Medical FSA Plan Maximum:**        \$\_\_\_\_\_

Note: The IRS does not currently limit the amount of expenses that can be reimbursed with a Medical FSA. Federal regulations permit the employer to establish annual account maximums.

**Dependent Care Plan Maximum:**    \$\_\_\_\_\_

Note: The IRS limits Dependent Care FSAs to a \$5,000 annual maximum for single individuals, or married couples that file a joint tax return. Married individuals who file separate tax returns are limited to a \$2,500 contribution annually.

**5. PAYROLL FREQUENCY:** Customer will need to identify payroll frequencies for use in determining frequency of payroll deductions.

**6. GRACE PERIOD:** Claims for reimbursement must be filed within \_\_\_\_\_ days of the end of the Plan year?

- 30 days
- 60 days
- 90 days (IBC standard)
- No grace period

**7. ORDERING RULES:** Does group also offer a Health Reimbursement Account (HRA)?

- Yes     No

If yes, group must determine which Account is drawn from first. Group's Plan Document must outline order; if not specified, HRA funds will be used before FSA funds.

Which Account should be drawn from first?

- FSA                       HRA

#### REMINDERS:

##### Premium and Administrative Fee Billing

IBC will bill the group customer for premiums or administrative fees for the medical plan and monthly FSA administrative fees.

##### Fund Account Set-Up and Monitoring

Customers will need to set-up a bank account, or use an existing bank account, to fund reimbursements of Flexible Spending Account claims. Customers will be notified on a monthly basis of additional funding required.

##### The "Use It or Lose It" Provision

Federal law requires that any money remaining in a Medical FSA or Dependent Care FSA at the end of the Plan year be forfeited. There is no carry over of funds to the next Plan year.

When group provides a grace period, claims may be submitted after the end of the Plan year for services incurred during that Plan year.