

Frequently Asked Questions about your Flexible Spending Account (FSA)



1. What is a Flexible Spending Account (FSA)?

An FSA is an employer-sponsored plan that allows you to deduct dollars from your paycheck and deposit them into a special account that's protected from taxes. FSAs are exempt from federal taxes, Social Security (FICA) taxes and, in most cases, state income taxes. Your FSA dollars can be used to pay for a variety of out-of-pocket health care expenses. For a complete list of eligible expenses, you may review Publication 502 at [irs.gov](https://www.irs.gov).

2. When does my FSA become effective?

Your FSA becomes effective the first of the month following enrollment. Contributions to your account begin as soon as administratively possible after you enroll.

3. How do I participate in an FSA?

If you're a new employee, check with your HR department to see when you're eligible to enroll. Existing employees may elect to participate during annual Open Enrollment. If you have a life event change (for example, birth or adoption of a child), you may be able to enroll without waiting for the annual Open Enrollment if you enroll within 30 days of the change.

4. What types of FSAs are there?

- Health Care FSA: Covers medical, prescription, dental and vision expenses
- Dependent Care FSA: Covers dependent care expenses including daycare, nursery school and day camp for children, and services for adult dependents who cannot care for themselves
- Limited Health Care FSA: Covers dental and vision expenses only (for compliance with a health savings account)

5. How much can I contribute to my FSA?

Generally the IRS announces FSA annual limits in October. Visit [irs.gov](https://www.irs.gov) for information about FSA limits and updates.

6. How much will I really save in taxes by contributing to an FSA?

Generally, contributions you make to your FSA are not subject to federal or Social Security taxes. In most instances, there are no state taxes taken out either. The amount you may save depends on the amount you put into your FSA and the tax percentage you would normally pay on that money (tax bracket).

Let's say you want \$2,000 taken out of your paycheck this year to put into your FSA. The money you direct to your FSA is taken out of your check before taxes are taken out. That reduces your taxable income by \$2,000. If you normally pay 30 percent in federal, Social Security and state taxes on your income, you would enjoy a tax savings of 30 percent of the \$2,000. In other words, you could get a \$600 tax savings on the \$2,000 you directed to your FSA. Plus, the rollover feature assures that any unused balance in the Health FSA up to the plan's rollover limit will still be there for you in the next plan year. (Note: the rollover feature doesn't apply to the Dependent Care FSA.)

7. Can I change my election or stop contributing money to my FSA at any time during the plan year?

Federal regulations state that once you enroll in an FSA, you can't change your election amount unless you have a qualifying life event. You may visit [irs.gov](https://www.irs.gov) for more information about qualifying life events.

8. What does it mean to incur expenses?

The IRS considers expenses to be "incurred" at the time you receive medical care or dependent care--not when you are formally billed or actually pay for services. Only eligible expenses you incur within the plan year are eligible for reimbursement.

9. How often can I request reimbursements?

You may request reimbursements as often as qualified expenses are incurred. Expenses must be incurred during the plan year and the reimbursement must be requested before the end of the run-out period. Please see your plan documents for details about your run-out period.

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10. What if I incur a large expense at the beginning of the plan year that will use funds I don't yet have in my FSA?

Under the "uniform coverage rule" created by the IRS, you'll have access to the full amount of your annual election to your Health FSA, even if you don't yet have the entire amount in your FSA. Your payroll deductions will continue throughout the plan year, even though you've already spent the funds. Under the Dependent Care FSA, however, you're only eligible to spend funds that are actually accrued in your account up to your maximum annual election. The uniform coverage rule doesn't apply to dependent care.

11. What happens if I have money remaining in my account at the end of the year?

You may rollover some unused funds into your next plan year. This rollover option gives you more flexibility to spend your FSA money when you need it. You may use it for necessary out-of-pocket healthcare expenses, rather than feeling pressured to engage in last-minute and potentially unnecessary spending at the end of the year. (Note: the rollover feature doesn't apply to the Dependent Care FSA.) Please see your plan documents for the maximum rollover amount.

12. What is the Benefit Card?

When you enroll in the FSA, you'll receive a pre-paid Benefit Card. It's a quick and easy no-cost way to access your FSA funds. Using the card to pay for eligible expenses lets you keep cash in your wallet. It works just like a credit or debit card. When you use it at the doctor's office or pharmacy, funds are automatically pulled from your FSA and paid directly to the healthcare provider. No more writing checks or paying cash. Be sure to keep receipts for things you purchase with the debit card.

13. Does the Benefit Card require a PIN?

No. Simply swipe the card as you would for any purchase with a credit card. You'll likely be asked for a signature. You may, however, request a PIN by calling 1-866-898-9795.

14. Why do I need to keep receipts for things I buy with the Benefit Card?

Many major retail outlets are now required to code their registers to identify and approve FSA-eligible items at the point of purchase. In most cases, we won't ask for receipts for eligible purchases as long as you shop at an approved location. Please visit www.sig-is.org for the most current IIAS list of participating stores. There will be times when we'll require a receipt to comply with IRS guidelines. If we do need a receipt to verify a purchase, we'll send you up to three notices. If we don't receive the receipt/documentation, we'll have to temporarily deactivate your card until we receive the documentation required by the IRS. If you've lost your receipts, you may need to contact the vendor for a copy.

15. Why do you ask for receipts when the service I received was from my doctor or dentist?

Sometimes the bill from your doctor or dentist doesn't provide us with enough information to determine whether the services you received are eligible for reimbursement under IRS rules. For example, you may purchase cosmetic services, like teeth whitening from your dentist or liposuction from your doctor that aren't covered under your FSA. It's best to send an itemized statement that complies with the IRS rules. According to IRS rules, an itemized receipt must include the merchant or provider name, patient name, description of the services received or item purchased, date of service, and amount charged. Canceled checks, handwritten receipts, card transaction receipts, or previous balance statements aren't considered itemized receipts.

16. How Do I Report a Lost or Stolen Debit Card and/or Request a New Card?

1. On your account Home Page, under the Profile tab, click Banking/Cards from the menu on the left.
2. Under the Debit Cards column, click Report Lost/Stolen or Order Replacement and follow instructions.

**Other Questions? See your FSA Enrollment Guide or call us at:
1-866-401-5272 | u.bpas.com**



BPAS Mobile App

Anywhere.

Anytime.



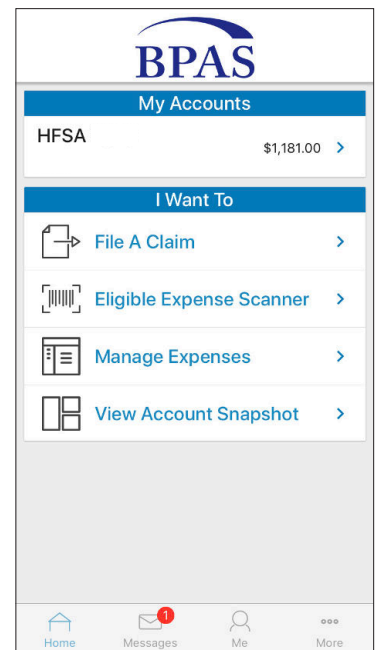
Manage your account and file claims on-the-go!

Use the free BPAS mobile app to:

- Check your account balance
- Review plan details
- File claims
- Check claim status
- Take a picture of receipts and/or documentation and easily upload them
- Scan barcodes on items to see if they're eligible expenses
- See payment history
- Check for plan-related messages
- Check for plan dates and filing deadlines
- Add, update, activate, and remove bank accounts associated with your BPAS plan

To get the free BPAS mobile app, visit the Apple store or Android Marketplace and search for BPASClaims. To activate the app, you'll need a unique username and password.

- Your username is your first initial, last name, and last 4 digits of your Social Security Number (SSN)
- Your temporary password is your first name, the 2-letter abbreviation for the state you live in, and the last 5 digits of your SSN.



You'll be prompted to accept a one-time service agreement. Then you may create a new password and 4-digit PIN. The 4-digit PIN is all you'll need to use the app going forward.

Questions? We're here to help. Call us at 1-866-401-5272 or visit u.bpas.com



Did you know you can add your BPAS Benefits Card to your mobile wallet?

Easily pay for eligible expenses from anywhere without fumbling for your debit card or touching a key pad! Fast, secure, and safe!



Flexible Spending Account (FSA) Rollover Option

Now, you can put money into your FSA each year completely risk free. How? If you don't spend all of your FSA money in the plan year, unused funds will automatically rollover to the next plan year up to your plan's maximum rollover amount. **No more "use it or lose it rule!"**

We know it can be challenging to figure out how much to contribute to your FSA each year. The Rollover Option makes your decision easier. You can contribute with confidence knowing the money will be there whether you spend it this plan year or next.

- **If you've participated in an FSA in the past**, you already know how much money you can save by using tax-free money to pay for eligible medical expenses. The scary part was that you risked forfeiting—losing—any money you contributed to the FSA but didn't spend during the plan year. Worry no more. The IRS now allows you to rollover unused funds up to a certain limit. Check your plan documents for the rollover limit, then go ahead and increase your contribution this year. What do you have to lose?
- **If you're new to FSAs**, there's no risk for you to contribute at least your plan's maximum rollover amount if you don't incur eligible medical expenses. The money will just roll into next year. What you will get, however, is tax savings. The more money you contribute to the FSA, the more your taxable income is reduced. That means more money in your pocket. Give it a try. Contribute up to your plan's maximum rollover amount and start using tax-free money to pay for the medical expenses that you're already buying (like deductibles, co-pays, vision care, eyeglasses, over-the-counter medicines, and so much more).

It's that simple.

A photograph showing a person's hands using a grey benefit card at a laptop. The person is wearing a blue shirt and a brown shawl. The laptop is open, and the person's hands are on the keyboard. The background is slightly blurred, showing a desk with a pen and some papers.

The Benefit Card Makes FSAs Easy!

- It's **automatic**—funds are automatically sent from your FSA to the provider.
- It's **instant**. One swipe and you're done!
- It's **free**. There are no transaction fees.
- It's **easy**. Most expenses auto-approve so you don't need to follow up with documentation. (Keep your receipts because there may be expenses the IRS will require us to document.)
- It **saves you money!** No need to pay cash at the time of purchase or wait for reimbursement checks.
- It's in **real time** so you'll always know your balance. Check your balance often at u.bpas.com or on your smart phone or tablet.

Get started. Enroll today.

Ask your HR team for details or visit u.bpas.com