

## ***AmeriFlex Flexible Spending Account (FSA)***

An “FSA” is an employer sponsored program offered as part of the Section 125 or Cafeteria Plan where an employee can pay certain expenses (medical or dependent care) on a pre-tax basis and be reimbursed by the program as those expenses are incurred.

### **“Use It or Lose It Rule”**

This term applies to Flexible Spending Account deductions accumulated in a plan year. If the funds are not used within a plan year, the employee loses this money. Careful planning and under-estimating helps to not “lose it”.

### **Medical Expenses:**

Qualified medical expenses include vision care, contacts and glasses, dental work, including orthodontics, medical insurance deductibles, co-pays, limited and excluded amounts, psychiatric treatment, drug or alcohol treatment, prescription drugs. As a general rule, most expenses not reimbursed by your health carrier and expenses to prevent/illness or disease may be qualified medical expenses. Maximum deductions: \$1,250 single or \$2,500 if married and filing jointly.

### **Dependent Care Expenses:**

A maximum of \$5,000 in dependent care expenses can be paid per year through a Flexible Spending Account. (An additional \$1,000 can be claimed on your tax return if your total expenses qualify.) Expenses paid by an employee for the care of dependent children, spouses or parents while they work are governed by Code Sec. 129.

If you wish to participate in the Flexible Spending Account, estimate the amount you wish to have deducted from payroll on a pre-tax basis. Enrollment Representatives can help you with your estimation and election form.

**You must keep all receipts for the expenses incurred for tax purposes.**

### **Debit Card (FSA Convenience Card)**

Medical expenses may be paid for with the pre-loaded debit card you will receive once your account is open. Providers who accept Master Card can accept your FSA convenience card.

### **Over the Counter**

Effective January 1, 2011, The Patient Protection and Affordable Care Act (PPACA) mandates that expenses incurred for over the counter medicines and drugs (with the exception of insulin) will not be eligible for reimbursement under a FSA unless you have a valid prescription. For more information visit AmeriFlex’s website: [www.flex125.com](http://www.flex125.com) or contact customer service at (888) 868-Flex (3539).

## Flexible Spending Account Frequently Asked Questions

**Q:** Can I participate in the Flexible Spending Account plan while enrolled in the High Deductible Health Plan?

**A:** Yes, you can enroll in the FSA plan while enrolled in any health plan and can also enroll in the FSA without participating in the City of Baton Rouge health plans.

**Q:** Can I have both a FSA and HSA in the same plan year?

**A:** No, but you can have a Dependent Care (FSA) and an HSA.

**Q:** I am ending my employment; can I use my FSA until the end of the month as I could my HMO plan?

**A:** No, your FSA will end the day you resign. If you use your card after the term date, you will be responsible for repaying AmeriFlex for the claim that was incurred after the termination date.

**Q:** My spouse is also a City of Baton Rouge employee, can I elect a FSA and my spouse elect an HSA?

**A:** No

**Q:** My spouse is also a City of Baton Rouge employee; can we both enroll in a FSA?

**A:** Yes, however, you can only enroll in \$1,250 each which will equal \$2,500 which is the family maximum.

**Q:** Why am I receiving a *Substantiation Request* every time I use my FSA convenience card at the doctor's office but I don't get them when I use my card at Wal-Mart?

**A:** The pharmacies and Wal-Mart have a smart reader (IIAS Merchants system) that automatically identifies FSA eligible items whereas doctors do not have such capabilities.