

# Flexible Spending Account (FSA) FAQ – Participants



**BRING HOME MORE  
OF YOUR PAYCHECK**

## What is a Flexible Spending Account (FSA)?

An FSA works like a personal expense account. You set aside a portion of your salary before taxes and decide how much you want to contribute up to the maximum set by your employer or the IRS. Contributions are used to pay certain dependent care and medical expenses.

## How does my take-home pay increase by participating in an FSA?

An increase occurs in take-home pay because your money is being placed into your FSA before taxes. Your gross taxable salary is reduced. Participating in an FSA will reduce your federal, state and FICA taxes.

	With an FSA	Without an FSA
Gross monthly salary	\$7,500	\$7,500
Medical FSA contribution	\$300	\$0
Dependent Care FSA contribution	\$416	\$0
Taxable income	\$6,784	\$7,500
Taxes	\$2,374	\$2,625
Net pay	\$4,410	\$4,875
Post-tax medical expenses	\$0	\$300
Post-tax dependent care expenses	\$0	\$416
<b>Monthly Income</b>	<b>\$4,410</b>	<b>\$4,159</b>

## What are the different types of FSAs?

The most common types of FSAs include:

- **Dependent Care Account (Dependent Care FSA):** Allows reimbursement of dependent care expenses incurred by eligible dependents. To qualify, you and your spouse (if applicable) must be employed full-time or your spouse must be a full-time student.
- **Medical Flexible Spending Account (Medical FSA):** Allows reimbursement of qualifying out-of-pocket medical expenses.
- **Combination Medical FSA:** Coordinates with a qualifying High-Deductible Health Plan (HDHP) and Health Savings Account (HSA). Allows for reimbursement for preventive care, vision and dental expenses until the IRS set deductible is met. Once the IRS set deductible is met, participants must submit the Deductible Verification Form, at which point their Combination Medical FSA will turn into a full Medical FSA.

Please check with your employer to see which plans are offered.

## Flexible Spending Account FAQ — Participants, continued

### Where can I find out what is a reimbursable expense?

A list of eligible medical expenses can be found in your online account.

**Note:** Due to frequent updates to the regulations governing FSAs and HSAs, this list does not guarantee reimbursement but instead is to be utilized as a guide for the submission of claims.

### What items are typically not reimbursable from a Medical FSA?

Items that are typically ineligible include:

- Athletic mouth guards
- Q-tips
- Cosmetics
- Teeth whitening
- Cosmetic procedures
- Toiletries
- Diapers
- Toothpaste
- Diet food
- Toothbrushes
- Mouthwash
- Veneers
- Prescription drug discount programs
- Water Pik

### What day care expenses are typically not reimbursable from a Dependent Care FSA?

Items that are typically ineligible include:

- Boarding school
- Mileage
- Day care for children over 12
- Overnight camp
- Educational expenses
- Summer school
- Household services
- Tuition expenses
- Late payment fees
- Tutor programs

### Can an individual participate in both an HSA and an FSA or HRA?

If the FSA is unlimited through your employer or your spouse's employer, you are not eligible for an HSA. If the FSA is limited to dental, vision and/or preventive care expenses, you can have it with the HSA. Ultimately, it is the participant's responsibility to maintain IRS compliance within their plan(s).

**Note:** Simultaneous enrollment in an HSA and HRA is not currently supported by Mercer Marketplace.

### Can I change my FSA election after the plan year starts?

Certain qualifying events allow an employee to either increase/decrease the election or begin/cease participation in the plan. Common qualifying events include marriage, divorce, birth, death or a change in the cost of dependent care.

The adjustment to the election must be consistent with the event. For example, an increase in the cost of daycare would not allow you to decrease your election; however, if the increase made the cost of care unaffordable, one could justify no longer participating in the plan.

Please refer to your employer's Plan Document for further guidance on qualifying status change events applicable to your plan.

### Whose expenses can I claim under my reimbursement account?

You can use your FSA to pay for eligible expenses incurred by any of the following individuals:

- Yourself
- Your spouse
- A qualifying child
- A qualifying relative

Special rules allow a dependent to be eligible for the plan even when that dependent does not qualify to be claimed as your tax dependent on your tax return. Aptia recommends that you check with your tax advisor before you make your election for the plan year.

### May I use the Medical FSA to reimburse my spouse's deductible and/or co-payment expenses, even if he/she is enrolled in a different health insurance plan?

Yes. All eligible out-of-pocket medical expenses incurred by you and your qualified dependents can be reimbursed by your Medical FSA, even if such dependents are not enrolled in your employer's health insurance plan.

### How can I find out the balance of my FSA?

You may access your balance three different ways:

1. Log in to your online account.
2. Log in to the Accounts by Aptia mobile app.
3. Email Customer Service.
4. Call 877-248-0510.
  - Access your balance by telephone.
  - Follow the voice prompts.
  - Be prepared to enter personal identification information — SSN and birth date.

### Can I be reimbursed for a medical charge after services have been provided if I have not yet paid for the services?

Yes. The bill must state the service has been incurred and the amount for which you are responsible.

### How do I file a claim?

To file a claim, please reference the Participant Guide found in your online account.

### How often are FSA claims paid?

Aptia's standard schedule is to process claims within two business days of receipt and issue reimbursements daily.

### How can I inquire about a specific FSA claim?

You may call or email Participant Services.

### Can I transfer balances from my Medical FSA to my Dependent Care FSA or vice versa?

No.

## Flexible Spending Account FAQ — Participants, continued

**What happens if the amount I request for reimbursement is larger than my available account balance?**

Manual reimbursement requests that exceed your account balance will be reimbursed up to the remaining amount available in the account.

Debit card purchases will be declined at the point of sale if they exceed the amount available in the account.

Your account balance will match your yearly election amount at the start of the plan year for Medical FSAs and Limited Medical FSAs.

**Where/how should I send my documentation?**

To ensure efficient processing, include the proper form or letter along with your documentation. This can be submitted via the your online account, the Accounts by Aptia mobile app, fax or mail:

Fax number: 855-717-6571

Mail: Aptia, PO Box 6161 | Fargo, ND 58108-6161

If you have any questions, please contact Participant Services at 877-248-0510.

**How do I set up direct deposit?**

You may sign up for free direct deposit through your online account.

**What happens if there is money left in my account at the end of the plan year and I have not incurred any more eligible expenses?**

IRS regulations stipulate that you will forfeit any money left in your account after the plan year ends. If your employer offers the grace period, you will be given an extended period of time after the plan year end date to incur expenses. Please refer to your employer's Plan Document to verify if the grace period is offered.

**What happens if my employment terminates?**

Your employer will communicate your final service date to Aptia. Then, debit card functionality (if offered by your employer) will be shut off at 11:59 PM Central time on the designated date. Please refer to your employer's Plan Document for further guidance on the amount of time given to file claims.

**How can I get more details about my employer's FSA Plan?**

The Summary Plan Description (SPD) provides details regarding your employer's FSA plan. Please ask your employer for a copy if you do not already have one.

**Will I receive a debit card?**

The debit card is a reimbursement option chosen by your employer. If offered, you will receive a card package in the mail, in the name of the participant.

**How do I order my spouse or dependent a debit card?**

You may order additional debit cards through your online account in either the participant's name or the name of a dependent over the age of 18. Please reference the Participant Guide found in your online account.

**Are there fees for additional or replacement debit cards?**

No.

**How will I be reimbursed for claims that I file online and how long does it take to receive the reimbursement?**

Claims are processed within two business days. There are two reimbursement options:

- **Direct deposit** — Reimbursement is deposited into participants' accounts within 2-3 business days.
- **Check** — Participants will receive a check within 5-6 business days. There is a \$25 minimum on checks and anything under \$25 will be sent at the end of the month.