

FREQUENTLY ASKED QUESTIONS

FLEXIBLE SPENDING

Q. What is the difference between health care and dependent care reimbursement accounts?

A. Dependent care and health care reimbursement accounts are separate and are only used for specific expenses under IRS regulations.

Health Care: The funds in your health care reimbursement account (maximum of \$2,550) may be used to pay for many of your family's health care expenses that are not already covered by your health care plans, including deductibles, co-payments and expenses that exceed reasonable and customary limits. **Effective January 1, 2011 over-the-counter medications could no longer be reimbursed from your health care reimbursement account without a doctor's written prescription.**

Dependent Care: The Dependent Care Flexible Spending Account (maximum of \$5,000) reimburses for child care or adult dependent care expenses that are necessary to allow you or your spouse to work or attend school full-time. The Dependent Care Flexible Spending Account does NOT pay for medical care for your dependents.

Q. Does Flex Spending automatically roll over into 2016 if I elected it in 2015?

A. **No.** If you had a flexible spending account in 2015, you will need to re-elect these options for 2016 and specify the amount you are electing. Previous year elections for flexible spending do not roll over to the next year.

Q. What are the timelines for using my Flexible Spending contributions?

A. You will be allowed 14 1/2 months to receive reimbursement from your Health Care Reimbursement Account. This benefit applies **only** to the Health Care Reimbursement Account. Your payroll deductions will be from January 1, 2016 – December 31, 2016 but you will have until March 15, 2017 to access medical services and be reimbursed. You may submit claims through March 31, 2017.

If you have a balance in your 2015 Health Care Reimbursement Account as of January 1, 2016, any services received through March 15, 2016 and claims submitted by March 31, 2016 will be applied to the previous year's fund balance before claims are paid with the 2016 funds you elected. **Remember, over-the-counter medication cannot be reimbursed after January 1, 2011 without a doctor's written prescription.**

Payroll deductions for your Dependent Care Reimbursement Account will be from January 1, 2016 - December 31, 2016 and only reimbursable within that 12 month period. The amount available for reimbursement at any time is limited to the amount in your account. The Flexible Spending Plan remains a use-or-lose benefit. Therefore, you would still LOSE any funds not used through the plan year (12 months for Dependent Care and 14 ½ months for Health Care).

Q. If I have someone come into my home to take care of my children instead of using a day care facility, do these expenses qualify for a dependent care FSA?

A. Yes. If the services are necessary in order for you (or, if you are married, you and your spouse) to work, you can include payments made to a babysitter or companion in or outside your home. Expenses will also qualify if you work and your spouse is a full-time student or is mentally or physically incapable of self-care. However, you *cannot* be reimbursed for payments made to:

- Your spouse
- A parent of your qualifying child
- Your child under age 19, even if that child is not your dependent
- Any person you claim as a dependent on your tax return

Q. Can I use the dependent care FSA for elder care? What if my elderly parent remains in his/her own home or a nursing home but is still my dependent?

A. You can use the dependent care FSA for elder care expenses so that you (or if you are married, you and your spouse) can work. To claim the expenses:

- Your parent must qualify as your dependent under the tax rules. Please see IRS Publication 503 at www.irs.gov for specifics.
- Your parent must be physically or mentally incapable of self-care.
- Your parent must reside in your home for at least half of the year.
- Your parent must usually spend at least eight hours a day in your home.

Q. Can I get reimbursed from my dependent care FSA as soon as I pay my child care bill?

A. Under IRS guidelines, you can only be reimbursed for dependent care that has already taken place. Also, you can only be reimbursed for the amount that you have already contributed to your dependent care FSA. Unlike the health care FSA, the full amount of your dependent care election is not available January 1.