

# **Gannon University**

## **Flexible Spending Accounts**

### **FSA**

### **Employee Overview**



**Plan Dates**  
**April 1, 2022, to**  
**March 31, 2023**

**Prepared By:**



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# Flexible Spending Account (FSA)

## What is a FSA Flexible Spending Account?

An FSA allows you to set aside wages from your gross pay BEFORE taxes are taken. Your non-taxed wages are made available for you to use on eligible medical expenses for you, your spouse and eligible dependents up to age 26. As explained below, FSA funds can be used for medical expenses like Doctor Co-Pays, Health Insurance Deductibles, Prescriptions/Rx's, Dental and Vision costs, plus much more.

## What is the Maximum FSA Amount I can Elect?

Under your FSA plan, the Maximum Annual FSA Election allowed is **\$2,850.00**. 100% of your FSA Election will be available day one of your plan year.

## What Expenses are Covered by an FSA?

Eligible FSA health care expenses are those medical, dental, and vision care expenses. Generally, IRS rules state that medical care includes items and services that are meant to diagnose, cure, mitigate, treat, and/or prevent an illness or disease.

### ➤ Deductibles & Co-pay:

Expenses or costs such as health plan deductibles, doctor's & prescription co-pays, costs for out of pocket dental care and/or vision care.

### ➤ Over-the-Counter Medicines:

In March 2020, with the passage of the CARES Act, the OTC Rx requirement has been repealed and prescriptions are no longer necessary to purchase over-the-counter medicines with an FSA.

## What is Dependent Care (DCAP) under a FSA Plan

Dependent Care or DCAP is a separate account under an FSA Plan that allows a participant to set aside tax free contributions to pay dependent care expenses, such as: Child Care (at daycare centers, day camps, pre-school or private sitters), Before & After School Care & Adult Day Care expenses for care for elderly dependents.

Dependent Care accounts can reimburse eligible day care expenses for children UNDER age 13 and are dependents on your Federal tax return who are incapable of self-care. Dependent care expenses must be work related, your expenses must be incurred to allow you to work or look for work.

A Dependent Care is considered a **"Pay as You Go Plan"** Unlike the FSA's, Dependent Care is not "pre-funded" so Employees can only be reimbursed up to the amount they have contributed, per each payroll deduction made. Employees cannot be reimbursed for the full annual election on day one of the plan, as is with the Medical FSA.

- **Maximum Contribution for Dependent Care:** **\$2,500** Filing Single or Married Filing Separately **\$5,000** Filing Joint or Single Filing Head of Household

## Who's Health Care Expenses May I Include?

Under the FSA Plan, only the expenses of a participant, a spouse or a participant's dependents qualify. To qualify as a dependent, the person must be your dependent at the time health care expenses are provided. The dependent must also receive more than 50% financial support from the participant and have same principal residence.

## What Expense Dates can I include in my FSA?

You may include expenses that were incurred for services during the  
**Plan Dates of: April 1, 2022 to March 31, 2023**

**Reimbursements are based on Date of Service, not Payment or Statement Dates**

## "Grace Period Ends" May 31, 2023

Your plan has a **"Grace Period"** which extends the dates and allows extra time to incur expenses and use remaining FSA balances after the close of your plan year.

May 31, 2023 is the last day you can incur and utilize any FSA 2022/2023 Plan Year funds

## Run-Out Date June 30, 2023

The **'Run-Out Date'** marks the last day for filing claims incurred during the plan year. If these claims have not been submitted before **June 30, 2023**, these remaining funds will be forfeited under the IRS "Use It or Lose It" rule.

## Employees who may Resign or Terminate

\*Terminated employees have **90 days** to submit FSA claims, on a claim form, to C.H. Reams. These claims must have dates of service prior to the employee termination or resignation date in order to qualify for reimbursement.

## IRS Use It or Lose It?

Under IRS guidelines, if you contribute funds to an FSA Plan and have a balance remaining as of June 30, 2023 you will forfeit any remaining funds in your FSA account.



### What Health Care Expenses are **ELIGIBLE** and May be Reimbursed? (below is a partial list)

Acupuncture	Diagnostic tests	Medical Alert (bracelet)	Prescription Drugs
Allergy shots & testing	Eye & Vision exams	\$.18 per mile for Med Appt's	Psychiatric Care
Ambulance (Ground or Air)	Flu shots & Immunizations	Nursing services	Psychologist Care
Blind Services, equipment	Hearing Aids & Batteries	Obstetrical expenses	Smoking Cessation
Breast pumps for nursing	Home Health/Hospice Care	Operations & Surgeries	Speech Therapy
Chiropractor services	Hospital Expenses	Orthodontia & Braces	Ultrasounds
Contact Lenses & Eye Glasses	Insulin & Diabetic Supplies	Orthopedic services	Vision Correction
Co-Payments (Medical, Dental, Etc)	Lab Fees	Parking Fees for Med Appt's	Vaccinations
Dental Expenses	Laser LASIK Eye Surgery	Physical therapy (PT)	X-rays

### What Types of Services **NOT-Eligible** for FSA Reimbursement?

ANY Cosmetic Procedures	Dental Bleaching	Hair Removal/Transplants	Special Beverage/Food
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### FSA Acceptable Over the Counter **ELIGIBLE** Items that Can be Purchased with FSA Card

Acid Controllars	Acne Med & Treatments	Antibiotic Products	Anti-Itch & Anti-Fungal
Anti-Diarrheal/Anti-Gas	Allergy & Sinus Products	Blood Pressure Monitors	Braces and Supports
Cold Sore Remedies	Contact Lens Solutions	Cough, Cold, Flu & Vicks	Diabetes Supplies & Insulin
Glasses	Home Health Care/CPAP	Hot & Cold Packs	Incontinence Supplies
Sunscreens w/SPF+30	Nicotine Medications	Pain Relievers	Reading Glasses
Respiratory Treatments	Sleep Aids & Sedatives	Sore Remedies	Thermometers
Walkers & Wheelchairs	Wart removal remedies	Menstrual care products	



(This is not a definitive list and is subject to changes as updates become available from the IRS)

Please Note: FSA Debit Cards **MAY NOT** work with all OTC Medications but you can submit on paper claim form /receipt

## How are FSA/DCAP Claims Reimbursed?

### When you incur Medical FSA expenses, you have 2 options for reimbursement:



**Option 1:** Use your **mySourceCard®**  at any FSA qualified merchant that accepts MasterCard®. The card can be used to pay your doctor and dentist, hospital, pharmacy, opticians, vision care, chiropractors and other healthcare providers. If enrolled in DCAP, some Daycare Providers may accept  as means of payment. The card will not work at restaurants, retail stores, gas stations, etc. Your FSA Approved Expenses are automatically deducted from your pre-tax FSA account without the hassle of submitting FSA Claim Forms or having to cash reimbursement Checks!

#### Here are some of the advantages of the **mySourceCard®**

- Instant Access to your FSA funds
- Payment goes directly to Provider from your FSA account
- No Need to Pay Cash Out of Your Pocket and submit claim
- A Card that handles FSA & Dependant Care (DCAP) charges
- Online access [www.MyRSC.com](http://www.MyRSC.com) for Account Balance & Transaction information
- **888-523-4308** Toll Free Number to check Balances and Transactions



**Option 2:** You can be reimbursed for FSA/DCAP expenses by submitting a paper claim with supporting documentation to your FSA Plan Administrator at C.H. Reams & Associates either by Fax, Email or Postal mail. Your FSA Plan Administrator will process the paper claims for reimbursement each Thursday and a reimbursement check will be mailed directly to your home. \*Dependent Care funds are only available as they are contributed per each payroll deduction.





**Get** *It's Time to*  
**Connected!**  
*Your Debit Card Solution.*

## FAQ's

- **How does the card work?** Present your FSA *mySourceCard®* to a qualified FSA merchant or provider. The card is swiped and an authorization to pay will be issued. FSA funds for eligible expenses will then be transferred directly to the provider or merchant from your FSA Account through the MasterCard® network. *mySourceCard®* automatically sends you an email to notify you and give an updated FSA Fund Balance.
- **How does an individual activate the card?** Before using the card, the cardholder must activate their card by either calling Card Inquiry Line (888) 523-4308 or by calling C. H. Reams & Assoc. (800) 673-2518. You can also visit their website at [www.MyRSC.com](http://www.MyRSC.com) to activate your card and access your FSA Activity.
- **Is this just another MasterCard® credit card?** The *mySourceCard®* automatically verifies the Merchant or Provider and will approve only if they are registered as a qualified FSA merchant or provider. Your FSA Card is treated like a credit card and you DO NOT need a 'PIN Number' to receive authorizations.
- **Does my MySource Card Expire?** MySourceCards are issued to Employees with a 3-Year Activation Period. Cards should not be discarded at the end of the FSA Plan Year and should continue to be utilized until they expire. Expiration Dates are printed on the cards. If cards are expiring, **NEW MySourceCard's automatically issue 30-45 days prior to the expiration date.** Please notify C. H. Reams with any changes to Name, Address or Phone # prior to the card Expiring. US Postal Service will NOT forward MySourceCards to a new address and they will be returned to the distributor.
- **Will the card determine if the provider is FSA eligible?** The card is restricted to certain provider and merchants and is not accepted at all MasterCard® locations. Your card should be used *exclusively* for FSA Qualified Expenses as defined by your plan. The *mySourceCard®* may Authorize some providers for services that may not meet all IRS FSA parameters. These Authorizations/Payments may require additional documentation and/or Medical Necessity in order to be fully substantiated and approved by your Benefit Administrator. (see next item)
- **What will happen if I use my card for an ineligible expense?** If the card is used for expenses not FSA Qualified, you are indebted to your employer and must repay the full amount of the non-qualified expense. If an error was determined, payment will be required to be returned to the FSA account. Failure to submit repayment in a timely manner will result in your FSA card being deactivated until the matter is resolved.
- **Will I need to submit a claim form?** A claim form is not necessary if you use your *mySourceCard®*. However, you should retain all applicable receipts as they may be required to verify eligibility of expenses.
- **What if my provider doesn't have a charge card terminal?** You can still utilize funds from your FSA account by mailing or faxing in a paper FSA Claim to the Plan Administrators at C.H. Reams & Assoc. These claims are processed weekly and a FSA reimbursement check will be mailed directly to you.
- **What if my card is lost or stolen?** You should immediately call C. H. Reams & Assoc. (800) 673-2518 or Contact *mySourceCard®* Card Services at 888-523-4308 and have your card blocked. Your card should be deactivated and a new card can be ordered, however, there may be a \$5 fee for replacing your *mySourceCard®*.
- **Can I get a card for my spouse or dependents?** Yes, Multiple Cards may be requested for family members but depending on your employers FSA Plan, there may be a \$2.00 processing fee per card. It is best to request additional cards during your Employer Open Enrollment Period.

*Always remember, you can contact your Benefit Administrator at C. H. Reams & Associates  
(814) 453-4357 - (800) 673-2518 with any questions regarding your Flexible Spending Account*



# FSA Tax Savings Illustration on Medical Costs

	Employee's Monthly Participation in FSA	Employee NOT Participating in FSA
Employee Monthly Gross Pay based on \$30,000 salary	\$2,500.00	\$2,500.00
Employee Monthly Deduction based on \$2,000 FSA Plan (\$167.00 x 12 months = \$2,000 in a FSA Annual Election)	<u>- 167.00</u>	<u>0.00</u>
Employee Monthly Taxable Gross Income	\$2,333.00	\$2,500.00
Taxes Withheld from Gross Pay (approximately 25%)	<u>- 583.00</u>	<u>- 625.00</u>
Net Take Home Pay for the Month	\$1,750.00	\$1,875.00
Employee Out of Pocket Health Expenses w/o FSA	<u>0.00</u>	<u>-167.00</u>
<b>Employee Total Monthly Take Home Income</b>	<b>\$1,750.00</b>	<b>\$1,708.00</b>

The Above Example illustrates an Employee/Family with FSA Out-of-Pocket expenses of \$2,000 a year

Monthly Increase in Take Home Pay due to FSA Account: \$ 42.00 = Savings per Month  
 Yearly Savings if Utilizing the Tax Free FSA Account: \$ 504.00 = Savings per Year

This worksheet may be used as a tool to estimate FSA Expenses that are likely to be incurred throughout the plan year. The following are general expenses eligible for reimbursement under the FSA and/or Dependent Child Care Reimbursement Plans

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## Medical Yearly Expenses

Office Co-Pays \$ \_\_\_\_\_  
 Insurance Deductibles \$ \_\_\_\_\_  
 Chiropractic \$ \_\_\_\_\_  
 Lab/Blood Work \$ \_\_\_\_\_  
 OB/GYN Visits \$ \_\_\_\_\_  
 Prescription Drugs \$ \_\_\_\_\_  
**Annual Medical Costs** \$ \_\_\_\_\_

## Dental Care Expenses

Office Exam & Cleaning \$ \_\_\_\_\_  
 X-Rays & Fillings \$ \_\_\_\_\_  
 Crowns, Bridge \$ \_\_\_\_\_  
 Orthodontics, Dentures \$ \_\_\_\_\_  
**Annual Dental Costs** \$ \_\_\_\_\_

## Vision Care Expenses

Eye Exams \$ \_\_\_\_\_  
 Laser or Eye Surgery \$ \_\_\_\_\_  
 Glasses/Contact Lenses \$ \_\_\_\_\_  
**Annual Vision Costs** \$ \_\_\_\_\_

**TOTAL FSA** \$ \_\_\_\_\_  
 DIVIDE by number of  
 Paychecks you will receive  
 During the plan year (26) \$ \_\_\_\_\_  
**THIS IS YOUR PER  
 PAY CONTRIBUTION** \$ \_\_\_\_\_

## Dependent Care (DCAP) Expenses

Day Care Services \$ \_\_\_\_\_  
 In-Home Care/Au Pair \$ \_\_\_\_\_  
 Nursery & Preschool \$ \_\_\_\_\_  
 After School Care \$ \_\_\_\_\_  
 Summer Day Camps \$ \_\_\_\_\_  
**Dependent Care Costs** \$ \_\_\_\_\_

## Elder Care Expenses

Day Care Center \$ \_\_\_\_\_  
 In-Home Care \$ \_\_\_\_\_  
**Elder Care Costs** \$ \_\_\_\_\_

**TOTAL DCAP** \$ \_\_\_\_\_  
 DIVIDE by number of  
 Paychecks you will receive  
 During the plan year (26) \$ \_\_\_\_\_  
**THIS IS YOUR PER  
 PAY CONTRIBUTION** \$ \_\_\_\_\_