



FLEX SPENDING ACCOUNTS



FREQUENTLY ASKED QUESTIONS

ACTIVE EMPLOYEES

1) What is Flex Spending?

Answer: A benefit regulated by the Internal Revenue Service (IRS), which allows you to use tax free dollars to pay for out-of-pocket health care expenses such as office and prescription co-pays, and dependent care expenses such as child care. You pay no Federal, State or Social Security taxes on the amount of money you elect to flex.

2) If I enroll, how do tax savings work?

Answer: Your annual election is deducted pre-tax from your paycheck over 26 pay periods and placed in a Flexible Spending Account. You may then use the money from this account to pay for eligible expenses.

3) When and how do I enroll in Flexible Spending for 2011?

Answer: During Open Enrollment. You **must enroll** each plan year regardless of whether or not you enrolled in the prior year (2010). You may enroll online or by completing an enrollment application. Visit the Employee Benefits website or call our office for details on enrollment.

4) When does Flex Spending for 2011 begin?

Answer: The 2011 Plan Year begins January 1, 2011 and ends December 31, 2011. The Plan allows for a grace period so you can continue to incur expenses for Plan Year 2011 through March 15, 2012. You may begin to submit for reimbursement and/or use your debit card beginning January 1, 2011.

5) If I enroll in Flex Spending, what is the maximum dollar amount I can elect?

Answer: You can flex up to \$2,000 for health care expenses. If you wish to flex more than \$2,000, you must obtain County approval by submitting a letter and/or supporting documentation that justifies the need to flex more than \$2,000. The maximum amount you can flex for dependent day care is \$5,000. If you and your spouse are both flexing, the combined total must not exceed \$5000.

6) How long do I have to submit my receipts for reimbursement for Plan Year 2011?

Answer: You have until May 15, 2012. Submit receipts to Total Benefit Services, Inc. (TBS), the County's third party administrator of the Flex Program.

7) If I enroll during the Open Enrollment period and later decide I do not want to participate in Flex Spending, can I cancel my election?

Answer: No. Your election is irrevocable once it has been processed by Employee Benefits.

8) Once enrolled can I make a change to my election?

Answer: Yes, but only if you experience a "qualifying event" which is defined by the IRS as a "change in family status" (e.g. a birth, death, divorce, or change of job status).

Note: Be absolutely sure you will incur an expense for a medical service you expect to have in 2011 because if the medical service is cancelled for any reason, you will not be allowed to change your election. *(Cancellation of a service is not a qualifying event.)*

9) Once I submit a claim for reimbursement, how long can I expect to wait for payment?

Answer: TBS processes claims twice a week. Claims received by 3:00 PM on Monday are processed and mailed on Tuesday. Claims received by 3:00 PM on Thursday are processed and mailed on Friday.

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10) What is a Flex Spending debit card?

Answer: It works just like a credit card. If you request the card, it will be loaded with your annual medical election amount and/or your bi-weekly election amount for dependent care. You can use this card to pay for qualifying medical expenses such as office co-pays, prescriptions and/or to pay for child care expenses. You may also request a debit card for a qualifying spouse/dependent. For information on which merchants accept debit cards visit www.sig-is.org and click on the "IIAS Merchants List" link.

If your debit card is lost or stolen, contact TBS at (559) 431-7062. On-line access to your account information is available at www.BenefitsPaymentSystem.com.

11) If I utilize the debit card, do I need to save my receipts?

Answer: Yes. The IRS requires substantiation. TBS may contact you requesting receipts or other supporting documentation. If you do not respond to the request, your debit card could be disabled.

12) Where can I get more detailed information on what medical related expenses and over-the-counter items qualify for reimbursement under Flex Spending?

Answer: Visit the TBS website at www.totalbenefit.net and click on the "Flexible Benefits" link. You may also call them at (559) 431-7062.

13) When I use my debit card and I am asked if this is "credit or debit", what should I say?

Answer: Credit. The debit card functions as a credit card and you will not receive a PIN.

14) Is there an age limit for Dependent Care Spending?

Answer: Yes. Pursuant to IRS regulations, dependent care (*child daycare*) is allowable up to age 12. Once your child turns 13 years of age, you can no longer flex your child care expense. Over age dependents must be physically or mentally unable to care for themselves. You must submit a change to cancel your flex election once your dependent no longer meets the qualifying criteria.

15) What happens if I enroll in Flex Spending and go on a leave of absence?

Answer: If you flex your health care expenses, you have the option of either continuing your flex spending account during your leave of absence or you may choose not to participate during your leave. Contact Employee Benefits at (559) 488-3069 to obtain additional information.

16) If I enroll in Flex Spending and terminate employment, can I continue to participate in Flex for the remainder of the plan year?

Answer: Yes. If you have money remaining in your flex account, you can elect COBRA. Contact Employee Benefits at (559) 488-3069 for more information.

17) Can I enroll in the Flex Plan if I am going to be retiring?

Answer: Yes. When enrolling you should inform Employee Benefits staff that you will be retiring and they will assist you with details on your election as it pertains to your retirement.

18) If I currently Flex my CIGNA disability and/or Supplemental Life Insurance, do I need to re-enroll to continue flexing my election?

Answer: Yes. You must complete a new enrollment form each plan year.

19) If I currently flex my transportation expenses (*parking, vanpooling, transit, etc.*), do I need to complete a Flex Enrollment Form during open enrollment?

Answer: No. In accordance with IRS guidelines, you may enroll, make changes and/or cancel your election for transportation expenses at anytime. Contact Employee Benefits at (559) 488-3069 for more information.

20) Can I flex out of pocket medical expenses for my domestic partner?

Answer: No. Flexible Plans are governed by Federal regulations, not State regulations. Current Federal regulations do not provide coverage for domestic partners.