

## Flexible Spending Accounts FAQs

**1. I am not enrolled in PEEHIP coverage, can I still participate in a PEEHIP FSA plan?**

Yes. Enrollment in the PEEHIP Hospital Medical or Optional Coverage Plan is not required to participate in the Health FSA or Dependent Care Reimbursement Account (DCRA). However, since your claim data will not be automatically accessible to our FSA administrator, you will be required to provide an itemized receipt or explanation of benefits (EOB) to verify that an expense is eligible.

**2. My eligible dependents are not enrolled on any of my PEEHIP coverage plans, can I still be reimbursed for their eligible expenses through my FSA?**

Yes. You are not required to carry your dependents on you PEEHIP coverage to pay for their qualifying expenses using your FSA funds. You will be asked to provide an itemized receipt or explanation of benefits (EOB) to verify that an expense is eligible.

**3. How and when can I enroll in an FSA?**

The open enrollment period for a PEEHIP FSA is July 1 through September 30. You can enroll outside of open enrollment if you are a new hire within 30 days of your hire date. You can also enroll within 45 days of an IRS qualifying life event. For Open Enrollment or new employee enrollment, enroll online at Member Online Services or send in a Flexible Spending Account Enrollment Application postmarked no later than September 30 (Open Enrollment) or 30 days of your new hire date. For enrollment due to a qualifying life event, a Flexible Spending Account Status Change Form must be submitted with supporting documentation within 45 days of the event.

**4. Can I move funds from my Health FSA to my DCRA or vice versa?**

No. The IRS does not permit the transfer of funds between accounts.

**5. Do I get a refund for my money I did not use by the deadline?**

No. Unused funds remaining in your FSA after the Timely Filing Deadline are forfeited. However, PEEHIP does allow up to \$550 of unused funds remaining in your Health FSA at the end of the plan year to be carried over for use in the subsequent plan year. You must remain in active status to use carryover funds. Carryover funds must be used by the end of the new plan year.

**6. Can I change my election amount during the plan year?**

Yes, if you have an IRS qualifying life event. You must complete a Flexible Spending Account Status Change Form and attach supporting documentation. The form must be received within 45 days of the qualifying life event. Your new election amount cannot be less than \$120, the amount you have already used from your FSA, or the amount you have already contributed through payroll deduction.

**7. What if my employment ends before the end of the plan year?**

If you terminate or go on an unpaid leave of absence before the end of the plan year, your FSA will cancel when your employer paid contributions end. If the balance remaining in your FSA is greater than the remaining contribution due to fund the annual amount requested, you may elect to continue your FSA on an after-tax basis plus a 2% administration charge. If you are re-hired within 30 days of your termination date, your FSA will be automatically reinstated and contributions will resume.

**8. What if I retire before the end of the plan year?**

Your FSA will cancel when your employer paid contributions end.

**9. Can I use the FSA Visa debit card at my doctor's or dentist's office?**

Yes, you can use your FSA Visa debit card at most pharmacies and most medical, dental or vision provider's offices for qualifying healthcare expenses. HealthEquity may ask you to provide a copy of the itemized receipt or explanation of benefits (EOB) to verify that the expense is eligible. This card can only be used to access the funds in your Health FSA. It cannot be used to access funds in your DCRA.

**10. How long does it take to get a reimbursement?**

Reimbursement request are processed daily. If all the required documentation is received with your request, a reimbursement check will be mailed to you within 5-7 business days. If you sign up for direct deposit, you should receive your reimbursement in approximately 3-5 business days. You can sign up for direct deposit by logging into your account at [www.myhealthequity.com/peehip](http://www.myhealthequity.com/peehip) or by completing a Direct Deposit Form available through the HealthEquity website or <https://www.rsa-al.gov/peehip/forms/>.

### **11. Can I have more than one Healthcare FSA?**

The IRS limits the amount of a Healthcare FSA through a single employer to \$2,750 per year. If your employer offers more than one Healthcare FSA, the total amount of both plans should not exceed \$2,750. Your spouse is also allowed to enroll in a separate Healthcare FSA through their employer for the maximum amount allowed, even if you both work for the same system. However, keep in mind you cannot “double-dip” or receive reimbursement from more than one Healthcare FSA for the same expense.

### **12. Can I have more than one DCRA?**

The maximum annual amount allowed per individual or married couple filing a joint federal income tax return is \$5,000 per year. If a married couple files a separate federal income tax return, each are limited to \$2,500 regardless of whether or not the other spouse enrolls in a separate DCRA. Double dip rules also applies to the DCRA.

### **13. What is meant by pre-taxed and what is the benefit?**

Pre-tax means the money contributed to your FSA directly reduces your taxable income. The benefit is the FSA funds withheld are returned to you when you have eligible health or dependent care expenses. Taxes are never charged on this amount which results in eligible health and dependent care expenses being tax free. If you are in a 25% tax bracket, you can save up to \$25 on every \$100 of eligible health or dependent care expenses. The higher your tax bracket, the more you save. An additional benefit is you don't have to wait until you file your yearly income tax to claim an itemized deduction for these expenses. You've already received the tax break.