

Flexible Spending Account (FSA) FAQ — Participants



**GIVE YOURSELF
A PAY RAISE**

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.

What are the different types of FSAs?

The most common types of FSAs include:

- **Dependent Care Account (DCA):** 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 Spending Account (MSA):** Allows reimbursement of qualifying medical expenses.
- **Limited Medical Spending Account (LMSA):** Works in conjunction with a qualified High-Deductible Health Plan (HDHP) and Health Savings Account (HSA). Limited FSAs only allow reimbursement for preventative care, vision and dental expenses.

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

Where can I find out which expenses are eligible for reimbursement?

Please visit our website at www.discoverybenefits.com/eligibleexpenses to find our most up to date eligibility lists.

Note: Some over-the-counter products require a doctor's prescription. Also, due to frequent updates to the regulations governing FSAs and HSAs, this list does not guarantee reimbursement and is intended to be utilized solely as a guide.

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. Discovery Benefits recommends that you check with your tax advisor before you make your election for the plan year.

Flexible Spending Account (FSA) FAQ — Participants, continued

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.

When and why do I need to substantiate benefits debit card transactions?

Due to IRS regulations, certain benefits debit card transactions need to be substantiated. Substantiating means validating the transaction to ensure the card was used for IRS-approved items/services within the allowed timeframe.

Substantiation is generally not needed when the transaction is one of the following:

- A co-payment tied to your health plan.
- Made at a merchant that utilizes the Inventory Information Approval System (IIAS). (A list of IIAS merchants can be found at www.discoverybenefits.com/IIAS.)
- A recurring expense that matches the provider and dollar amount for a previously substantiated claim.

You will be notified in writing if substantiation is required.

How can I be reimbursed for out-of-pocket expenses?

If you do not use your benefits debit card, you can file claims for out-of-pocket expenses in three ways:

- Online
- Using the Out-of-Pocket Reimbursement Request Form
- Via the Discovery Benefits mobile application

How will I be reimbursed for claims that I file?

There are two reimbursement options:

- Direct deposit
- Check (can be sent to you or the provider)

What if my Medical FSA expense is denied?

Participants will receive a notification if a claim is denied. You may also view your account online at www.discoverybenefits.com or call Participant Services to determine if you need to substantiate a claim and provide additional details. For an expense to be approved, the following information will need to be provided with documentation.

- Date service was received or purchase was made
- Description of service or item purchased
- Dollar amount
- Provider or store name
- In some cases, a Medical Necessity Form or physician letter may be required

Examples of expenses that may require these steps include health club membership dues, massage therapy and weight loss program dues. Expenses deemed medically necessary by the IRS are allowable; however, expenses for general health — even if doctor-prescribed — are not considered medically necessary by the IRS. For example, if you suffer back pain and your doctor confirms massage therapy is medically necessary to treat the back pain, the medical expense will be allowed, but massages for general wellness will not be allowed. Ultimately, it is the responsibility of the participant to submit claims for allowable expenses that are deemed medically necessary by the IRS.

How do I claim travel expenses for medical visits (mileage, parking, toll fees, etc.)?

To claim travel expenses for medical visits, submit a claim online or using the Out-of-Pocket Reimbursement Request Form.

What is the mileage rate?

1/1/2016 - 12/31/2016: 19 cents/mile

1/1/2017 - 12/31/2017: 17 cents/mile

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

You can access your balance in three ways:

- Log in to your account.
- Call 866-451-3399 and follow the voice prompts for balance information.
- Contact Participant Services via email or phone.

How do I log in to my account?

You can access your online account from our website at www.discoverybenefits.com.

What happens if my employment terminates?

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