



Health FSA FAQ-2020

1. What is a Flexible Spending Account (FSA)?

A flexible spending account is an employer-sponsored benefit that allows you to set aside pre-tax dollars to pay for eligible health care and/or dependent care expenses.

2. Will Debit Cards be provided to each enrolled employee automatically?

Yes, once enrolled each employee will receive a WEX Health Debit card loaded with Health FSA dollars only. Please note that Dependent Care (Day Care) dollars will *not* be loaded on this Debit card.

3. How does the FSA work?

- Estimate your eligible expenses for the upcoming year (health care and/or dependent care).
- Determine how much you want to have set aside from your pay to go into your FSA to pay for your eligible expenses for the coming year (this amount is called your “election”).
- The money you elect for your FSA will be automatically deducted from your paycheck on a pretax basis and credited to your FSA over the course of the year through payroll deduction.
- When you have an eligible expense, you can submit a claim to be reimbursed from your FSA. Or, you may use your WEX Health Debit card when purchasing eligible expenses.
- For health care FSA claims, you can be reimbursed even if your FSA balance is not enough to cover your claim (up to your annual election amount).

4. What does pre-tax dollars mean and why is this important?

With an FSA, the money you set aside to pay for health care and/or dependent care expenses come out of your salary before taxes are withheld. This reduces your taxable income, and consequently, your tax liability. You pay for your eligible expenses with tax-free money from your FSA.

5. What happens to the money in the FSA, if I leave my employer?

If you leave your place of employment during the plan year, you may have a period after termination to submit claims for reimbursement. Services and health care expenses must be incurred before your termination date unless you continue to contribute to your health care FSA account through COBRA. Check with your employer for more information.

6. Is there a limit to how much I can contribute to my health FSA?

Yes. As a result of the Affordable Care Act, employee contributions have been capped for health FSA plans. The annual limit \$2,750, and you cannot contribute more than this amount.

7. What is a FSA Grace Period?

The FSA Grace Period is an extended period of coverage at the end of every plan year that allows you extra time to incur expenses to use your remaining FSA account balance after the close of the plan year. The grace period is **2 ½ months** (through **March 15th of the following year**)

8. What is Substantiation?

IRS rules govern Substantiation requirements. The IRS has established guidelines that require all Flexible Spending Account (FSA) transactions –even those made using a Debit card – to be substantiated (verified that the purchase was an eligible medical expense).

Save your receipts, even for your Debit card purchases! Many expenses can be validated automatically, but you may be prompted to provide a copy of the receipt for certain transactions in accordance to IRS regulations.

9. How will I receive a request for receipts for Substantiation?

To receive requests via Email:

- Visit tpscbenefits.com secure portal and click the **Consumer TPSC FSA Portal** to register your chosen email address in the **Consumer TPSC FSA Portal**.
- Once registered, Subrogation requests will be emailed to the registered email address.
- **Please note:** you will always have access to your notices at **Consumer TPSC FSA Portal** by logging into tpscbenefits.com

To receive requests via US Mail:

- Visit tpscbenefits.com secure portal and click the Consumer TPSC FSA Portal and ensure you have not loaded an email address or selected to have notices sent to you via email.
- Subrogation requests will be mailed via US Mail to the address on file with TPSC.
- **Please note:** you will always have access to your notices at **Consumer TPSC FSA Portal** by logging into tpscbenefits.com

Submit all requested receipts or other documentation using one of the following methods:

- 1) **NEW!** Submit on the TPSC EzPay Mobile app, or
- 2) Submit online by logging in to tpscbenefits.com/cot, or
- 3) Fax to (253) 564-5881, or
- 4) Mail to: TPSC, PO Box 1894, Tacoma WA 98401, or
- 5) Deliver to: TPSC, 1101 Pacific Avenue, Ste 300, Tacoma WA 98402

Debit Card FAQ-2020

10. What is the WEX Health Debit card?

The WEX Health Debit card is a special-purpose Mastercard that gives participants an easy, automatic way to pay for eligible Health Care FSA expenses. The Debit card lets participants electronically access the pre-tax amounts set aside in the Health Care FSA.



11. How does the WEX Health Debit card work?

The value of the participant's account contribution is stored on the benefits Debit card. When participants have eligible expenses at a business that accepts benefit Debit cards, they simply use their Debit card. The amount of the eligible purchases will be deducted – automatically – from their account and the pre-tax dollars will be electronically transferred to the provider/merchant for immediate payment.

12. How does the WEX Health Debit card change how the participant is reimbursed for expenses?

Before the WEX Health Debit card became available, participants had to pay for their eligible expenses at the time of purchase, submit claim forms along with all receipts, and then wait for the reimbursement to be processed. Checks were issued and mailed to the participants, who then cashed the checks. In essence, participants “paid twice” – through payroll deduction and then at the point of sale – then they had to wait for reimbursement.

However, with the WEX Health Debit card, participants simply swipe their Debit card and the funds are automatically deducted from their Health Care FSA account. The Debit card eliminates most out-of-pocket cash outlays and paperwork, as well as the need to wait for reimbursement checks.

13. Is the WEX Health Debit card just like other MasterCards?

No. The WEX Health Debit card is a special-purpose MasterCard that can be used only for eligible health care/benefits expenses. It cannot be used, for instance, for Dependent Care (Day Care) expenses, or at gas stations or restaurants. There are no monthly bills and no interest.

14. How many WEX Health Debit cards will the participant receive?

The participant will receive two Debit cards. If participants would like additional Debit cards for other family members, they should contact TPSC Benefits at the telephone number or website address printed on the back of the Debit card.

15. Will participants receive a new WEX Health Debit card each year?

No. Although you must re-enroll each year to use the card, participants will not receive a new Debit card each year. If the participant will again have a benefit associated with the Debit card for the following plan year – and he/she used the Debit card in the current benefit year – the participant will simply keep using the same Debit card the following year. The Debit card will be loaded with the new annual election amount at the start of each plan year or incrementally with each pay period, based on the type of account(s) the participant has.

16. What if the WEX Health Debit card is lost or stolen?

Participants should call TPSC Benefits at the telephone number or website address printed on the back of the Debit card. Report a Debit card lost or stolen as soon as they realize it is missing, so TPSC Benefits can turn off their current Debit card(s) and issue replacement Debit card(s). There is a \$10 fee for replacement cards, deducted from the Health Care FSA account.

17. How do participants activate the Debit card?

Participants should call the toll-free number on the activation sticker on the front of the Debit card or visit the web site on the back of the Debit card.

Participants can use both Debit cards once the first Debit card is activated – they do not need to activate both. They should wait one business day after activation to use their Debit cards. Each Debit card user should sign the Debit card with his or her own name.

18. What dollar amount is on the WEX Health Debit card when it is activated?

For Health Care FSAs, the dollar value on the Debit card will be the annual amount that participants elected to contribute to their respective employee benefit account(s) during their annual benefits enrollment. It's from that total dollar amount that eligible expenses will be deducted as participants use their Debit cards or submit manual claims.

19. Where may participants use the WEX Health Debit card?

IRS regulations allow participants to use their WEX Health Debit cards in participating pharmacies, mail-order pharmacies, discount stores, department stores, and supermarkets that can identify FSA - eligible items at checkout and accept benefit prepaid cards. Eligible expenses are deducted from the account balance at the point of sale. Transactions are fully substantiated, and in most cases, no paper follow-up is needed. Participants can find out which merchants are participating by visiting the web site on the back of the Debit card.

Some plan designs may also allow participants to use their Debit cards in pharmacies that have certified that 90% of the merchandise they sell is HSA/FSA/HRA-eligible. However, since these pharmacies cannot identify the eligible items at the point of sale, another form of auto substantiation or paper follow-up will be required.

Participants may also use the Debit card to pay a hospital, doctor, dentist, or vision provider that accepts prepaid benefit cards. In this case, auto-substantiation technology is used to electronically

verify the transaction's eligibility according to IRS rules. If the transaction cannot be auto substantiated, paper follow-up will be required.

20. Are there places the WEX Health Debit card won't be accepted?

Yes. The WEX Health Debit card will not be accepted at locations that do not offer the eligible goods and services, such as hardware stores, restaurants, bookstores, gas stations and home improvement stores.

WEX Health Debit card will not be accepted at pharmacies, mail-order pharmacies, discount stores, department stores, and supermarkets that cannot identify HSA/FSA/HRA-eligible items at checkout. The Debit card transaction may be declined. Participants can find out which merchants are participating by visiting the web site on the back of the Debit card.

21. If asked, should participants select "Debit" or "Credit"?

If the participant has elected to use a PIN (Personal Identification Number) with their WEX Health Debit card, they should select "Debit" and enter the PIN when prompted. If the participant is not using a PIN with their WEX Health Debit card, they should select "Credit" and will be asked to sign for the benefit card purchase. Participants cannot get cash with the WEX Health Debit card.

22. How does the Debit card work in participating pharmacies, discount stores, department stores, and supermarkets?

- Bring prescriptions, vision products, eligible OTCs and other purchases to the register at checkout to let the clerk ring them up. (Please note: The list of eligible OTC items changed per the Patient Protection and Affordable Care Act of 2010.)
- Present the Debit card and swipe it for payment.
- If the Debit card swipe transaction is approved (e.g., there are sufficient funds in the account and at least some of the products are HSA/FSA/HRA-eligible), the amount of the FSA/HRA-eligible purchases is deducted from the account balance and no receipt follow up is required. The clerk will then ask for another form of payment for the non- HSA/FSA/HRA -eligible items.
- If the Debit card swipe transaction is declined, the clerk will ask for another form of payment for the total amount of the purchase.
- The receipt will identify the HSA/FSA/HRA -eligible items and may also show a subtotal of the HSA/FSA/HRA -eligible purchases.
- In most cases, the participant will not receive requests for receipts for HSA/FSA/HRA -eligible purchases made in participating pharmacies, discount stores, department stores, or supermarkets.

23. Why do participants need to save all of their itemized receipts?

Participants and their other eligible users should always save itemized receipts for FSA purchases made with the WEX Health Debit card. They may be asked to submit receipts to verify that their expenses comply with IRS guidelines. Each receipt must show: the merchant or provider name, the service received or the item purchased the date and the amount of the purchase. The IRS requires that every card transaction must be substantiated. This can occur through automated processing as outlined by the IRS (e.g. copay matching, etc.). If the automated processing is unable to substantiate a transaction, the IRS requires that itemized receipts must be submitted in order to validate expense eligibility.

24. May participants use the WEX Health Debit card for prescriptions ordered prior to activating the Debit card?

No. The Debit card must be activated prior to the order and/or purchase date of prescriptions. In some cases, participants need to wait 1 business day after activating the Debit card to purchase prescriptions at their pharmacy. For example, if the Debit card is activated on Tuesday, a prescription can be ordered and picked up on Wednesday.

25. May participants use the WEX Health Debit card if they receive a statement with a Patient Due Balance for a medical service?

If the balance-forward or Patient Due Balance statement is related to 2020 dates of service, and as long as the balance in the account will cover the transaction, the Wex Health Debit card can be used. Participants can simply write the Debit card number on their statement and send it back to the provider.

26. Sometimes the participant is asked for the CVV when paying the balance due or when placing an order by phone or online. What is this and where is it found?

CVV stands for "Card Verification Value." It is a 3-digit number that can be found on the back of the card to the right of the signature panel.

27. How do participants know how much is in their account?

They can visit their personal Account Summary page at tpscbenefits.com/cot to view their account activity and current balance. Participants should always know their account balance before making a purchase with the Debit card.

28. What if participants have an expense that is more than the amount left in their account?

When incurring an expense that is greater than the amount remaining in their account, participants may be able to split the cost at the register. (Check with the merchant.) For example, participants may tell the clerk to use the WEX Health Debit card for the exact amount left in the account, and then pay the remaining balance separately. Alternatively, participants may pay by another means and submit the eligible transaction manually via a claim form with the appropriate documentation.

29. What are some reasons that the WEX Health Debit card might not work at point of sale?

The most common reasons why a Debit card may be declined at the point of sale are:

- The Debit card has not been activated.
- The Debit card has been used before the 24-hour period after activation is over.
- The participant has insufficient funds in his or her employee benefit account to cover the expense.
- Non-eligible expenses have been included at the point-of-sale. (Retry the transaction with the eligible expense only.)
- The merchant is encountering problems (e.g. coding or swipe box issues).
- The pharmacy, discount store, department store, or supermarket cannot identify HSA/FSA/HRA eligible items at checkout according to IRS rules.

30. Whom do participants call if they have questions about the WEX Health Debit card?

Contact TPSC Benefits at the telephone number or website address printed on the back of the Debit card.

31. Can a participant use the WEX Health Debit card to access 2019's money left in the account this year?

The 2019 dollars would remain available in the employee's FSA account to be used during the 2 ½ grace period.

The FSA Grace Period is an extended period of coverage at the end of every plan year that allows you extra time to incur expenses to use your remaining FSA account balance after the close of the plan year. The grace period is **2 ½ months (through March 15th of the following year)**

32. What is the TPSC Benefits' process for requesting substantiation?

A TPSC Administrator sends cardholder a letter/email requesting documentation.

- Cardholder\consumer sends receipt, which Administrator reviews and manually substantiates (if appropriate).
- If transaction is ineligible or if documentation is not sent after second request, Administrator may suspend the card and request refund of overpayment from cardholder.
- Card may be reinstated when receipts are received or overpayment is returned to account.

Exceptions: Other health insurance does not include coverage for the following: accidents, dental care, disability, long-term care, and vision care. Workers' compensation, specified disease, and fixed indemnity coverage is permitted.

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33. What if a participant fails to submit receipts to verify a charge?

If receipts are not submitted as requested to verify a charge made with WEX Health Debit card, then the Debit card may be suspended until receipts are received. The participant may be required to repay the amount charged.