

# Frequently Asked Questions

## General Information

### Why should I participate in the Limited Flexible Benefits Plan?

There are some great advantages to using a Limited Flexible Benefits Plan!

- Reduced taxes – the money contributed to a Limited FSA is not subject to taxes (federal income and FICA taxes
- and most state and local income taxes).
- Increase your take-home pay – less taxes, more money in your pocket
- The Benefits Card – pay for expenses at point of purchase

A Limited Flexible Benefits Plan applies to out-of-pocket eligible dental and vision expenses you cover with your spendable income, but allows you to pay for these expenses with income before you are taxed.

Another advantage to participating in the Plan is the opportunity it offers for you to budget for health care expenses by withholding a small amount from each paycheck. With proper planning, you won't be faced with having to come up with large amounts of money at one time. This is especially advantageous if you are scheduling a surgery, anticipating maternity expenses or if you do not have other coverage for dental and vision expenses. Even those with coverage for medical, dental and vision usually have deductibles, co-pays and other out-of-pocket expenses to cover.

### Where do I call with questions about my Limited Flexible Benefits Plan?

If you have any questions about putting a Limited Flexible Benefits Plan to work for you, how to sign up or how to determine your election amounts, etc., please call a Customer Service Representative at 866-370-3040.

## Enrollment

### How do I enroll?

To enroll in the Limited FSA, you simply need to fill out the Enrollment Form before the beginning of each Plan Year.

### Do I have to keep the same election each year?

No. Each year, you will have to re-enroll before the beginning of the Plan Year. At that time, you will have the opportunity to evaluate the need to participate in the Plan as well as budget for all health care expenses. You may decide to keep the same election, change your election or in some cases waive participation.

## Limited FSAs

### What is a Limited Flexible Spending Account (LFSA)?

You may set aside pre-tax dollars to cover eligible dental and vision expenses only, that are not covered by any other type of insurance. You may refer to the Limited FSA Worksheet for a list of some eligible and ineligible expenses.

### Are insurance premiums an eligible expense?

No, insurance premiums are not reimbursable from a Limited FSA. However, you may pay your required premium contributions (for coverage under the employer's health plan) on a pre-tax basis outside of the Limited FSA.

### **If I terminate employment or retire, can I receive the remaining balance in my Limited FSA?**

No. However, you can continue to submit claims incurred prior to your termination date before the end of the run-out period (defined in your Summary Plan Description).

Example: Your plan has a 90-day run-out period following termination. Your termination date is September 13. Your physician sees you on September 12, but you do not receive the Explanation of Benefits from your insurance carrier until October 31. You can still submit this expense as it was incurred prior to your termination date, and prior to the end of the 90-day run-out period following your date of termination. Any expense incurred after September 13 is not eligible.

### **If I terminate employment or retire can I be reimbursed for expenses incurred after my termination date?**

No. In order to be considered an eligible expense, the expense must be incurred prior to your termination date. However, you may be able to continue your Limited FSA coverage under COBRA.

## Changing Your Election

### **What if I discover that I elected too much for the Limited FSA, can I change my election?**

Generally, your election is irrevocable unless you experience an IRS Change in Status. Your election change must be consistent with the Change in Status event:

- Change in legal marital status (marriage, death of spouse, divorce, legal separation, annulment)
- Change in number of tax dependents (birth, death of dependent, adoption or placement for adoption)
- Change in dependent's eligibility
- Change in employment status of employee, spouse or dependents

Election changes must be consistent with the event. If you experience a Change in Status, please review your Summary Plan Description, as it will provide you with important information on the deadline for reporting this event.

### **What happens if I don't use all the money elected in my Limited FSA?**

The IRS has issued guidance that allows a Limited FSA to carry over up to \$570 to the next plan year by plan design based on the plan sponsor's decision. A Limited FSA cannot have both a carryover and a grace period of up to two months and 15 days. You also have a run-out period following the end of the plan year to submit expenses that were incurred during the plan year. It is important to estimate your expenses carefully before making your elections.

isolved Benefit Services will assist you in monitoring your Limited Flexible Spending Accounts by providing you with a statement at the beginning the fourth quarter of your plan year. You can minimize possible forfeitures by scheduling routine exams, purchasing glasses or contact lenses and scheduling dental appointments, etc., at the end of the plan year to use up your election amounts.

## Submitting Claims for Reimbursement

### **How do I submit a claim for the Limited FSA?**

You can file your claim online or via mobile app and upload your receipts. You can complete an FSA Request for Reimbursement Form for each Limited FSA claim you file. Remember to attach supporting documentation for the claim. This information can be faxed to 800-379-5670.

You may also submit your claim by mail: isolved Benefit Services., PO Box 488, Coldwater, MI 49036-0488

**May I submit expenses for my spouse and children for reimbursement through my Limited FSA?**

Yes, you may be reimbursed for expenses incurred for you, your spouse and any IRS dependents, regardless of where you are insured. It could be that you are not covered through your employer's health plan but have coverage through your spouse's employer's plan. You may still submit your family out-of-pocket expenses to be reimbursed under the Limited FSA.

**What supporting documentation must I file with each Limited FSA claim?**

Each time you submit claims to your health insurance carrier, you will receive an Explanation of Benefits (EOB) detailing what the health plan will pay and what you must pay. For expenses that are partially covered under another insurance plan, you must attach a copy of both EOBs.

For expenses that are not submitted to another insurance plan, you must attach a copy of an itemized billing containing the following information:

- Name of patient
- Name and address of provider
- Description of service
- Date of service
- Amount of service

The documentation requirements are also listed on the FSA Request for Reimbursement Form to assist you in properly filing your claim. Following these guidelines will ensure you receive your reimbursement without unnecessary delays.

**How long after the end of the Plan year do I have to submit claims?**

Claims must be submitted prior to the end of the run-out period for the Plan. The run-out period is defined in your Summary Plan Description.

**Will I receive reimbursement for claims that are greater than the current balance of my Limited FSA?**

Yes, the annual amount is available to you from the beginning of the Plan year.

**How do I know that you received my claim and whether or not it was paid?**

Generally, within two business days of submitting a claim, you can view your account to check on the status of the claim at [www.isolvedbenefitservices.com](http://www.isolvedbenefitservices.com). Simply choose Flexible Spending Account /Health Reimbursement under employee/participant and follow the on-screen instructions.

**When can I expect to receive my reimbursement?**

Claims are generally processed within two business days of receipt. Reimbursements are then processed and released according to the disbursement schedule and funding option of the employer. Generally, disbursement schedules are daily. This means that reimbursements are processed each day and include any claims that were processed the previous day. The release of your reimbursement depends upon the funding option chosen by the employer.

### How do I know what my account balance is?

You can use one of the following methods to check your account balance:

- You can view your account at [www.isolvedbenefitservices.com](http://www.isolvedbenefitservices.com). Simply choose Flexible Spending Account/ Health Reimbursement under Employee/Participants and follow the on-screen instructions.
- You can view your balance on the mobile app.
- Your account balance will be displayed on the reimbursement check or direct deposit notification each time you submit a claim.
- You will receive a Balance Statement quarterly during the Plan year. This statement provides a summary of your remaining balance in the Limited FSA and/or the Dependent Care FSA as well as claims paid to date.

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- Your account balance will be displayed on the reimbursement check or direct deposit notification each time you submit a claim.
- You will receive a Balance Statement quarterly during the Plan year. This statement provides a summary of your remaining balance in the Limited FSA and/or the Dependent Care FSA as well as claims paid to date.

### **How do I know why my claim was denied?**

You will receive a letter indicating the reason for the denial along with instructions for submitting the requested documentation.

**Why may the amount of my reimbursement differ from the amount of my request?**

There are reasons that you may see a different reimbursement amount. For example:

1. If the request was for more than the balance of your account.

Annual election	\$1,000.00
Total amount disbursed to date	\$700.00
Available balance	\$300.00
Total amount of request	\$500.00

You will only be reimbursed \$300.00, as this is your available balance.

2. If the request was for a dependent care claim, you may only be reimbursed for the total amount that you have contributed.

Annual election	\$5,000.00
Total amount contributed	\$3,000.00
Total amount of request	\$4,250.00

You will only be reimbursed \$3,000.00, as this is the amount that you have contributed to the account. The entire request of \$4,250.00, will be processed and the remaining \$1,250.00 will be disbursed as contributions are made.



Limited FSA worksheet  
Estimated unreimbursed health care expenses

<b>Medical</b>	<b>Annual amount</b>
Post Deductible and Preventative	_____
SUBTOTAL	_____
<b>Dental</b>	
Deductible	_____
Coinsurance payment	_____
Cleaning Dentures Fillings/crowns/bridges	_____
Fluoride treatments Orthodontia (based on expenses incurred for upcoming plan year)	_____
X-rays	_____
SUBTOTAL	_____
<b>Vision</b>	_____
Deductible	_____
Coinsurance payment Contact lenses and solutions Examinations	_____
Frames	_____
Laser eye surgery	_____
Lenses	_____
SUBTOTAL	_____
<b>TOTAL</b>	_____

Unreimbursed health care expenses cannot exceed your plan's maximum.  
NOTE: any coordination of benefits with another group plan may reduce your out-of-pocket expenses.

## Savings Snapshot

You can increase the money you take home each pay period by using a Flexible Benefits Plan. Here is an example of the tax savings an employee earning \$2,200 a month can experience using this great benefit.

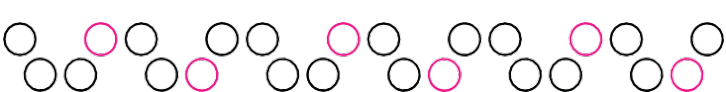
Monthly income before taxes	<b>Without 125 Plan</b>	<b>With 125 Plan</b>
	<b>\$2,200.00</b>	<b>\$2,200.00</b>
<b>Pre-tax salary deductions</b>		
Health FSA contribution	\$0.00	\$60.00
Dependent Care FSA contribution	\$0.00	\$260.00
Employee contribution to health plan	\$0.00	\$50.00
<b>Total</b>	<b>\$0.00</b>	<b>\$370.00</b>
<b>Payroll taxes</b>		
<b>FICA (7.65%)</b>	\$168.30	<b>\$140.00</b>
<b>Federal income tax(12.16%)</b>	\$267.52	<b>\$222.53</b>
<b>State income tax (4%)</b>	\$88.00	<b>\$73.20</b>
<b>Total</b>	<b>\$523.82</b>	<b>\$435.73</b>
<b>After tax expenses</b>		
Health care expenses	\$60.00	\$0.00
Dependent care expenses	\$260.00	\$0.00
Employee contribution to health plan	\$50.00	\$0.00
<b>Total</b>	<b>\$370.00</b>	<b>\$0.00</b>
<b>Spendable income</b>	<b>\$1,306.18</b>	<b>\$1,394.27</b>

Employee's spendable income **increases**

**\$22.03** each week

**\$88.09** each month

**\$1,057.08** each year





## Limited FSA Enrollment\*

Plan year beginning \_\_\_\_\_ Ending \_\_\_\_\_ Check one:  New enrollment  Re-enrollment

Employer: _____		Division (if applicable): _____	
Employee name: _____		Soc. Sec. No: _____	
Last	First	MI	
Date of birth: _____		Home address: _____	
City: _____	State: _____	Zip: _____	E-mail: _____

Payroll Frequency:  Weekly (52)  Biweekly (26)  Semimonthly (24)  Monthly (12)  Other \_\_\_\_\_

Date of hire: \_\_\_\_\_ Effective date: \_\_\_\_\_

Paycheck deductions start on: \_\_\_\_\_ Number of deductions in the Plan year: \_\_\_\_\_

### Benefit Election Authorization or Waiver

Enter the annual amount of your allocation(s) for the Plan Year to the account(s) of your choice and divide by the number of paychecks you receive during the Plan Year to arrive at the amount of your salary reduction each paycheck.

	Annual Election
Benefit Elections:	
A. Limited Flexible Spending Account (FSA)	\$ _____

**Total Authorized Pre-tax Salary Reductions**

Waiver of Participation in Limited FSA

After careful consideration, I have chosen not to participate in the FSAs for the current Plan Year.

**B. Premium Payment (Pre-Tax)**

Yes, I want to participant in contribution to the employer-sponsored benefit plan(s)

Waiver of Participation in Pre-tax Premium Payment.

After careful consideration, I have chosen not to participate in the pre-tax premium portion of the Plan.

By signing below, I understand that:

- I am authorizing my employer to reduce my compensation by the amount specified.
- I understand that I am not permitted to change my elections during the Plan Year unless the change is on account of and consistent with current recognized IRS regulations and change in status events.
- I also understand that unused account balances in my Dependent Care and Health FSAs at the end of the Plan Year or Plan's grace period are subject to forfeiture, based on applicable IRS law and regulations and Plan design.

Employee Signature: _____	Date: _____
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\*Return this enrollment form to your employer.

isolved Benefit Services has incorporated the HIPAA Privacy Requirements to reflect our organization's business practices regarding your FSA coverage.