

Arc of Washington County, Inc.

Plan Year: January 1, 2024 to December 31, 2024

The **Health Care Flexible Spending Account (FSA)** and **Dependent Care Account (DCA)** allow employees the ability to set aside pre-tax dollars to pay for out-of-pocket medical and dependent care (day care) expenses incurred by both the employee and their eligible dependents.

Health Care Spending Account (FSA) Maximum Election\$3,200.00 [Employee Funded]

Health Care FSA 75-Day Grace Period – Allows reimbursement from remaining FSA Health Care balances for expenses incurred during the first 75 days of the new plan year; benefit card transactions are seamless. [*Note: the grace period does not apply to the DCA or terminated employees.*]

Dependent Care Account (DCA) Maximum Election.....\$5,000.00 [Employee Funded]

If you are married and file a separate return, the maximum DCA election amount is \$2,500.00

Run-Out Period:.....90-Days from Last Day of Plan Year

Allows time after the last day of the plan year to submit manual claims for dates of services incurred during the plan year – expenses are eligible based on the date of service, not the payment date.

FSA Reimbursement Method CareFlex Benefit Card and Manual Claim (refunded via Direct Deposit or Check)

DCA Reimbursement MethodManual Claim (refunded via Direct Deposit or Check)

Employee Eligibility: All eligible employees working 20 or more hours per week are eligible to enroll. You are not required to be enrolled in the Company sponsored medical plan to participate in the FSA and/or DCA benefits. New hires must first satisfy the standard waiting period: first day of the month following 60 days of employment.

Termed Employees – Coverage Ceases Last Day of Month

Benefit Card Deactivated Date of Term

Term Run-Out Period 90 Days from Last Day of Plan Year

Benefit Changes – Election remains in effect until the end of the plan year. An election change is only permitted if you experience a qualifying event (i.e., birth, adoption or death of a dependent; marriage or divorce; or if you or your spouse experience a change in employment or medical insurance coverage). Additional changes for a DCA include a significant increase or decrease in the cost of day care services. A qualifying event may allow for an increase or decrease of your benefit amount consistent with the event. Changes to benefits must be made within 30 days of the date of the qualifying event.

FSA Health Care – Coverage includes all qualified dependents, including spouse. Dependent children are covered up to the end of the month in which the dependent turns 26. Eligible expenses include all qualified medical expenses not reimbursed by other insurance, including vision expenses, non-cosmetic dental expenses, over-the-counter (OTC) medicines, menstrual care products (tampons and pads), PPE personal protective equipment (face masks, hand sanitizer, and sanitizing wipes), and medical supplies. Expenses paid out of pocket may also be submitted for manual claim reimbursement.

DCA Dependent Care (Day Care) – Coverage includes dependents thru age 12; disabled/elder dependents (regardless of age). Eligible expenses include care centers, providers of care outside of the home, dependent care provider who comes to your home, before/after school care, and summer day camps. Expenses for a child in nursery school, pre-school, or similar programs for children below the level of kindergarten are eligible. Expenses to attend kindergarten or a higher grade, summer school, overnight camps, and tutoring are not eligible expenses. Enrolling in the Dependent Care Account will require you to complete IRS Form 2441 as part of your annual income tax return filing process.

Flexible Spending Accounts (FSA & DCA)

Important Plan Information

FSA – To help eliminate the effect of the “use it or lose it” rule, your employer has adopted a Grace Period that allows payment from remaining FSA plan year balances for expenses incurred during the first 75-days of the new plan year. Benefit card transactions are seamless. During the Grace Period, the previous plan year FSA balance will be exhausted before funds will be deducted from the new plan year. Once the Grace Period has ended, do not use your benefits card to pay previous plan year expenses; your benefit card will only recognize new plan year funds. After the Grace Period ends, you have an additional 14 days remaining in the Run Out Period to submit claims for payment from previous plan year funds. All reimbursement requests received after the run-out period ends will be denied. [Note: The Grace Period does not apply to the DCA or terminated employees.]

What to Expect When You Use Your Benefit Card – Documentation will be required to be submitted for review for all card transactions except pharmacy expenses approved at the point of sale. CareFlex has made improvements by utilizing technology to manage the communication process with members. It is a thorough process as CareFlex can review transactions with certainty that the funds were appropriately used. We provide various methods of communicating information with us. For example, the **CareFlex Participant Portal** identifies and lists on the homepage transactions under review allowing members to attach the requested documentation directly to the transaction. We also offer a convenient **CareFlex Mobile App** with the same key features that also allows participants to snap a picture of their documentation and upload the picture to the transaction.

How to pay for medical services – When paying for health care, be sure to always present your medical ID card first to ensure proper processing of your services. If you are asked to pay a copayment, pay with the **CareFlex Benefits Card** or pay out of pocket and request reimbursement from your account. If you are asked to pay additional charges, do not pay the provider until the claim has been processed by your health insurance plan and you receive your Explanation of Benefits (EOB). This helps avoid overpayment. Compare your EOB to the provider bill to verify the amount being charged is the same as the patient responsibility on the EOB. Then, pay with your **CareFlex Benefits Card** or pay out of pocket and request reimbursement from your account.

Online Account Access – CareFlex provides electronic access to your plan enrollment guide, plan design, account balance, transactions history, online claim filing, and more through the **CareFlex Participant Portal** and **CareFlex Mobile App**. Once you register, the same Username and Password is used to access your account through both the portal and the mobile app.

CareFlex Participant Portal – to access the portal, go to the **Portal** web page: <https://mycareflex.wealthcareportal.com>.

CareFlex Mobile App – CareFlex offers a free mobile app for ultimate “on the go” convenience. Simply search for **CareFlex Mobile App** in the Apple App Store or Google Play.

Reimbursements – Participants have two options to submit eligible expenses for reimbursement:

Online Claim Filing (<https://mycareflex.wealthcareportal.com>): Log on to the **CareFlex Participant Portal** to file a manual claim. Attach appropriate documentation to your online claim; or email, fax, or mail the documentation to **CareFlex**.

Paper Claim Submission: Email, fax, or mail a manual reimbursement request to **CareFlex**. Reimbursement forms can be downloaded from the **CareFlex Participant Portal** FSA Resources section. Reimbursement request forms must be completed and signed and include appropriate documentation to process the claim.

Appropriate proof of service/purchase documentation includes: an itemized prescription label (containing the merchant name, patient name, prescription description, and prescription amount), an itemized provider statement (must include the provider name/address, patient name, date of service, detailed description of service, charge for service, medical insurance adjustment/payment, and patient responsibility), or a medical insurance Explanation of Benefits (EOB).

Important Notes: (1) cancelled checks, credit card receipts, and/or non-itemized receipts or statements are not acceptable proof of services, and (2) remember to send copies of documentation and keep the originals for your records.



Employee FAQ: Flexible Spending Accounts

What is an FSA?

A healthcare flexible spending account (FSA) is an employer-sponsored benefit that allows you to set aside pre-tax dollars into an account to be used for eligible medical expenses.

Why should I participate in an FSA?

Contributions to the FSA are deducted from your paycheck on a pre-tax basis, reducing your taxable income. You can increase your spendable income by an average of 30% of your annual contribution with the tax savings.

How do I contribute money to my FSA?

Your annual election will be divided by the number of pay periods in your plan year. This amount will be deducted from your paycheck before taxes are assessed.

How much can I contribute to my FSA?

Annual contributions may not exceed \$3,050 per year, as determined by the IRS.

Who is eligible under an FSA?

An FSA covers eligible expenses for you and all of your dependents, even if they are not covered under your primary health plan.

What expenses are eligible for reimbursement?

Health plan co-pays, deductibles, co-insurance, eyeglasses, dental care, medications, and certain medical supplies are covered. The IRS provides specific guidance regarding eligible expenses. (See IRS Publication 502).

How do I determine the date my expenses were incurred?

Expenses are incurred at the time the medical care was provided, not when you are invoiced or pay the bill.

How do I get the funds out of my FSA?

If you have a benefits debit card, simply swipe it at the register. Otherwise, just file a claim including the receipt documenting the type, amount and date. Once approved, your reimbursement check will be mailed or deposited into your bank account.

What happens if I don't spend all of my FSA by the end of the plan year?

Be sure to only allocate dollars for predictable medical expenses. Any unused funds at the end of the plan year are typically forfeited, also called the use-it-or-lose-it rule.

How soon can I start spending my FSA funds?

With a healthcare FSA, your entire annual election amount is available on the first day of the plan year even though you have not yet contributed that amount.

Can I change my election amount mid-year?

Elections can only be altered if you experience a change in status as defined by IRS regulations, such as marriage, divorce, birth, or death in your immediate family.

What happens to my FSA if my employment is terminated?

Participation in your FSA is also terminated. This means that only expenses that were incurred prior to your termination date are eligible for reimbursement.

What is the deadline for submitting claims?

You can submit claims for reimbursement at any time during the same plan year that you incur the expense. You may also have a grace period at the end of the plan year. Check the summary plan document your employer provided.

Can I still deduct healthcare expenses on my tax return?

Yes, but not the same expenses for which you have already been reimbursed from your FSA.

Are over-the-counter (OTC) medications eligible for reimbursement?

Yes, OTC medications are FSA-eligible.

What is a Letter of Medical Necessity?

The IRS mandates that eligible expenses be primarily for the diagnosis, treatment or prevention of disease or for treatment of conditions affecting any functional part of the body. For example, vitamins are not typically covered because they are used for general wellness, but your doctor may prescribe a vitamin to treat your medical condition. The vitamin would then be eligible if your doctor verified the necessity in treatment.



Employee FAQ: Dependent Care FSA

What is a dependent care FSA (DCA)?

A DCA is a flexible spending account that allows you to contribute a portion of your paycheck before taxes are taken out to pay for qualified dependent care expenses so that you can work or look for work.

Why should I participate?

Since contributions to the account are deducted from your paycheck before income taxes are assessed, your taxable income is reduced. Participants enjoy a 30% average tax savings on the total amount they contribute to the account.

How do I contribute money to my DCA?

Once you make your annual election during open enrollment, your employer will deduct this amount from your paycheck before taxes are assessed in equal amounts throughout the year.

How much can I contribute?

The IRS limits annual contributions to \$5,000 on income tax returns for single or married filing jointly, and \$2,500 for married filing separately.

Who qualifies as a dependent?

You can use your DCA to pay for care for children under age 13 that you claim as dependents, as well as adults or other relatives that are incapable of caring for themselves (if you provide more than 50% of their support).

What type of care is eligible?

Eligible expenses must be for the purpose of allowing you to work or look for work. Services may be provided at a child or adult care center, nursery, preschool, after-school, summer day camp, or a nanny in your home.

What type of care is not eligible?

Care expenses that are not eligible to be paid with DCA funds include care for a child over age 13, overnight camp, babysitting that is not work related, school fees for kindergarten and higher grades, and long-term care services.

Do I have access to my entire DCA election amount at the beginning of the year?

No, you will only have access to DCA funds that have already been deducted from your paycheck.

Are there any rules about who can care for my dependents?

Yes. You can not use funds to pay for care provided by a spouse, a person you list as a dependent for income tax purposes, or one of your children under the age of 19.

How do I use the funds in my account?

If you have a benefits debit card and your care provider accepts credit cards, you may pay directly from your account. Otherwise, pay out-of-pocket and then file a reimbursement claim with your expense documentation.

What happens if I don't spend all of my DCA funds by the end of the plan year?

It is essential to estimate conservatively during elections. Any unused funds at the end of the plan year are forfeited, also called the use-it-or-lose-it rule.

Can I change my election amount mid-year?

Typically, you cannot change your contribution mid-year. However, if you experience a qualifying event, such as the birth of a new child, or if your child care provider significantly increases their rates, you may be eligible to adjust your contribution.

What happens to my account if my employment is terminated?

Participation in the plan is also terminated. This means that only expenses that were incurred prior to your termination date are eligible for reimbursement.

Eligible health care services that qualify for reimbursement under a Flexible Spending Account.

NOTE: Only health expenses that are not covered by insurance can be claimed.

Acupuncture (excluding remedies and treatments prescribed by acupuncturist)	Dermatologist	Orthodontic/Orthopedic Devices
Alcoholism/Drug/Substance Abuse Treatment	Diagnostic Devices/Fees	Osteopath Fees
Ambulance	Doula Expenses (child care services after delivery are not eligible)	Over-the-Counter Drugs
Anesthetist	Drug and Medical Supplies (syringes, needles, etc.)	Periodontist Fees
Artificial Limbs/Teeth	Endodontists Fees	Physician Fees (cosmetic procedures are not eligible)
Artificial Reproductive Technologies	Eyeglasses (prescribed by a doctor)	Podiatrist Fees
Blood Tests/Transfusions	Eye Examination Fees	Post Mastectomy Clothing
Body Scan	Eye Surgery (cataracts, LASIK, etc.)	Prescribed Medicines
Braille Books and Magazines	Flu Shots	Preventive Care Screenings
Breast Reconstruction Surgery	Guide Dog or Other Service Animal	Prosthesis
Cardiographs	Health Screenings	Psychiatric Care
Child Birth Classes (does not include breastfeeding classes, newborn or new infant care classes or parenting classes)	Hearing Devices and Batteries	Psychologist and Psychiatrist Fees
Chiropractors	Home Health Care	Radiology
Christian Science Practitioner's Fees	Hospital Bills	Routine Physicals and other non-diagnostic services or treatments
Contact Lenses and Solutions	Immunizations	Smoking Cessation over-the-counter drugs
Co-Payments (doctor, dental, vision, pharmacy)	Insulin	Smoking Cessation Programs
Costs for Physical or Mental Illness	In-Vitro Fertilization	Spinal Fluid Test
Crutches	Laboratory Fees	Sterilization
Deductibles	Laser Eye Surgery	Surgical Fees
Dental Fees (cosmetic procedures are not eligible)	Long-Term Care	Transplants
Dentures	Mileage for Eligible Medical Services	Vaccines
	Nursing Home/Nursing Services	Vasectomy
	Office Visits	Weight Loss drugs
	Obstetrics and Fertility	Wheelchair
	Occupational Therapy	X-Rays and MRI
	Ophthalmologist/Optomtrist	
	Oral Surgery	

Expenses requiring a Letter of Medical Necessity (LMN) to be eligible for reimbursement.*

Adaptive Equipment for a disability
Air Conditioners/Air Purifiers
Alternative Medicine prescribed and rendered by a licensed health care provider to treat illness
Baby Formula
Beds/Mattresses
Behavioral Therapy
Chairs (reclining/ergonomic)
Cord Blood Storage
Cosmetic Procedures (to treat injury or medical condition)
Education expenses for special school for disabled person
Learning Disabilities
Massages/Massagers
Nutritionist/Nutritional Supplements
Orthopedic Shoes
Oxygen
Reconstructive Surgery in connection with birth defect, disease, or accident
Special supplements
Special School for disabled child
Special teeth cleaning system
Sun protective clothing
Therapeutic support gloves
Weight Loss Programs and Fees pertaining to a specific disease
Wigs for hair loss caused by disease

Health care expenses that do not qualify for reimbursement.

Concierge Membership Fee
Cosmetic Surgery, Procedures, and/or Medications
Counseling (life coaching or career counseling)
Dental Bleaching
Hair Restoration (procedures, drugs or medications)
Health Club or Gym Memberships for general health
Marriage and Family Counseling
Massage Therapy to reduce stress or improve general health
Maternity Clothes
Missed Appointment or Late Payment Fees
Newborn Nursing Care
Pre-Paid Physician Fees
Premiums you or your spouse pay for insurance coverage
Prescriptions from another country (Mail Order)
Vision Discount Programs
Weight Loss Programs for general health or appearance

***LMN: Expenses in the Letter of Medical Necessity section require a manual reimbursement process; the benefit card is not an eligible form of payment.**

To access a comprehensive list of FSA eligible expenses, go to the CareFlex Participant Portal (<https://mycareflex.healthcareportal.com>).

Antiseptics

- Antiseptic wash or ointment for cuts or scrapes
- Benzocaine swabs
- Boric acid powder
- First aid wipes
- Hydrogen peroxide
- Iodine tincture
- Rubbing alcohol
- Sublimed sulfur powder

Cold, Flu, Asthma and Allergy Medications

- Allergy medications
- Bronchodilator/expectorant tablets
- Bronchial asthma inhalers
- Cold relief syrup, tablets and drops
- Cough relief syrup, tablets and drops
- Flu relief syrup, tablets and drops
- Medicated chest rub
- Nasal decongestant spray, drops or inhaler
- Nasal strips to improve congestion
- Saline nose drops
- Sinus and allergy nasal spray
- Homeopathic sinus medications
- Sinus medications
- Vapor patch cough suppressant

Diabetes

- Diabetic lancets, needles, syringes
- Diabetic supplies
- Diabetic test strips
- Glucose meters
- Glucose tablets

Ear/Eye Care

- Airplane ear protection (LMN)
- Ear drops for swimmers
- Ear water-drying aid
- Ear plugs
- Earwax removal drops
- Eye drops
- Homeopathic earache tablets
- Contact lens solutions

Health Aids

- Adhesive or elastic bandages
- Anti-fungal treatments
- Bed Pans and Ring Cushions
- Boost/Pediasure (LMN)
- Denture adhesives
- Diuretics and water pills
- Fiber Supplements
- Gauze and tape
- Gloves (for Arthritis) and masks
- Hemorrhoid relief
- Herbs (LMN)
- Leg or arm braces

Health Aids (Continued)

- Lice control
- Massagers (LMN)
- Medicated bandages
- Menstrual Products (Tampons, Pads)
- Minerals/Calcium (LMN)
- Multivitamins (LMN)
- Motion sickness tablets
- Respiratory stimulant ammonia
- Special supplements (LMN)
- Special teeth cleaning system (LMN)
- Sleeping aids
- Thermometers
- Vitamins (LMN)

Pain Relief

- Arthritis pain reliever
- Bunion and blister treatments
- Cold or hot compresses
- Foot spa (LMN)
- Itch relief
- Orajel
- Pain relievers, aspirin and non-aspirin
- Throat pain medications

Personal Protective Equipment (PPE)

- Face Masks
- Hand Sanitizer
- Sanitizing Wipes

Personal Test Kits

- Blood pressure meter
- Cholesterol tests
- Colorectal cancer screening tests
- Home drug tests
- Ovulation indicators
- Pregnancy tests

Skin Care

- Acne medications
- Anti-itch lotion
- Bunion and blister treatments
- Cold sore and fever blister medications
- Corn and callus removal medications
- Diaper rash ointment
- Eczema cream
- Medicated bath products
- Sunscreen products with an SPF15 or higher

Stomach Care

- Acid reducing gum, liquid and tablets
- Anti-diarrhea medications
- Gas prevention tablets or drops
- Ipecac syrup
- Laxatives
- Pinworm treatment
- Upset stomach medications

OTC Items—Not Acceptable

Aromatherapy	Face soaps/creams	Shampoo and conditioner
Baby bottles and cups	Fragrances	Shaving cream and razors
Baby oil / Baby wipes	Hair regrowth/removal	Soap
Breast enhancement system	Low “carb” foods	Spa salts
Cosmetics	Low calorie foods	Sunscreen products under SPF15
Cotton balls/swabs	Mouthwash	Teeth whitening kits
Dental floss	Oral care	Toothpaste/Toothbrush
Deodorants	Petroleum jelly	

To access a comprehensive list of FSA eligible expenses, go to the CareFlex Participant Portal (<https://mycareflex.wealthcareportal.com>).

Eligible Expenses

Any expense qualifying for the Federal Child and Dependent Care Tax Credit for income tax purposes also qualifies for reimbursement through the Dependent Care Spending Account (DCA). [Note: You cannot take the Federal Tax Credit if you use the Dependent Care Spending Account.] There are two requirements for eligible child or dependent care expenses to qualify.

First, you must pay dependent care expenses so you (and your spouse if filing jointly) can work or look for work. If filing jointly, your spouse is treated as having earned income for any month that he/she is a full-time student (enrolled full-time for some part of each of 5 calendar months during the year) or is physically or mentally unable to care for himself/herself (your spouse also must live with you for more than half the year). The term "school" includes high schools, colleges and universities, as well as technical, trade and mechanical schools. A school does not include an on-the-job training course, correspondence school, or school offering courses only through the internet.

Second, the total amount of expenses to be reimbursed through the account cannot be greater than your income or your spouse's income, whichever is lower. Your spouse who is either a full-time student or not able to care for himself/herself is treated as having earned income. His/her earned income for each month is considered to be at least \$250 if there is one qualifying dependent in your home, or at least \$500 if there are two or more qualifying dependents in your home. If your spouse works during that month, use the higher of \$250 (or \$500) or his/her actual earned income for that month.

The maximum calendar year deposit amount is \$5,000; this exceeds the Federal Tax Credit for one child. If you are married and file a separate return, the maximum election is \$2,500.

Changes to elections will only be permitted if your family status changes. A change in family status is defined as a birth or death of a dependent, marriage or divorce, a change of employment for you or your spouse, or a significant change in the cost of care. Any funds remaining after the conclusion of the plan year will be forfeited. The plan does not allow for the payment of late claims or the return of unused funds. The Dependent Care Spending Account is not pre-funded; you will only receive reimbursement for eligible dependent care expenses up to the amount contributed.

Eligible Providers

- ✓ Dependent care center; must comply with state/local laws (applicable if more than six are being cared for).
- ✓ Services of other providers of care outside the home (i.e., neighbors, your parents).
- ✓ Services of a dependent care provider who comes to your home.
- ✓ Relatives who provide care but you do not claim as a dependent. If you make payments to your child, he or she cannot be your dependent and must be age 19 or older by the end of the year.

Qualifying Dependents

Your dependent care expenses must be for the care of one or more qualifying persons. A qualifying person is:

- ✓ Your child who is your dependent and who is under age 13 when the care is provided and lived with you for more than half the year.
- ✓ Your spouse or any dependent over age 13 who is physically or mentally unable to care for himself/herself and lived with you for more than half the year.
- ✓ A person who is physically or mentally unable to care for himself/herself, lived with you for more than half the year, and for whom you contributed more than half of their support.

A dependent is a person for whom you can claim an exemption. To be your dependent, a person must be your qualifying child (or your qualifying relative). To be your qualifying child, a child must live with you for more than half the year.

Eligible Expenses

Expenses for a child in nursery school, pre-school, or similar programs for children below the level of kindergarten are eligible expenses for care. Expenses for care provided outside your home by a dependent care center are eligible if the center complies with all state and local regulations. A dependent care center is a place that provides care for more than six persons (other than persons who live there) and receives a fee, payment, or grant for providing services, even if the center is not run for profit.

Activities in lieu of day care when the fees associated with the activity are incidental to, or cannot be separated from, the cost of care are eligible expenses (i.e., swimming lessons, arts and crafts, music lessons, etc.).

Fees you pay an agency that are necessary to obtain the services of a nanny or au pair are eligible expenses.

You must identify persons or organizations that provide care for your child or dependent. To identify the care provider, you must give the provider's name, address, and taxpayer identification number. If the care provider is an individual, the taxpayer identification number is his/her social security number or individual taxpayer identification number. If the care provider is an organization, then it is the employer identification number (EIN). You do not have to show the taxpayer identification number if the care provider is a tax-exempt organization (such as a church or school). In this case, enter "Tax-Exempt" in the appropriate space on the reimbursement form.

Eligible Expenses Include:

Adult Day Care Center	Day Camp	Pre-School
After School Program	Day Care Center	Private Sitter
Au Pair	Holiday Day Camp	Senior Day Care
Babysitter (work related)	Late Pick-Up Fees	Summer Day Camp
Before and After School Care	Nanny	
Custodial Care	Nursery School	

Dependent Care Expenses Not Eligible

Expenses to attend kindergarten or a higher grade are not eligible expenses for care. Amounts paid for food, lodging, clothing, education, and entertainment are not eligible. However, you can include small amounts paid for these items if they are incidental to, and cannot be separated from, the cost of caring for a qualifying person.

Payment for services not yet provided (payment in advance) is not eligible. Expenses can only be reimbursed after they have occurred.

Ineligible Expenses Include:

Activity Fees	Language Classes	Payment In Advance	Summer School
Education Fees	Late Payment Fees	of Services Provided	Tuition Fees
Educational, Learning or Study Skills Services	Long Term Care Exp.	Private School Tuition	Overnight Camp
Field Trips	Meals, Food or Snacks	Registration Fees	Parents Night Out
Kindergarten Tuition	Medical Care	School Tuition	Tutoring
	Nursing Home Care	Sport Activity Fees	Uniform Costs