

PAYFLEX®

FSA FAQs

Frequently Asked Questions

LET'S GET STARTED



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Flexible Spending Accounts (FSAs)

What is a Flexible Spending Account?

A Flexible Spending Account (FSA) is a tax-advantaged account offered by your employer. You may pay for eligible expenses with tax-free money. You contribute to an FSA with pretax money from your paycheck. This, in turn may help lower your taxable income. There are two types of FSAs offered by your employer: health care FSA and dependent care FSA.

Health Care FSA (HCFSA)

An HCFSA helps you pay for eligible out-of-pocket medical, dental, vision, hearing and prescription drug expenses for you, your spouse and the adult child of the employee until the end of the year in which the child turns 26. The child does not have to be a tax dependent. These expenses include deductibles, coinsurance, co-pays, and over the counter (OTC) items. Depending on how your HCFSA is structured, you may be able to carry over unused funds into the subsequent year.

Dependent Care FSA (DCFSA)

A DCFSA helps you pay for eligible child or adult day care expenses. These include day care, before- and after-school programs, nursery school or preschool, summer day camp and adult day care. The care must be for your child(ren) under age 13, or for a spouse or dependent who is incapable of selfcare and who lives with you at least half of the year. [> More about DCFSA](#)

>

[More about FSAs](#)

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How will I benefit?

The main benefits of the FSA are that the money you contribute is deducted from your pay on a pretax basis. Therefore, your taxable income is less. So, when you use your FSA funds, it's like you're saving about 30 cents on every dollar you spend. Also, when in enrolled in a HCFSAs your full contribution is available on the first day of the plan year.

How much money can I expect to save in taxes with an FSA?

When you contribute to an HCFSAs, that money is deducted from your pay on a pretax basis. This means your contribution comes out of your paycheck before Federal, Social Security and in some cases, state taxes are deducted from your pay. Generally, Federal taxes range from 15 percent to 28 percent and Social Security tax is currently 7.65 percent of your pay. So, you could save about 30 cents on every dollar you spend on eligible expenses.

[> More about FSAs](#)

Example: You have an annual salary of \$60,000 and you decide to contribute \$2,500 to a HCFSAs and \$2,000 to a DCFSAs. With your pretax FSA contributions, you could save about \$1,020. Here's how it works.

SAMPLE ACTION	WITH AN FSA	WITHOUT AN FSA
Annual salary	\$60,000	\$60,000
Health Care FSA contribution	(\$2,500)	\$0
Dependent Care FSA contribution	(\$2,000)	\$0
Taxable income after FSA contributions	\$55,500	\$60,000
Estimated taxes withheld (22.65%)*	(\$12,570)	(\$13,590)
Post-tax income	\$42,930	\$46,410
Money spent after-tax on health care expenses	\$0	(\$2,500)
Money spent after-tax on dependent care expenses	\$0	(\$2,000)
Take-home pay	\$42,930	\$41,910
Potential savings	\$1,020	\$0

*This example is for illustrative purposes only. It's based on 7.65 percent FICA and 15% tax bracket.

[> More about FSAs](#)

How does an FSA work?

It's quite simple really. You contribute, spend and save.

- 1. Contribute** — Estimate the amount you expect to spend during the plan year on eligible out-of-pocket expenses. Out-of-pocket expenses are those not covered by insurance or any other plan. Select the FSA (HCFSA, DCFSA) that's right for you and choose how much you want to contribute. Your employer will deduct that amount from your paycheck in equal amounts each pay period. These deductions are pretax. Each FSA has its own contribution limit, which is set by the Internal Revenue Service (IRS).

Below are the 2024* limits.

- **Health Care FSA contribution limit: \$3,050**
- **Dependent Care FSA contribution limit: \$5,000**

*These limits are subject to change annually. Your employer may set a lower limit. Check your plan to know how much you can contribute.

- 2. Spend** — Once funds are in your FSA, you can use the PayFlex Card®, your account debit card, to pay for your eligible expenses, if offered by your employer. Or you can simply pay out of pocket and then submit a claim to pay yourself back. You can do this online, through the PayFlex Mobile® app, or complete a paper claim form and fax or mail it to us.
- 3. Save** — Your FSA contributions are tax-free. Therefore, when you use your FSA funds on eligible expenses, you save about 30 cents on every dollar you spend.

[> More about FSAs](#)

How do I use the money in my FSA?

Once funds are in your FSA, you can use the PayFlex Card®, (your account debit card — if offered by your employer) to pay for your eligible expenses. Or you can simply pay with cash, check or credit card, and then submit a claim to pay yourself back.

How do I file an FSA claim?

After you incur an eligible expense, you can:

- **Submit a claim online.** You can upload or fax your documentation to us.
- **Submit a claim using the PayFlex Mobile® app.** You can download it for free* from your mobile app store. You'll use the same username and password that you use for the PayFlex website.
* Standard text messaging and other rates from your wireless carrier still apply.
- **Complete a paper claim form and mail or fax it with your documentation.** Members can find this claim form by logging into [PayFlex.com](#) here: [Documents & Forms](#).

What do I need to send with my FSA claim?

It depends on your expense type.

- **If your expense went through your medical or dental plan,** you'll need to send an Explanation of Benefits (EOB) from your plan. This is the best form of documentation.
- If your expense didn't go through your medical or dental plan, you can send an itemized receipt or statement for the expense. It must show:
 - Date of purchase or service
 - Amount you were required to pay
 - Description of the item or service

[> More about FSAs](#)

- Name of the merchant or provider
- Patient Name
- For **prescriptions**, send your detailed receipt that includes the pharmacy name, patient name, prescription name, the prescription fill date, and amount you paid.
- For dependent care expenses, the dependent care provider must sign the claim form or provide an itemized receipt. It must include the date(s) of service, provider name, qualifying person's name, and the amount charged for the care.
- **Note:** If you don't send an EOB, itemized receipt or statement with your claim, we'll deny it. We can't accept a cancelled check, credit card receipt or billing statement that shows "previous balance," "balance forward," "estimated," "filed" or "pending insurance."

Can I change my election during the plan year?

Your FSA election remains in place for the plan year. This is an IRS rule. The only way to change your FSA election during the plan year is if you have a status change event and as a result of that event, it's necessary for you to change your election. Your employer's plan determines which status change events are allowed. **Note:** Generally, you have 30 calendar days from the date of your status change to change your election. Please contact your Human Resources or Benefits Department to change your election. Below are some examples of status change events:

- Change in legal marital status (marriage, divorce, legal separation, annulment, death of a spouse)
- Change in number of tax dependents (birth, adoption, death)
- Change in employment status that affects benefit eligibility
- Dependent becomes or is no longer eligible under the plan (reaches limiting age, gains or loses student status)
- Change in residence that affects eligibility

[> More about FSAs](#)

What happens if I have funds left in my FSA at the end of the plan year?

Generally, funds left in an FSA at the end of the year are forfeited. This is the FSA “use-it-or-lose-it” rule. However, your plan has a “grace period” feature, which can help reduce forfeitures.

- **Grace Period:** If your FSA has a grace period, you have an additional two months and 15 days after the end of your plan year to spend your FSA funds.

What happens to my HCFSAs if I leave my company?

It depends on your plan. Your FSA coverage may end on your last day of work or it may end at the end of that month. Your employer may allow employees to continue to incur spend down of their cash balance for eligible expenses that are incurred after termination through the end of the plan year. Therefore, you may still be able to submit claims for eligible expenses that you incurred during the time you had coverage. Your employer will let you know how and when to submit claims. You may also be eligible to elect COBRA coverage for your HCFSAs.

[> More about FSAs](#)

What happens to my DCFSA if I leave my company?

It depends on your plan. Your employer may allow you to continue to spend down your DCFSA cash balance for eligible expenses that are incurred AFTER your termination date until the end of the plan year. Standardly, Dependent Care Flexible Spending Accounts are NOT eligible for COBRA. Please contact your Human Resources or Benefits Department for more information.

Do I have to enroll in my employer's medical or dental plan to participate in the health care FSA?

Your plan will determine this. Although your employer can require that you take the medical or dental plan in order to have a health care FSA, not all plans are designed this way. Please check your plan documents to confirm this.

Can I use my FSA to pay for over-the-counter (OTC) items, supplies, drugs and medicines?

Yes. You can use your FSA funds for over-the-counter (OTC) items, supplies, drugs and medicines (if they're considered eligible under your plan). [See Eligible Expenses](#)

Do I need a prescription from my physician to pay/get reimbursed for over-the-counter (OTC) drugs and medicines?

On March 27, 2020, the CARES Act passed and changed the rules for OTC drugs and medicines. You no longer need a prescription from your physician to pay or get reimbursed for OTC drugs and medicines. This change only applies to OTC drugs and medicines you paid for after December 31, 2019.

May I submit eligible health care expenses incurred by my spouse and dependents?

Yes. You can seek payback for eligible expenses that you, your spouse, your child/children, and eligible tax dependents have during the plan year. This is true even if you don't cover your spouse and dependents on your health plan.



Dependent Care FSA (DCFSA)

How does the DCFSA work?

When you enroll in a DCFSA, you set aside money from your paycheck on a pretax basis for eligible child and adult day care expenses. Your expenses must be work-related. This means that your dependents need the care so that you can work. During the plan year, you'll pay for your eligible dependent care expenses out of pocket. Once your dependent receives the care, you can submit a claim to pay yourself back from your DCFSA. You can do this online, through the PayFlex Mobile® app, or complete a paper claim and fax or mail it to us.

A DCFSA does have a few rules that you should know:

- If you're married, both you and your spouse must be working. If just one of you is working, the other spouse must be actively looking for work; be a full-time student; or be unable to care for him or herself. Unpaid or minimally paid volunteer work doesn't qualify as employment.
- The expenses must be for a qualifying person. A qualifying person is your dependent child who is younger than age 13 or a spouse or tax dependent who is not physically or mentally able to care for him or herself.
- You must receive these services from an eligible care provider. This can include a licensed childcare facility, an adult day care center and a summer day camp. Check your plan for further details.
- The care provider can't be your tax dependent, your child who is under age 19 at the end of the year, a person who was your spouse any time during the year or the parent of your qualifying person.
- The expenses must be for services you get during the plan year and while the qualifying person regularly spends at least eight hours each day in your home.

[> More about DCFSA](#)

- The expenses can't be for future services. For example, you pre-pay your child's summer day camp. You can't file a claim until after your child attends the camp.
- The Internal Revenue Service (IRS) annual contribution limit is \$5,000. However, the IRS limits reimbursement to the lesser of your earned income for the year or the cost of care, up to \$5,000. If you're married, this limit is based on the income of the lower paid spouse and whether you file joint or separate tax returns.
- Even if you have a DCFSA, you must file Form 2441, Child and Dependent Care Expenses, with your federal tax return.

What expenses are eligible under a DCFSA?

You can view a list of common eligible expenses on this [website](#). You can also find more details in [IRS Publication 503](#).

How much can I contribute to a DCFSA?

Typically, the most that you can contribute to a DCFSA is \$5,000. This is per household per year. This means that if you and your spouse each have a DCFSA, you're limited to \$5,000 between the two of you. Keep in mind, this amount may be less based on earned income and tax filing status. For example, if you're married and filing taxes separately, your individual contribution limit is \$2,500.

When can I submit a claim for my dependent care expenses?

You can submit a claim at any time during the plan year. However, you can only receive reimbursement after the dates of service. **Example:** You pre-pay your dependent care provider every Friday for the following week. To receive reimbursement, you must wait until the end of the next week to submit your claim.

[> More about DCFSA](#)

What do I need to send with my dependent care claim?

When you submit a claim, we need the detail for that expense. You only need to send one of the following with your claim form:

- A completed Dependent Care FSA claim form that your provider signs. The form must include dates of service, name of dependent, cost of care, and the provider's name. You don't need to include documentation if your dependent care provider signed the form.
- An itemized statement that includes the dates of service, name of dependent, cost of care, and the provider's name.

Dependent Care General Questions:

I have a dependent care expense that I want to submit for reimbursement. However, I don't have enough in my DCFSA right now to cover the full amount. How should I submit this claim?

You can submit a claim for the full amount. The DCFSA will reimburse you up to the balance in your account. You'll only receive reimbursement for the remaining amount if you make more contributions your DCFSA.

I just had a baby and will be home for six weeks. I'm taking my older child to day care during this time. Will these day care expenses be eligible?

This is not an eligible expense. The dependent care must be so you can work. Since you're not working during this period, the day care expense is not reimbursable.

I pay my neighbor to watch my 13-year-old after school. Is this an eligible expense?

No. Care must be for a qualifying person. A qualifying person includes your dependent child who is younger than age 13. This would only be an eligible expense if your child wasn't able to care for himself or herself.

[> More about DCFSA](#)

My 16-year-old daughter cares for my 8-year-old son after school. Will my DCFSA reimburse me for the amount I pay my daughter?

No. This is not an eligible expense. The care provider MUST be:

- An eligible day care provider
- 19 or older by the end of the year
- A NON-tax dependent to you, nor may they be your child

If I participate in the DCFSA, do I need to report this on my income tax return?

Yes. When you have a DCFSA, you must include this information as part of your tax return. You'll do this on IRS Form 2441: Child and Dependent Care Expenses. For more information, see instructions for IRS Form 2441 at www.irs.gov. Your employer will also list your contributions on your Form W-2. If you have questions, you should speak with your tax adviser.

If I have a DCFSA, can I also use the Child and Dependent Care Tax Credit?

Generally, if you have a DCFSA you can't also take the full tax credit. You should talk to your tax adviser to learn which option is best for you.

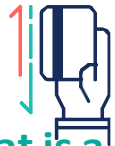
Can I use my DCFSA to pay for child's virtual childcare during the pandemic?

*Yes.

*Subject to change

Can I decrease my DCFSA contribution?

You may change your contribution if you have a change in status, such as your marital or employment status, your number of tax dependents, etc., and your employer allows election changes.



PayFlex Card®

What is a PayFlex Card?

The PayFlex Card is your account debit card. It helps make it easier for you to spend the money in your PayFlex account. You can use this card to pay for certain eligible expenses.

Eligible expenses may include doctor and dentist visits, hospital stays, prescriptions, and hearing and/or vision care. Or your plan may only allow prescription expenses. Be sure to review your plan documents to find out what's eligible.

Your employer offers the PayFlex Card for the HCFSA. You can use your card at qualified merchants where Mastercard® is accepted, and where merchants can process health care cards. This may include doctor and dental offices, hospitals, pharmacies and hearing and vision care centers. You may also use your card at some discount and grocery stores.

What are the benefits of using a PayFlex Card?

There are four key benefits to the PayFlex Card.

1. Immediate payment from your account — When you use the card, it automatically uses the money in your PayFlex account to pay for eligible expenses.
2. Increased personal cash flow — When you use your card, you don't have to pay out of pocket.
3. Reduced claim filing — You won't have to submit a claim for your expenses and wait get paid back. You should still keep all of your itemized receipts and Explanations of Benefits (EOBs). We may ask you to submit them.
4. Ease of use — Simply select your eligible expense and swipe your card for payment.

[> More about PayFlex Card](#)

How does my PayFlex Card work for health care expenses?

- You can use your PayFlex Card to pay for eligible health care products and services. If you have a health care FSA, you can use your card for eligible expenses that you incur during the plan year.
- You can only use the card at merchants and providers that accept Mastercard® and health care cards. This generally includes doctor and dental offices, hospitals, pharmacies and hearing and vision care centers. You can also use your card at some discount and grocery stores.
- If your health plan covers part of the expense, you may want to wait to use the card until you know how much you owe. When you're ready to pay for an eligible expense, just provide your card for payment.
- Please keep all of your itemized receipts and Explanations of Benefits (EOBs). There may be times when we need to ask you for proof that a card purchase is eligible.
- **Your PayFlex card is good for five years as long as you're a PayFlex member.** You don't need a new card when you move from one PayFlex plan to another (unless you change employers). The amount you decide to put aside is deposited to your account and available on your card.

I just received my PayFlex Card. Do I have to use the card for all my eligible expenses?

No. You don't need to use your card for all eligible expenses. You can always use another form of payment for your expenses. Then submit a claim to pay yourself back. You can do this online, through the PayFlex Mobile® app, or complete a paper claim form and fax or mail it to us.

Where can I use my PayFlex Card?

You can use your card at qualified merchants where Mastercard® is accepted, and where merchants can process health care cards. This may include doctor and dental offices, hospitals, pharmacies and hearing and vision care centers. You may also use your card at some discount and grocery stores.

[> More about PayFlex Card](#)

How do I activate my new card?

If you receive a new card, call the number on the activation label. Then enter your card number and the # sign. You'll then enter the last four digits of your Social Security number (SSN). (Or, you may need to enter the last four digits of your employee ID number.) Once you finish these steps, your card will be active.

Should I select “debit” or “credit” when using my PayFlex Card? Do I need a PIN?

If the merchant or provider allows you to select “debit” or “credit,” either option will work. This means you may choose “credit” and sign the receipt. If you select “debit,” you'll need to enter a Personal Identification Number (PIN). Your pin will be the last four digits of the card. To change your PIN, call **1-888-999-0121**.

How do I change my PIN for my PayFlex Card®?

Call Card Services at **1-888-999-0121**. You'll need to enter your card number, the three-digit security code (located on the back of your card) and your five-digit zip code. Then you must enter a **new four-digit PIN**. To do this, enter four digits of your choice. To confirm your PIN, re-enter your four digits. Once you create your PIN, you can use it right away. Please make sure to remember your PIN, as you won't receive a confirmation of it.

Now that my card will have a PIN, can I withdraw funds at an Automatic Teller Machine (ATM)?

Can I get cash back at a merchant?

No. The card won't work at an ATM. And you can't get cash back with your card. You can only use the card to pay for eligible expenses.

[> More about PayFlex Card](#)

What should I do if my PayFlex Card isn't accepted?

There's more than one reason why you may not be able to use your card.

- The expense may be ineligible under your plan.
- A merchant or provider may not accept Mastercard®.
- The merchant may not be able to accept health care cards.
- You may not have enough money in the account to cover the expense.
- Your card may be suspended. This applies to flexible spending accounts (FSAs). We have to suspend cards when we don't receive information from you to show that a card purchase is eligible.

If you're unable to use your card, you can use another form of payment. If your expense is eligible, you can submit a claim to pay yourself back. You can do this online, through the PayFlex Mobile® app, or complete a paper claim form and fax or mail it to us.

Can I buy over-the-counter (OTC) items with the card?

You may be able to use your PayFlex Card® to pay for OTC items if they're considered eligible under your plan. For instance, supplies, drugs and medicines.

What happens if I don't have enough money in my account and I used my card to pay for an eligible expense?

Your PayFlex Card will deny a purchase if you don't have enough funds in the account. You could check your balance and ask the merchant to charge your card just for the amount that you have available. Then you would pay the balance with another form of payment. If funds become available in your account, you can pay yourself back by submitting a claim.

[> More about PayFlex Card](#)

Why did I receive a request for documentation for my PayFlex Card purchases?

Generally, we send a request for documentation when we're unable to verify if one or more of your card purchases is eligible. We'll let you know in the letter the date by which you need to respond. If you do not respond by this date, we'll have to suspend your card. When this happens, you cannot use it for that account. This can happen when the amount you paid does not match your copay amount, or you paid an "estimated" or "pending" amount. It can also happen when we receive a description of the expense from the merchant or provider that doesn't clearly tell us what you paid for. However, you can still pay for eligible expenses out-of-pocket and submit a claim to pay yourself back.

All you need to do is send us documentation that shows:

- Date of purchase or service
- Final amount you had to pay
- Description of the product or service
- Merchant or provider name
- Patient name (if applicable)

I received a request for documentation for my card purchases. What do I need to do?

You have three options:

1. Send us the documentation for your card purchase.

You can do this online, through the PayFlex Mobile® app, or by fax or mail. If you're sending documentation online, you'll need to send it to us in PDF format. It needs to include:

- Date of purchase or service
- Final amount you had to pay
- Description of the product or service
- Merchant or provider name
- Patient name (if applicable)

[> More about PayFlex Card](#)

If your expense went through your medical or dental plan, you'll need to send an Explanation of Benefits (EOB) from your plan. This is the preferred form of documentation.

If your expense did not go through your medical or dental plan, you can send an itemized receipt or statement for the expense. It must show:

- Date of purchase or service
- Final amount you had to pay
- Description of the product or service
- Name of the merchant or provider
- Patient name (if applicable)

Notes:

- Generally, we won't ask you to send information for your prescriptions. But if we do, send your prescription drug receipt that includes the pharmacy name, patient name, prescription name, the fill date and how much you paid.
- We can't accept a cancelled check, credit card receipt, or billing statement that shows "previous balance," "balance forward," "estimated," "filed" or "pending insurance."

2. Send us another expense.

If you have another expense that you incurred in the same plan year and paid out of your pocket, you can use that expense to help cover the one in question. Just send us documentation for that expense. You can do this online, through the PayFlex Mobile® app, or by fax or mail.

3. Pay back your account.

Just send us a personal check or money order (either made payable to PayFlex) with a copy of the letter.

You'll want to provide the documentation or payment as soon as possible. We'll let you know in the letter the date by which you need to respond. If you don't respond by then, we'll have to suspend your card. When this happens, you can't use it for that account. However, once we confirm that the amount you paid was for an eligible expense or receive your re-payment to cover the expense, we'll reactivate your card.

[> More about PayFlex Card](#)

What should I do if my card is lost or stolen?

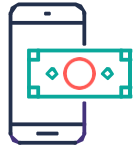
Call us right away to report a lost or stolen card. We'll then cancel your card and send you a new one. If you are worried about identity theft after cancelling your card, you can use Mastercard's Identity Theft Resolution Services at no cost. They can help you restore your identity.

Identity Theft Resolution Services include: **Note:** This information is general in nature for informational purposes only. Please refer to your employer's plan for specific information:

- 24/7 access to Mastercard's certified resolution specialists
- Internet monitoring to proactively detect stolen personally identifiable information and compromised confidential data online
- Assistance from a specialist who will notify all three major credit reporting agencies to place blocks on cardholders' records and obtain free credit reports
- Help with paperwork to alert various parties of the potential fraud
- Education about how identity theft can occur and protective measures to avoid further occurrences

Note: This information is general in nature for informational purposes only. Please refer to your employer's plan for specific information.

To learn more about the Identity Theft Resolution Services, call the Mastercard Assistance Center at 1-800-MC-ASSIST (1-800-622-7747).



PayFlex Mobile® App

How do I get the PayFlex Mobile app?

- You can download the app from your mobile device's app store.
- The app is supported by the following devices:
 - iOS version 12 or above on iPhone® 5S, iPad Air®, iPad Mini® 2 or newer
 - Android version 7 (Nougat) or above on phones or tablets

Is there a fee to download or use the PayFlex Mobile app?

No. There's no fee to download the app. Anyone with a PayFlex account can use it for free. (But standard text messaging and other rates from your wireless carrier still apply.)

How do I get a username and password for the PayFlex Mobile app?

You'll use the same username and password you use for the PayFlex member website. (Currently, you must create a username and password on our PayFlex member website first.)

What if I have trouble signing in to the PayFlex Mobile app?

Click on "Trouble logging in?" on the log in page of the app.



[More about PayFlex Mobile App](#)

I have a flexible spending account (FSA). What can I do on the PayFlex Mobile app?

- View your account balance, deposits and payments
- Submit claims for reimbursement
- View your PayFlex Card purchases and submit documentation (if applicable)
- View and manage account alerts and PayFlex contact information

Can I submit a claim using the app?

If you have a PayFlex FSA, you can use the app to submit a claim to pay yourself back for an eligible expense you paid out of pocket. After you log in to the app, select “Manage” to get started. To send documents with your claim, simply take a picture and upload it through the app.

Is the app secure?

Yes. Here are a few of the ways we make your security our priority:

- Log in with Secure Touch ID
- Get protected access to your account information
- Use the same secure username and password you use on this website

I need app support. What do I do?

Give us a call at **1-844-729-3539 (TTY: 711)**. If your issue is account related, you can get help via your online account.

PayFlex Systems USA, Inc.

This material does not contain legal or tax advice. You should contact your legal counsel or tax advisor if you have any questions or need additional information. Go to [PayFlex.com](https://www.payflex.com) to learn more.

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