NORTHWEST PUBLIC SCHOOLS
FLEXIBLE SPENDING ACCOUNTS / FLEX PLANS

Basic Information

The Flex Plan offered through your employer lets you set aside pre-tax money to assist you in paying for unreimbursed medical expenses and babysitting charges. The Flex Plan year runs from September 1 to August 31. Expenses cannot be reimbursed by any other plan or program. Only your actual out-of-pocket expenses are eligible.

Plan carefully as this election is irrevocable during the Plan Year unless you have a change in family status (marriage, divorce, birth, death, termination or commencement of a spouse's employment, etc.). The IRS requires that any money left unused at the end of the Flex Plan year be forfeited*. For help in determining your expenses see 5 of the Enrollment Booklet.

Expenses for medical care and dependent care (babysitting) are incurred when you (or your eligible spouse or dependent) are provided with the care (date of service), not when the payment is made. Therefore, the date of service must be within the Flex Plan year.

If you or your spouse contribute to a Health Savings Account (HSA), and also have a Flex Plan, you can only claim vision expenses, dental expenses, and preventative medical expenses for you and your dependents through your Flex Plan.

Medical Expenses

You must be eligible for your employer's group health insurance plan in order to participate in the Flex Plan for medical expenses. You do not have to be covered on the insurance plan, but you must be eligible for the coverage.

The Election Form will indicate the maximum amount that can be set aside for medical expenses during the Flex Plan year. Your contribution amount is taken out of your paycheck by your employer in equal installments. For example, if you set aside $1,200, your monthly contribution is $100.

The CARES Act of 2020 extended the list of HSA, health reimbursement arrangement (HRA), and flexible spending account (FSA) qualified expenses to include menstrual care products and over-the-counter (OTC) drugs without a doctor's prescription. Updates are being made to extend these provisions to you.

- **Claims reimbursement –** Members can submit claims for menstrual care products and OTC drugs without a doctor's prescription.

- **Card purchase –** Health care debit card use for OTC drugs without a prescription and menstrual products is dependent on the updated eligible product list managed by the Special Interest Group for IIAS Standards (SIGIS), then merchants updating their systems. In the interim members will need to submit manual claims with the proper documentation.

For orthodontia, many orthodontists offer a pre-payment plan for patients including a discount when a full payment for the entire expense is made prior to starting treatment. A claim CANNOT be made for services which have not been provided. You have the personal option to pay your orthodontist any way you wish; however, you can only claim under a Flex Plan the service that has already been provided.

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Since not all service is provided the day the braces are applied, the service becomes on-going. The IRS considers the on-going visits as part of the future service to be provided. Therefore, use caution when paying all orthodontia up front. It CANNOT all be claimed at once on your Flex Plan.

Medical Expenses – Request for Reimbursement: You must complete a *Request for Reimbursement form.* Attach a copy of an insurance Explanation of Benefit form (EOB) or a detailed invoice.

- There are no vendors that send or share documentation with us regarding your purchases.
- Documentation is necessary for all Medical Expenses so that we know the **expense is contributed to the correct Plan Year**,
- the **patient is a Qualified Participant**, the **expense is a Qualified Expense.**
- An insurance **Explanation of Benefits** is a great resource for providing the needed information.
- A cash register receipt is **NOT** adequate documentation as it is missing the above required information.
- The **IRS and Department of Labor governs and requires** that we have a receipt that shows the following:
  - o Date of Service
  - o Person Treated
  - o Medical, Dental, or Vision Detail
  - o Amount of Expense
  - o Amount paid by Insurance (if any)

It is in everyone's best interest if documentation can be **submitted within 60 days.**

Dependent Care Expenses

Out-of-pocket dependent care expenses are those that are incurred so you (and your spouse, if married) can work or look for work. "Work" may include actively looking for work but does not include unpaid volunteer work. Expenses cannot exceed the Federal limit of $5,000.

Dependent Care Expenses – Request for Reimbursement: You must complete a *Request for Reimbursement form.* Attach a copy of an invoice from the daycare provider showing:
- The child's name
- Dates of service
- Charges
- Provider tax ID number or social security number
- Signature from the provider.

Dependent care expenses not eligible include the following:
- Amounts paid to your spouse, your child under age 19, a parent of your child who is not your spouse or an individual for whom you or your spouse is entitled to a personal tax exemption as a dependent
- Expenses related to a disabled spouse or tax dependent living outside your household
- Educational expenses
- Tuition for kindergarten or above
- Food expenses, activity fees, transportation, late fees, overnight camps, supplies, etc.

Unlike medical expenses, the dependent care Flex Plan account is not pre-funded; meaning you will only be reimbursed up to the dollar amount that you have contributed at any point in time.

- Be sure that all invoices and receipts that you provide are legible and clear.
- Be certain that you are using **Service Dates** and not Payment Dates.
- You can track your personal account activity on **amgl.summitfor.me**
- When emailing information to us, be sure to request a delivery receipt and also request a read receipt.

For questions contact the Flex Plan department at AMGL, PC
Email: flexplan@gicpas.com, Fax #: 308-381-4824, Phone #: 308-381-1810

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