

These questions and answers are provided for informational purposes only and are general in nature. Answers may differ based on your specific plan provisions. Please review your company's Plan Document and Summary Plan Description for specific plan provisions.

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1. What expenses are eligible under the Flexible Spending Accounts (FSAs)?

Health Care Flexible Spending Account

- Under the Health Care Flexible Spending Account, eligible expenses are generally the same as those allowable for the medical tax deduction, as outlined in IRS Publication 502. However, it is important to note that although IRS Publication 502 provides a list of eligible expenses, this publication provides the eligible expenses in regards to your personal taxes.
- For a comprehensive list of eligible expenses, please go to:
<http://www.irs.gov/publications/p502/index.html>
 - Please note that premiums are not an eligible expense under the Flexible Spending Account.
 - Certain expenses may require documentation from your physician to validate that the service or treatment was necessary to treat a specific medical condition and therefore eligible under the Health Care Flexible Spending account.
 - Your eligible expenses may be restricted if you are covered under your employer's Limited Purpose or Post Deductible Flexible Spending Account.
- For additional information regarding flexible spending accounts, please go to:
<http://www.irs.gov/pub/irs-pdf/p969.pdf>
- Please also refer to your employer's summary plan description for a list of qualified eligible expenses, as your employer's plan may have additional restrictions.

Dependent Care Spending Account

- FSAs can also be established to pay for certain expenses to care for dependents that live with you while you are at work.
- An eligible dependent is defined as an individual who can be claimed by an employee as a dependent for federal tax purposes under IRC Sec. 151(c) and meets the following requirements:
 - Child under age 13.
 - An individual, such as a disabled parent, who requires full-time care because of a physical or mental incapacity.
 - An employee's spouse who is physically or mentally incapable of caring for himself or herself.
- For additional information regarding dependent care, please go to:
<http://www.irs.gov/pub/irs-pdf/p503.pdf>

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2. Does a Health Care Flexible Spending Account replace my medical plan?

No. A Health Care Flexible Spending Account offers you a means to pay for eligible out-of-pocket health care expenses with before-tax money. You should first submit your claims to your health

care plan so they can pay according to the plan provisions. Then, the remaining out-of-pocket eligible expenses can be submitted to your Health Care Flexible Spending Account.

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3. How much money will I save by enrolling in a Flexible Spending Account?

Your before-tax contributions made to your Flexible Spending Account are not included in your gross income for federal (and most state) tax purposes. Your savings will be based upon your individual income and tax filings.

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4. Why should I use a Health Care Flexible Spending Account for reimbursement rather than deducting my medical expenses on my federal income tax return?

Only medical expenses that exceed 7.5% of your Adjusted Gross Income (AGI) can be deducted on your federal income tax return. Before-tax Health Care Flexible Spending Account contributions are tax-free (for federal tax purposes). You do not have to meet the 7.5% AGI threshold before receiving the tax savings. Money set aside through a Flexible Spending Account is also exempt from FICA taxes.

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5. I'm not enrolled in my company's dental or vision benefits. Can a Health Care Flexible Spending Account help me?

Yes, you do not need to be enrolled in your company's dental or vision benefits plan to take advantage of the Health Care Flexible Spending Account plan. When you incur a dental or vision expense, simply submit your receipt for services with a Reimbursement Request Form – Health Care Flexible Spending Account, indicating that you do not have coverage.

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6. Are expenses that are reimbursed by my Health Care Flexible Spending Account eligible to be deducted on my federal income tax return as a medical expense?

No, because you have already received reimbursement with tax-free dollars. Only expenses not reimbursed through an insurance plan or a Flexible Spending Account may be claimed on your federal income tax return.

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7. Can the Health Care Flexible Spending Account pay my doctor directly?

You can pay your providers directly from your account when using the online claim feature. To access this feature:

- Sign in to your account at www.acclarisonline.com.
- Click **New Claim** in the **Enter New Claim** box on the left side of the screen.
- Select the claim **Category** from the drop down list and then click **Continue**.
- Enter required claim information.
- Select **Pay Other** and click **Continue**.
- If you chose **Pay Other**, choose the provider from the list displayed and click **Continue**.
- If your provider is not on the list, choose **Add Provider**.
- Complete required information and click **Continue**.
- Confirm accuracy of provider information and click **Submit**.
- Review information and click **Submit**.
- You will receive confirmation that your claim was successfully entered and instructions on how to submit your receipts.
 - Select the **Customized Fax Coversheet** link, print the document and then fax (or mail) that along with your receipts. OR
 - Select **Upload Receipt Images** if you have your receipts saved as an image.
- Following proper substantiation, your reimbursement request will be processed.

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8. Am I refunded the amount left in my Health Care Flexible Spending Account at the end of the plan year?

No. The Health Care Flexible Spending Account (as well as the Dependent Care Flexible Spending Account) is subject to the "use it or lose it" rule which means that any unused money left in your Flexible Spending Account at the end of the plan year, or grace period if applicable, will be forfeited. However, you can maximize the use of your account by carefully determining how much to set aside and making sure that you file claims promptly and prior to the end of the claims filing deadline established under your plan.

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9. What happens if I retire or terminate employment with the company mid-year?

Once you stop making contributions to your account, you cannot submit claims for expenses incurred after you stop participating in the plan (you may submit expenses incurred before you stop participating in the plan). However, you may choose to continue your Health Care Flexible Spending Account deductions through COBRA on an after-tax basis. You will be billed for the contribution amount and as long as you continue to pay, you will be able to continue using your account through the end of the plan year or your last monthly contribution, whichever occurs first. You will not be able to continue your Dependent Care Spending Account after you have terminated employment, unless your plan specifically allows for reimbursement of expenses incurred after you are no longer participating in the plan.

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10. Whose expenses are eligible for reimbursement under a Health Care Flexible Spending Account?

A Health Care Flexible Spending Account may be used to reimburse eligible health care expenses for you and anyone who is claimed as a dependent on your federal income tax return.

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11. Where does the forfeited money go?

The IRS has issued regulations for the use of forfeited money that plan sponsors must abide by.

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12. How long is my election in effect?

Your election is in effect until the end of the plan year or grace period, if applicable. Each year you will have the opportunity to re-enroll and select a new annual election amount. You may be allowed to change your contribution amount during the year if you experience a change in status event as defined under your plan. If you stop contributing, only services incurred while you were making contributions will be reimbursed. Please refer to your company's Plan Document and Summary Plan Description for more information.

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13. Is there a deadline for submitting claims?

Your employer will determine a year-end run-out period. All claims must be submitted by such claims filing deadline as defined under your plan. To find out your plan's run-out period or submission deadline, you can contact the Acclaris Reimbursement Center virtually 24 hours a day, 7 days a week, either online or by phone.

Online

- Sign in to your account at www.acclarisonline.com.
- Click the **Accounts** tab at the top of the page.

- On the **Accounts** page you will find details on your active accounts. The submission deadline is located at the bottom of the account details information.

Phone

- Call Acclaris at the number listed in the **Contact Us** link in the upper right corner of the Acclaris Web site.
- Authenticate your information through the automated phone system.
- From the **Main Menu**, select **Account Information** to hear your submission deadline and other plan details.
- You may also opt out of the automated phone system to speak to a Customer Service Representative for assistance from 8:00 A.M. and 8:00 P.M. Eastern time.

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14. Are there limits to how much I can contribute to a Health Care Flexible Spending Account? The limit is set by your employer each year. Please refer to your company's Plan Document and Summary Plan Description for more information.

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15. Is there a toll-free number where I can get more information on eligible expenses or how the Acclaris Reimbursement Center process works? You can contact the Acclaris Reimbursement Center at www.acclarisonline.com virtually 24 hours a day, 7 days a week, or call the Acclaris Reimbursement Center at the number listed in the **Contact Us** link in the upper right corner of the Acclaris Web site. Customer Service Representatives are available Monday through Friday (excluding New York Stock Exchange holidays) between 8:00 A.M. and 8:00 P.M. Eastern time.

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16. I have a baby-sitter who takes care of my kids, but he/she does not have a Tax Identification Number. What should I do since a Tax Identification Number is required with each Dependent Care reimbursement request?

If your baby-sitter does not have a Tax Identification Number, you must submit his/her nine-digit Social Security number with your reimbursement request.

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17. I would like to have someone come into my home and take care of my children instead of using a day-care facility, but I'm unsure if those expenses would qualify as eligible expenses under my Dependent Care Flexible Spending Account. Do they?

Yes. You can include expenses paid to a baby-sitter if the services are necessary in order for you (or, if you are married, you and your spouse) to work.

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18. If I elect to contribute money to a Dependent Care Flexible Spending Account as well as to a Health Care Flexible Spending Account, and I exhaust all of my health care money, can I use the monies in my Dependent Care Flexible Spending Account to pay for health care expenses? No. The Health Care Flexible Spending Account and Dependent Care Flexible Spending Account are two separate accounts. You cannot transfer money between the two, or submit reimbursement requests that are not consistent with each account's expense eligibility requirements.

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19. How can I check my Flexible Spending Account(s) balance?

If you have any questions about your account(s) status, you can contact the Acclaris Reimbursement Center virtually 24 hours a day, 7 days a week, either online or by phone.

Online

- Sign in to your account at www.acclarisonline.com.
- Your Available Balance is located in the **Accounts at a Glance** section on the home page.
- You can also select the **Accounts** tab at the top of the page to view additional details on your account.

Phone

- Call Acclaris at the number listed in the **Contact Us** link in the upper right corner of the Acclaris Web site.
- Authenticate your information through the automated phone system.
- From the **Main Menu**, select **Account Information** to hear your available balance and other plan details.
- You may also opt out of the automated phone system to speak to a Customer Service Representative for assistance from 8:00 A.M. and 8:00 P.M. Eastern time.

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20. How do I submit a claim for reimbursement?

There are two ways you can submit a claim for reimbursement:

Claim form

- Complete an FSA – Health Care Reimbursement Form or an FSA – Dependent Care Reimbursement Form.
- Submit your completed claim along with any required supporting documentation via fax or mail.
- Following proper substantiation, your reimbursement request will be processed.

Online claim

- Sign in to your account at www.acclarisonline.com.
- Click **New Claim** in the **Enter New Claim** box on the left side of the screen.
- Select the claim **Category** from the drop down list and then click **Continue**.
- Enter required claim information.
- Complete required information and click **Continue**.
- Review information and click **Submit**.
- You will receive confirmation that your claim was successfully entered and instructions on how to submit your receipts.
 - Select the **Customized Fax Coversheet** link, print the document and then fax (or mail) that along with your receipts. OR
 - Select **Upload Receipt Images** if you have your receipts saved as an image.
- Following proper substantiation, your reimbursement request will be processed.

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21. What over-the-counter medications will be reimbursed?

Through the end of 2010, types of over-the-counter medications that are eligible for reimbursement include antacids, allergy medicines, pain relievers and cold medicines. Some over-the-counter drugs will be considered "dual purpose," meaning that they have a personal/cosmetic or general health purpose and a medical purpose. In order for these dual-purpose medications to be reimbursed through your Health Care Flexible Spending Account, you may be required to include with your reimbursement request a letter of medical necessity from a medical practitioner. The letter must state that the medicine or drug is recommended to alleviate or treat a specific medical condition. A copy of the letter of medical necessity must be submitted each time that you submit a copy of your receipt for the "dual purpose" medication or drug.

For purchases made on or after January 1, 2011, you will not be able to receive reimbursement from your Health Care Flexible Spending Account for over-the-counter (OTC) medicines and drugs unless you have a doctor's prescription. Generally speaking, any OTC item with a medicinal component — such as pain relievers, cold and allergy remedies, even diaper creams — will require a prescription for reimbursement. However, there are some notable exceptions. To find out which OTC items are affected and how this will impact you in 2011, view our OTC-FAQs.

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22. What over-the-counter medications will not be reimbursed?

In general, medications that are merely beneficial to your general health, such as dietary supplements, toiletries and sundry items, are not eligible for reimbursement.

For purchase made on or after January 1, 2011, you will not be able to receive reimbursement from your Health Care Flexible Spending Account for over-the counter (OTC) medicines and drugs unless you have a doctor's prescription. Generally speaking, any OTC item with a medicinal component — such as pain relievers, cold and allergy remedies, even diaper creams — will require a prescription for reimbursement. However, there are some notable exceptions. To find out which OTC items are affected and how this will impact you in 2011, view our OTC-FAQs

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23. Is there a limit to the number of over-the-counter items for which I can be reimbursed?

Stockpiling of over-the-counter items is not allowable. Purchase must be of a reasonable quantity for use during the plan year. Note: For purchases made on or after January 1, 2011, over-the-counter medications are ineligible for reimbursement unless accompanied by a prescription.

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24. How do I get reimbursed for my over-the-counter medications?

You must complete a Reimbursement Request and submit a copy of the cash register receipt for eligible over-the-counter medications. The receipt must include the merchant's name, date of purchase, name of the drug or medicine and the amount paid. Handwritten non-prescription drug names on cash register receipts will not be accepted. The name of the drug(s) and price(s) must be circled on the receipt.

In addition, for purchases made on or after January 1, 2011, you will not be able to receive reimbursement from your Health Care Flexible Spending Account for over-the-counter (OTC) medicines and drugs unless you have a doctor's prescription. Generally speaking, any OTC item with a medicinal component — such as pain relievers, cold and allergy remedies, even diaper creams — will require a prescription for reimbursement. However, there are some notable exceptions. To find out which OTC items are affected and how this will impact you in 2011, view our OTC-FAQs

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25. What are my methods of payment?

You may be reimbursed by check, or by authorizing Direct Deposit of your payments directly into the bank of your choice. You may also reimburse your provider directly using the “pay my provider” feature.

To authorize Direct Deposit:

- Sign in to your account at www.acclarisonline.com.
- Click the **Profile** tab at the top of the page.
- From the **Profile** page, select **Edit** from the **Direct Deposit Information** section.

- Enter in your banking information and validate your date of birth, then click **Submit**. Please allow up to two weeks for Direct Deposit to be enabled. Payment by check will continue until the Direct Deposit is enabled. If you would like to receive checks, no action is necessary. Additionally you may request to have your reimbursement made payable and sent directly to your provider. Refer to Question 6 for more details.

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26. What are the IRS Standard Mileage Rates?

For 2010, you can use a standard rate of 16.5 cents a mile for use of a car for medical reasons. You can also include parking fees and tolls.

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