

# **St. Elizabeth Healthcare Employee Benefits**

**Flex Spending Account**  
**Dependent Care Account**  
**Health Savings Account**

# **FSA**

**(Flexible Spending Account)**



## **How Does This “Flex Plan” Work?**



- **I select an amount that works for myself and/or my family’s expenses for the duration of the plan year (Min. \$120 – Max. \$5000)**
- **That amount is deducted TAX-FREE from each paycheck and put into my flex account**
- **I use my flex account to pay for eligible expenses, by filing a claim and receive reimbursement by direct deposit or paper check or use the Benny Debit Card**

# **What kinds of expenses qualify?**

- **Common usages include copays, vision, orthodontia, dental, prescriptions, over-the-counter items**
- **Beginning 1/1/11 over-the-counter medications require a prescription from your doctor**
- **The complete IRS list of eligible items is available on our website**

# How do I access my FSA Funds?



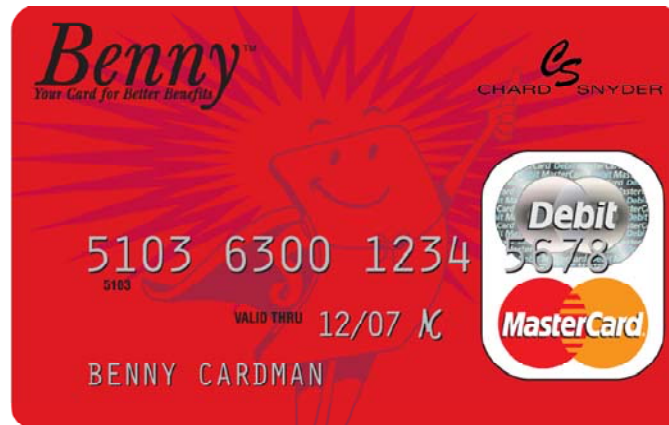
- ***3 ways to send in reimbursement requests***
  - Mail***
  - Fax***
  - Online Claim Submission***
- ***2 options to receive your reimbursements***
  - Check***
  - Direct Deposit***

***OR...***

# Benny™ Substantiation



**No documentation of your debit card expense is required unless you receive an email or letter from Chard Snyder requesting it (always at dentist). If you receive such a request, you must send complete information with a copy of the letter you received to Chard Snyder.**





# **More Benny™ facts**



- **You receive two; whoever signs 'em owns 'em**
- **They are good for five(5) years (elections are reloaded on the same card each year)**
- **You must save all receipts for 7 years as part of your tax documentation. Receipts must show who you paid, when you paid them, and what for**

# **Rules for all Flexible Spending Accounts:**

**A flexible spending account is a Qualified plan and is subject to the following IRS guidelines:**

- **Must be an eligible expense**
- **Reimbursed items cannot be claimed again on tax return**
- **Make elections for the plan year before it starts**
- **Cannot change election during the plan year**

**Unless . . .**



## **Eligible Changes in Status\***

- **Marital Status**
- **Change in Dependents**
- **Change in Adoption Proceedings**
- **Change in Eligibility (Employee/Dependents)**
- **Employment Status (Employee/Spouse)**
- **And for Dependent Care, change in arrangement or provider**

**\* All changes in status must be approved by your employer before they can be processed.**



# **Dependent Day Care Reimbursement Account**



- **Daycare Centers**
- **After-School Programs**
- **Care for the Elderly**
- **Can use with any health plan you choose!**
  - **Up to \$5,000 per year if filing jointly**
  - **Up to \$2,500 per year if filing separately**

# Eligible Day Care Expenses

**Must be incurred for one of the following reasons:**

- To allow an employee and spouse to work
- To allow spouse to seek gainful employment
- To allow spouse to gain a higher education full-time

**Must be for:**

- Dependents under the age of 13 or incapable of self-care
- Dependents who spend at least eight hours a day in your home
- The well-being and protection of the dependent

**Eligible providers:**

- Licensed day care centers
- An IRS-compliant day care provider
- An individual who claims their income
- Over the age of 18 who you don't claim as a dependent
- After-school programs and day camps

# Ineligible Day Care Expenses

- Services rendered by one of your dependents or by your spouse
- Services rendered by one of your children under 19 years of age
- Services rendered while you or your spouse are *not* working (such as overnight summer camps)



# **IF you elect an FSA (Health or Dependent Day Care) what happens next?**



- **Complete your worksheet to decide your election**
- **Complete your Chard Snyder enrollment form**
- **Watch the regular mail for your Benny debit card**



# **Chard Snyder Helps!**



**Chard Snyder helps you follow the rules and provides tips to use your money:**

- **Helpful worksheet to plan actual expenses**
- **Tax Savings Calculator on our website shows how to save!!!**
- **Estimate conservatively**
- **Only include routine expenses (not emergencies)**
- **Eligible item list kept current**
- **Access to your account 24/7**
- **Quarterly reminders from CS (if we have your email address)**
- **Call us if you need help any time!**

**Use it, don't lose it!**

**IF you choose a HDHP...**

***...then* you may also elect to open an**

**HSA**

**(Health Savings Account)**

**at Fifth Third Bank**

# **What is a Health Savings Account (HSA)?**



**An HSA is a bank account created exclusively for you (the employee) and designed to:**

- 1. Help you pay for certain qualified health care expenses on a tax-free basis (for you, your spouse and your dependents)**
- 2. Help you earn interest on your account balance**
- 3. Help you save for future health care expenses (including retirement) by investing your money in various investment platforms**





# **Who is INELIGIBLE to participate in an HSA?**



- **Employee enrolled in any Medical FSA (you can still continue FSA Dependent DayCare however)**
- **Employee enrolled in Medicare**
- **Employee enrolled in a non-high deductible health plan**
- **Employee claimed as a dependent on another person's tax return**

## **How is the account funded?**

- **Employer Contributions**
  - Automatically deposited into your HSA
  - Match \$500 for Singles  
Match \$1000 for Families
- **Employee Contributions**
  - Employee Contributions are deducted from your paycheck on a pre-tax basis





# **How Much Can be Contributed to an HSA?**



## **IRS Maximums**

- **Up to \$3,050 for single coverage**
- **Up to \$6,150 for family coverage**
- **An additional \$1,000 for those 55 and over this year**
- **Balance rolls over from prior plan year – never lose any money!!**

**\*Remember, this includes both  
Employer and Employee Contributions**

# HSA Contribution Strategy - Single

## 2010 Monthly Premium:

POS Plan: \$ 47.73

HDHP Plan: \$ 16.59

Per Pay Savings: \$ 31.14

\*St Elizabeth matches \$ for \$ up to  
maximum of \$500

Annual Cost Savings: \$ 809.64

Match \$ 500.00

Contribution Total \$ 1,309.64

HSA Network Single Deductible - \$2000

Annual Out of Pocket Maximum - \$3000

# HSA Contribution Strategy – Family



## 2010 Monthly Premium:

POS Plan: \$ 124.09

HDHP Plan: \$ 43.14

Per Pay Savings: \$ 80.95

\*St Elizabeth \$ for \$ up to  
maximum of \$1000

Annual Cost Savings: \$ 2,104.70

Match \$ 1,000.00

Contribution Total \$ 3,104.70

HDHP Network Deductible \$4,000

Annual Out of Pocket Maximum \$6,000



# **What expenses can be paid using HSA dollars?**



- **Anything applying to your deductible**
- **Prescriptions**
- **Over the counter items\***
- **Dental, Orthodontia and Vision expenses**
- **And More!!!**

**\* 1/1/2011 – Over-the-counter medications will require a prescription from your doctor.**

# Ineligible Health Care Expenses

- Cosmetic services and surgeries
- Face lifts
- Genetic testing
- Hair transplant
- Massage therapy
- Medicare Supplemental Policy Premiums\*
- Most Medical Insurance Premiums before 65\*
- Physical exams (employment related)
- Rogaine
- Teeth bleaching
- Vitamins
- Vision discount membership fees
- Weight loss drugs and foods
- and more
  
- Non Health Related Expenses

# How do I know what's eligible?



- Check out our website and/or call our Customer Service to verify an expense ahead of time

[www.chard-snyder.com](http://www.chard-snyder.com)

800.982.7715





# Using my HSA



- **Your HSA may only be used for qualified expenses until age 65, at which point other options become available**
- **If the money is used inappropriately, there will be an income tax on it, a 20% excise tax, plus other possible taxes, fees or fines**

## **What happens at age 65?**

- **No IRS penalties for non-qualified purchases, though income taxes may apply**
- **No 20% excise tax**





## **How do I use my HSA at the Doctor's Office?**



- **You are responsible for every expense until the deductible is met, except for preventative care which is of no cost to you**
- **Show your Insurance Card and do not pay at time of service**
- **Wait for EOB from Humana and bill from the provider; make sure they match and then pay your bill by your own means or by using your HSA card**



## **How do I use my HSA at the Pharmacy?**



- **Show your Insurance Card**
- **Your card will show no co-pay is required**
- **The Pharmacist will enter your insurance information and the discounted carrier price will be automatically calculated**
- **Pay for your prescription with your HSA Mastercard debit card or by another means of your choice**
- **Shop around for the best deal!**

# **Receipt Requirements**

**All Receipts / Bills / EOBs must include:**

- **Date of service**
- **Type of service provided**
- **Service provider's name and address**
- **Amount you are responsible to pay**

**You must be able to show the IRS that any money you used from your HSA account was used for eligible expenses**



## **What happens if I quit or I am terminated?**



- **Your HSA is portable—goes with you!**
- **You CAN continue to invest your money and draw interest on your balances**
- **You CAN continue to make withdrawals for qualified expenses**
- **You CANNOT make new contributions to the account unless you become enrolled in another high deductible health plan (HDHP)**



# **Can I make changes to my pre-tax amounts?**



- **Yes. You can change your HSA pre-tax contribution amount at any time, as long as it does not exceed the allowable maximums**
- **All changes must be approved by your employer before they can be processed by our office**

# **Fifth Third - Online Account Services**



- **Check your account balances online**
- **Investment options online**
- **Track usage online**
- **On-line Bill Payer**
- **HSA Customer Service – 888-350-5353**

**Note: Use the Fifth Third HSA Help ONLY, not your local branch or the regular Fifth Third website!**



## **What happens next?**

- **Complete your worksheet to decide your election, and complete your Chard Snyder enrollment form**
- **Go Online at [www.53hsa.com](http://www.53hsa.com) and open your Fifth Third bank account – New account code: FTB-77**
  - **If you do not open your Fifth Third bank there is no where for your payroll contributions to be deposited**

## **What happens next? ... continued**

- you **CANNOT** reimburse yourself for any medical expenses **BEFORE** your account is opened.
- **Before your new plan year begins, expect:**
  - An unmarked envelope containing your Fifth Third HSA Card.
  - You will receive your PIN number in separate mailing.



## **Consider a Limited Flex Plan**



- **If you have an HSA, you may not participate in a regular FSA, but have the option of a Limited Flex**
  - Limited to *Dental* and *Vision* expenses only
- **You may also still participate in the Dependent Day Care portion of the FSA**



## **Chard-Snyder Contact Information**



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