

Flexible Spending Account Program

Open Enrollment

To be effective January 1, 2022

The Flexible Spending Account Program allows you to pay for certain expenses on a pre-tax basis. That means that your money goes farther. For example, if you put aside \$5,000 for day care expenses in a Dependent Daycare Reimbursement Account, you get to spend the whole \$5,000 on day care. If you take the \$5,000 in pay, you will only have \$3,500 left after taxes to spend on day care! The FSA program can also help offset the cost of out-of-pocket health care expenses such as copayments, deductibles, coinsurance, and **certain** over-the-counter medications.

This Q & A document will provide you with information about all elements of the Flexible Spending Account Program, and how to sign up.

Who is the FSA Vendor?

- Chard Snyder is the administrator for the Flexible Spending Account program. Features include:
 - A pre-paid benefits debit card that will provide you with an easy, automatic way to pay for qualified health care/benefit expenses. The pre-paid card lets you electronically access the pre-tax amounts set aside in your accounts. ***If you were enrolled in the FSA or HSA Program in the past and are enrolling in the program for 2022, you will not receive a new pre-paid benefits card.*** New cards are distributed based on the expiration date on the front of the card.
 - Full array of web services including on-line enrollment, claims submission, account balances, and claims history and detail.
 - Daily reimbursement of approved paper claims.
 - Non debit card transactions (paper claims) **must** be direct deposited into your bank account.

What is the FSA Program?

- **Part One:**
 - Allows your payroll deducted health insurance premium to be deducted on a “pre-tax” basis; and
 - Is automatic when you enroll in your health plan (“Premium Conversion”).
- **Part Two:**
 - Allows you to establish a Dependent Daycare Reimbursement Account to pay for dependent/childcare on a “pre-tax” basis. This could be used for daycare while you’re at work or a senior day center for an aging parent who lives with you.
 - Allows you to establish a Full Flexible Spending Account to pay for eligible out-of-pocket health care expenses such as copays and health plan deductibles on a “pre-tax” basis. If you are enrolled in the UVA Health Plan Choice Health or Value Health options, you can contribute to a Full FSA.
 - Allows you to establish a Limited Flexible Spending Account to pay for eligible out-of-pocket dental and vision expenses if you are enrolled in the UVA Health Plan Basic Health option.
 - You can enroll in a single account for dependent/child daycare, a single account for health care, or two accounts where one would be used for dependent/child daycare and the other for health care expenses.

How does the FSA Program work?

- You decide how much you wish to set aside from your pay before taxes for the coming year to be used exclusively for dependent/child daycare and/or health care expenses. A list of approved expenses and other resources for Full FSA, Limited FSA, and Dependent Daycare Reimbursement Accounts is available at <http://www.chard-snyder.com/>.
- Your out-of-pocket expenses must be incurred (date of service) while you are an eligible participant during the Plan Year (and Grace Period when applicable) to be considered for reimbursement.
- You can't itemize and deduct the same out-of-pocket expenses again on your IRS Form 1040 for any reimbursement from your FSA, HSA, and/or Dependent Daycare Reimbursement accounts.
- Keep all receipts for reimbursements, especially for benefit card purchases, in case you should be required to substantiate your purchase to the vendor or an audit by the IRS.

Who is eligible to enroll in the FSA Program?

- Eligible individuals are salaried employees who work at least 20 hours per week.
- An eligible dependent is any person considered a dependent under Section 152 of the Internal Revenue Code.
- Individuals are eligible to open a Dependent Daycare Reimbursement Account upon hire; the application must be received within 30 days of the hire date and is effective the first of the month following the date on which the enrollment request is submitted.
- Individuals are eligible to open a Full or Limited Flexible Spending Account upon hire; the application must be received within 30 days of the hire date and is effective the first of the month following the date on which the enrollment request is submitted.

How do I enroll in the FSA Program?

- Academic employees and Medical Center team members will enroll online using Workday. No paper applications will be accepted.

If I am currently enrolled in the FSA Program, do I have to reenroll for 2022?

- **Yes. You must reenroll online during open enrollment using Workday.** Your current elections can only be used for claims incurred in the 2021 calendar year. Keep in mind that this includes a 2 ½ month grace period after the end of the plan year that extends the time during which expenses incurred for qualified benefits may be paid or reimbursed from any unused contributions remaining in your FSA account on 12/31/21 if you are an active employee enrolled in the FSA Program on the last day of the plan year, 12/31/21. Chard Snyder's system is set up to reimburse claims from prior plan year funds for both debit card and paper claims through the 2 ½ month grace period (3/15/22) until there is a zero balance. Reimbursements for expenses/services incurred through the grace period will be drawn from 2021 plan year funds first. If you have a situation in which you need to have a claim reimbursed from the 2022 plan year first, you must submit a paper claim and specify that you would like the funds to come from the 2022 plan year.

How much can I contribute to an FSA account?

- The minimum annual contribution is \$120 per account.
- The maximum annual contribution for the dependent daycare reimbursement account is \$2500 if your tax status is married filing separately and \$5000 if you are single or married filing jointly.
- The maximum annual contribution for the Full FSA or Limited FSA is \$2500.

How can I determine how much I spent in health copayments in CY2021 to help me estimate what I might spend in CY2022?

- If you are enrolled in the UVA Health Plan, you can look up your claim history on the claims administrator’s website. Go to www.aetna.com and choose “Login.” Once you are logged in, choose “Claims & Spending” and click the download claims arrow on the top righthand side of your “Claims” page. You can see how much you spent out-of-pocket on health care over the year, determine what the copayment or coinsurance will be in CY2022 based on the health program you select, and add that to your health expenses. A calculator that can assist you in estimating your uninsured medical expenses as well as the savings you might realize by participating in a Full or Limited FSA, is available at www.chard-snyder.com/support-center/tools-and-apps/tax-savings-calculator/.

What happens if I don’t use all the money I set aside in pre-tax deductions?

- The FSA Program is a “use-or-lose” program. If you are an active employee on 12/31/22, you forfeit any money in your account(s) that is not spent on claims incurred by 3/15/23 and filed by April 30, 2023. A grace period of 2 ½ months after the end of the plan year (12/31/22) is available during which expenses incurred for qualified benefits may be paid or reimbursed from any unused contributions remaining on 12/31/22.
- If you terminate employment in 2022, the Full or Limited FSA funds and Dependent Care Reimbursement Account funds must be used prior to your benefit termination date which is usually the last day of the month in which you terminate employment. However, you have until April 30, 2023 to file claims.
- Once you sign up, you can’t change your mind for the rest of the calendar year unless you experience one of the qualified life events described below and request a change that is consistent with that event. It is your responsibility to make sure you are eligible to use an account before enrolling and to request reimbursements only for eligible expenses. No retroactive terminations or refund of contributions are allowed.
- If you terminate your FSA enrollment in 2022 due to a qualified life event, the Full or Limited FSA funds and Dependent Care Reimbursement Account funds must be used prior to your benefit termination date which is usually the last day of the month in which you terminate your enrollment. However, you have until April 30, 2023 to file claims.

How do I get reimbursements from my account?

- Paper claims are paid every day.
- Direct deposit payments will generally be available two business days after the reimbursement date. Check with your financial institution before withdrawing funds.
- Eligible expenses must be incurred during the plan year stated above or during the grace period of the plan year in which you are actively participating. An expense is incurred when the service is provided, not when the expense is billed or paid.
- Approved paper claims must be direct deposited into your bank account.
- Benefit Card transactions will be reimbursed at point of purchase. ***Keep all your receipts for seven years. If approved at point of purchase, a paper claim is not required. However, substantiation may be requested by email or letter asking for documentation.***
- Benefit Card funds are authorized only for the payment at the point of service for qualified medical expenses as outlined in the FSA Plan Document.
 - Ineligible expenses purchased with the Benefit Card will require that you reimburse the Program for the

expenses.

- If you don't repay ineligible expenses, UVA and/or Chard Snyder has the right to cancel your benefit card and deduct the ineligible amount from your paycheck.
- Chard Snyder will audit the FSA account(s) to ensure proper reimbursement is applied during each Plan Year. If an error is found from the processing of claims, a reconciliation will occur. At times, this may be in your favor and at times you may need to repay monies.
- All Merchants may not accept the Benefit Card even though they accept MasterCard/Visa.

When will my pre-tax money be available to reimburse me for expenses?

- After you enroll online, pre-tax money for the Full or Limited FSA will be available for eligible health care expenses after your first benefit-deduction paycheck of the 2022 calendar year. Funds for Dependent Daycare Reimbursement Account are available only after the money has been deducted from your paycheck and you have incurred the dependent care expenses you are claiming.

How long do I have to file for reimbursement?

- You have until April 30, 2023, to submit expenses that you incurred during the 2022 plan year.
- If you terminate participation during the 2022 plan year, you have until April 30, 2023, to submit health care expenses incurred prior to your benefit termination date, usually the last day of the month in which you terminate employment.
- If you terminate participation during the 2022 plan year, you have until April 30, 2023 to submit dependent daycare expenses incurred prior to your benefit termination date (usually the last day of the month in which you terminate employment) for reimbursement against the coverage you have accrued at the time of termination. Your accrued coverage at termination is equal to your contributions to the plan for the plan year less prior reimbursements as of that date.

How can I learn specific account information once I enroll in the Flexible Spending Account Program?

- Call Chard Snyder at 888-302-9805 or access your account on their website at www.chard-snyder.com. You can also email them at askpenny@chard-snyder.com.

What are the qualified life events that allow me to make changes to my Flexible Spending Account during the calendar year?

- If one of the following events occurs during the plan year, you **may** be allowed to change (enroll, terminate, increase or decrease) your current election in your Full or Limited FSA or Dependent Daycare Reimbursement Account. The change must, however, be a result of one of these events, be allowed by IRS Section 125, and **must be consistent** with the qualified life event:
 - Legal Marital Status – marriage, death of spouse, divorce, annulment
 - Number of Dependents – birth, adoption, death of dependent
 - Employment Status of spouse or dependent – change in eligibility for benefits, unpaid leave of absence
 - Loss of Dependent Eligibility – dependent no longer qualifies because of age
 - Cost and/or Coverage Changes – significant change in coverage or costs (20% or more), change in day care provider
- Documentation supporting the event must be included with the change request.
- The change request and supporting documentation must be submitted online within 30 days of the event and will be effective the first of the month following the submission if approved.

When does my account terminate?

- Your FSA or Dependent Daycare Reimbursement Account will terminate on the earliest of the following dates:
 - the end of the plan year -- Dec. 31, 2022;
 - the last day of the month in which you submit a request and documentation to terminate your account due to a qualified life event that is consistent with the event;
 - the last day of the month in which you terminate employment;
 - the date required contributions are discontinued while on COBRA or unpaid leave of absence; or
 - the date the plan is terminated.

Other important program features . . .

- Chard Snyder manages the Flexible Spending Account Program for UVA. Chard Snyder's responsibility is to make sure claims comply with IRS rules and to process your reimbursement requests.
- The University pays all administrative fees.
- Reimbursements from the Dependent Daycare Reimbursement Account can only be paid as money is accrued in your account from payroll deductions.
- The Full or Limited FSA and the Dependent Daycare Reimbursement Account are separate accounts. Funds cannot be transferred from one account to the other.
- Enrolling in the benefit is stating you have read the terms and conditions prior to enrolling. Enrolling in this benefit authorizes and confirms your approval, authorization and request for the deductions for all FSA programs.

REMEMBER: THE DEADLINE TO SIGN UP IS THE CLOSE OF OPEN ENROLLMENT ON OCTOBER 15, 2021. ALL ENROLLMENTS MUST BE SUBMITTED BY THE DEADLINE FOR YOUR ELECTION TO BE VALID.