

**FLEXIBLE BENEFITS CARRYOVER
INFORMATION 2015**



M.A. Services

PO Box 587
Pittsford, NY 14534
(800) 836-8100 or (631) 863-8887
FAX: (585) 248-2488

FREQUENTLY ASKED QUESTIONS

Q:WHAT HAPPENS TO THE MONEY THAT I DID NOT CLAIM IN 2014?

A: Flex is established in accordance with Federal IRS regulations that determine how the Plan funds may be used. If you allocate money towards a certain benefit account (OTHER THAN HEALTH EXPENSES!) during the Plan year and fail to use or claim those funds within the specified time frame (after the run-out period), you will lose the excess. Excess funds do not revert to M.A. Services. They go back to the Plan to offset administration costs and/or offset benefit costs in the future. What you don't spend from your allocations for Dependent Care, Disability, OHI benefits will be lost to you personally. Therefore, you should be careful and conservative in your estimates!

Q:HOW DOES THE RECENT HEALTH FSA CARRYOVER EFFECT UNCLAIMED FUNDS FROM 2014?

***PERTAINING SOLELY TO HEALTH EXPENSES!** UNUSED FUNDS FROM THE PREVIOUS YEAR CANNOT BE APPLIED TO ANY OTHER BENEFIT (I.E. DEPENDENT CARE, ADOPTION ASSISTANCE, DISABILITY/AFLAC PREMIUMS, OTHER HEALTH INSURANCE PREMIUMS)

A: In the past, once the run-out date had passed, any remaining dollars in your Health FSA account not used for eligible expenses incurred during the Plan Year would be forfeited. As a direct result of the Health FSA Carryover Notice 2013-71, employees are now permitted to carryover up to \$500.00 of unused health FSA amounts remaining at the end of a Plan Year to reimburse medical expenses incurred during the following Plan Year.

Q:HOW DOES THE CARRYOVER EFFECT MY ESTIMATED ELECTION FOR THE 2015 PLAN YEAR?

A: Just as you must re-enroll in the Flex Plan each year, you must fill out a 2015 Enrollment Form EVEN IF the amount that will be carried over from your 2014 Health FSA is sufficient for you to elect for the 2015 Plan Year. Failure to fill out a 2015 Enrollment Form will result in a loss of excess funds from 2014.

Q: HOW DO I KNOW IF I SHOULD PARTICIPATE IN THE FLEXIBLE BENEFITS PROGRAM?

A: First you should determine what your typical medical, dental, vision and qualifying dependent care out-of-pocket expenses may be for the upcoming year for yourself, your spouse and your eligible dependents. You can do this with the aid of a Flex Confidential Survey Form, which is available from enrollment specialists, or your HR Department. The expenses might include any eligible out-of-pocket healthcare expenses you anticipate (such as routine medical examinations, co-pays, contact lenses, prescription eye glasses, dental expenses) and dependent child care (daycare) or elder care expenses, the deductible of a Medical Plan or Dental Insurance Plan and your share of expenses under Major Medical. A list of qualifying expenses is included for your reference.

The second point to consider is what amount from your health FSA will be carried over into the next Plan Year. ***This is important when figuring out your annual election for unreimbursed medical, dental and vision expenses because even though you are carrying over funds up to \$500.00, the date of service/services rendered must be for the current Plan Year in which you are participating in.*** For example, once the run out date passes for the 2014 plan year, the amount carried over PLUS the amount you elected for 2015 become a collective amount in your current 2015 Health FSA. There is no distinction between the two when it comes to claiming eligible expenses. The claim substantiation process does not change as a result of the carryover.

Lastly, you should consider how much you can afford to redirect from your take-home pay. You should be sure you can meet all of your fixed living expenses without the amount of your salary redirection, until you are able to collect reimbursement from your Flex Account.

Q: HOW DOES THE CARRYOVER EFFECT THE MAXIMUM DOLLAR AMOUNT I CAN CONTRIBUTE?

A: The annual contribution limit is NOT affected by the carryover amount. It is possible to elect \$2,500.00 for the 2015 plan year EVEN IF your 2014 account will carryover \$500.00 into 2015.

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Q: WHAT IS THE MAXIMUM DOLLAR AMOUNT I CAN CONTRIBUTE TO THE FLEXIBLE BENEFITS PROGRAM?

A: The maximum dollar amount that each employee may contribute to the Flexible Benefits Program is determined by your employer and is indicated in your Summary Plan Description. Your Flexible Benefits Enrollment Form will indicate the per pay period dollars which will be contributed to each of the accounts (Medical, Dependent Care, Adoption Assistance, etc.). The total amount cannot be more than the annual maximum specified by the Plan, for each account.

Q: WILL I HAVE TO KEEP TRACK OF MY ACCOUNT(S)?

A: You can. However, each time you file a claim and receive a payment, the direct deposit notification will detail the current deposits, reimbursements, and balance(s) of your account(s). You will also receive a cumulative account balance semi-annually, whether or not you have submitted claims, so that you will be aware of your accumulated account balance. In addition, during the last quarter, you will receive an additional statement to remind you of the existing balance(s) in your account(s). It is important that you understand the distinction between your Health FSA account and the other benefit accounts you can elect to have, as the "use it or lose it" principle applies to all benefits other than Health Expenses.

Q: IF I SUBMIT A LARGE BILL FOR UNREIMBURSED MEDICAL EXPENSES WHEN AND HOW WILL I RECEIVE MY REIMBURSEMENT?

A: When you submit a large medical bill, you will receive your full reimbursement up to the maximum deduction (plus any carried over amounts) for the Plan year. This assumes the bill has a date of service/services rendered on the bill incurred during the current Plan Year and applies ONLY to the Unreimbursed Medical Expense Benefit.

Q: CAN I CLAIM EXPENSES WITH A 2014 DATE OF SERVICE IF I CARRYOVER FUNDS INTO 2015 OR RECEIVE A BILL DURING THE CURRENT PLAN YEAR FROM A MEDICAL EXPENSE INCURRED IN 2014?

A: NO! The date of service has to be incurred during your current Plan Year. The service must also be a valid medical service backed by a legitimate diagnosis and provided by a licensed practitioner. You may be asked for a prescription or a doctor's written order.