



Brandeis University

Office of Human Resources
Benefits Section –MS 118 – 781.736.4468

FLEXIBLE MEDICAL CARE AND DEPENDENT CARE REIMBURSEMENT ACCOUNTS Frequently Asked Questions and Answers

What is a FLEXIBLE REIMBURSEMENT ACCOUNT?

A Flexible Reimbursement Account allows you to set aside a portion of your salary for non-reimbursed medical expenses or dependent care expenses **on a pre-tax basis** (meaning that federal, state and social security taxes will **not** be taken). The portion of salary elected is placed into a medical care and/or dependent care reimbursement account and reimbursed to you as you incur expenses from the date of enrollment through December 31, 2011 or the date you are no longer an eligible employee. The amount you elect to set aside for each or either of these accounts will be deducted in equal amounts from your paychecks for 2011.

How much money may I elect to have deducted from my paychecks for my Medical Care Reimbursement Account?

The minimum deduction is \$200 and the maximum deduction is \$4,000. Note, you may **not** change (or stop) your election during the year unless certain changes in your family or employment status occur.

What types of medical bills are acceptable for reimbursement from my Medical Care Reimbursement Account?

Most out-of-pocket expenses not covered by insurance plans and incurred by you, your spouse or dependents are acceptable for reimbursement from your account. These may include medical and dental care deductibles, co-payments, eyeglasses, prescriptions, nursing care, etc. Premiums for health insurance and Medicare do NOT qualify for reimbursement. Under IRS regulations, expenses are incurred when the service is provided, not when your bill is paid. Medical expenses in excess of contributions will be reimbursed in full up to the annual maximum elected even if contributions are not yet made to your Medical Care Reimbursement Account. Participants who leave the plan during the plan year will be reimbursed for expenses incurred while they are participating in the plan. **Expenses incurred before participation began or after participation has terminated cannot be reimbursed.**

How do I get reimbursed from my Flexible Medical Reimbursement Account?

You can either use your Flex debit card (new for 2011) and submit receipts if requested or you can pay for covered expenses then submit the medical reimbursement form with the corresponding receipts to Crosby Benefits Systems (our third party administrator). In most instances, by using the debit card for eligible products and services you will not need to wait for reimbursement. After using your Flex Debit Card to make a purchase, transactions are reviewed by Crosby Benefits Systems. Some card transactions are automatically approved and need no further action by you. Other transactions will require you to submit receipts to prove your expenses are eligible according to IRS rules. If a card transaction does not meet the necessary requirements for automatic approval, you will be notified by email or mail by Crosby.

To submit a claim form to Crosby, you must complete a Medical Care Reimbursement Request form which can be obtained through the Human Resources website at <http://www.brandeis.edu/humanresources/benefits> or in the Office of Human Resources. The reimbursement request form must be completed and sent directly to Crosby. All requests for reimbursement must include a receipt showing the service or product provided, to whom, by whom, the amount charged and the date. Crosby must receive the completed claims between the 1st and 15th of the month to be reimbursed by the last day of the month. Completed claims received by Crosby between the 16th and 31st of the month will be reimbursed by the 15th of the following month. If the claim cut off or processing dates fall on a weekend, the deadline is extended to the following Monday. Reimbursement checks are issued on a bi-monthly basis. Direct Deposit is available by completing a Direct Deposit Authorization form.

Is over-the-counter medication acceptable for reimbursement?

Effective January 1, 2011, under the Patient Protection and Affordable Care Act (also known as federal health care

reform), over-the-counter medicines and drugs can be reimbursed only if prescribed by a physician. This change does not apply to medical supplies such as insulin even if purchased without a prescription.

To receive reimbursement for over-the-counter medicines and drugs, you must submit your reimbursement request along with a physician's prescription and supporting bills/receipts (you cannot use the debit card for purchases).

What happens if there is money remaining in my Flex Medical Reimbursement Account and I have no additional bills to submit for reimbursement in 2011?

Per IRS regulations, if you do not spend all the money in your Medical care account, you **forfeit** the amount remaining. Effective January 1, 2010, we adopted a "grace period" provision for the Flex Medical Reimbursement Account. Any unused account balance at the end of the calendar year may be carried forward for up to 2 ½ months into the following year (March 15). During that period you will be able to incur expenses and submit claims using available funds from the previous year's account. Accounts will remain open through April 30 to allow time to submit claims for expenses incurred during the previous calendar year and the grace period. PLEASE KEEP IN MIND, BECAUSE OF THIS "USE OR LOSE IT" PROVISION, YOU SHOULD PLAN YOUR ANTICIPATED EXPENSES CAREFULLY BEFORE ELECTING YOUR EXPENSE ACCOUNT TOTAL.

How much money may I elect to have deducted from my paychecks for my Dependent Care Reimbursement Account?

You may elect a maximum for calendar year 2011 of \$5,000 if you are single or married filing jointly or a maximum of \$2,500 if you are married and filing separately. The maximum has been established by IRS regulations. Note, you may **not** begin, stop, or change your election within a plan year unless certain changes in your family or employment status occur. Participants may need to choose between a Dependent Care Reimbursement Account or the federal care tax credit.

What dependent care expenses are acceptable for reimbursement from my Dependent Care Reimbursement Account?

The Account may be used to pay for dependent care expenses that enable **you (and your spouse, if applicable) to work or to search actively for work**. ("Saturday night" baby-sitting expenses do not qualify.) You can also use the account to pay for eligible dependent care expenses if your spouse is a full-time student. For the purposes of dependent care expenses, a dependent includes anyone you claim as a dependent on your income tax return who is younger than age 13, or is physically or mentally incapable of caring for himself or herself (for example, a disabled spouse or an elderly parent). Dependent Care expenses in excess of the contribution will remain in the account until a contribution is posted.

How do I submit claims for reimbursement from my Dependent Care Reimbursement Account?

Dependent Care Reimbursement Request forms can be obtained through the Human Resources website at <http://www.brandeis.edu/humanresources/benefits> or in the Office of Human Resources. The reimbursement request form must be completed and sent directly to Crosby Benefit Systems, the third party administrator chosen by the University to process claims. All requests for reimbursement must include a receipt showing the service or product provided, to whom, by whom, the amount charged and the date. Crosby Benefit Systems must receive the completed claims between the 1st and 15th of the month to be reimbursed by the last day of the month. Completed claims received by Crosby between the 16th and 31st of the month will be reimbursed by the 15th of the following month. If the claim cut off or processing dates fall on a weekend, the deadline is extended to the following Monday. Reimbursement checks are issued on a bi-monthly basis. Direct Deposit is available by completing a Direct Deposit Authorization form.

What happens if there is money remaining in my Flex Dependent Care Expense Account and I have no additional bills to submit for reimbursement in 2011?

Per IRS regulations, if you do not spend all the money in your dependent care accounts for calendar year 2011, you **forfeit** the amount remaining. Claims incurred in calendar year 2011 must be submitted for reimbursement no later than March 31 of the following year. PLEASE KEEP IN MIND, BECAUSE OF THIS "USE OR LOSE IT"

PROVISION, YOU SHOULD PLAN YOUR ANTICIPATED EXPENSES CAREFULLY BEFORE ELECTING YOUR EXPENSE ACCOUNT TOTAL.

Will my participation in a Medical Care and/or Dependent Care Reimbursement Account(s) have an impact on salary increases and/or benefit amounts?

Participation in these plans will not affect your salary for purposes of annual salary increases, amount of your life and disability insurance benefits, or required contributions by you or the University to the basic retirement plan.

I noticed that the Reimbursement Account application forms allow the Plan Administrator (Brandeis University) the option of reducing or canceling my election. What does this mean?

The IRS Code permits the use of the Reimbursement Account Programs but also imposes nondiscrimination requirements which state that the plans may not favor highly compensated employees or key employees. If the University determines, before or during the plan year that the plans or any benefit option under the plans may fail to satisfy any nondiscrimination requirement, the University will impose a reduction on the benefit elections of all highly compensated employees or key employees sufficient to assure compliance with the IRS Code.