Flexible Spending
Account Program Open
Enrollment
To be effective January 1, 2018

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! For most people whose adjusted gross income is greater than $25,000, this program is a better deal than the federal dependent care tax credit – consult a tax professional for an assessment of your personal situation. 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 of the 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:
  o A pre-paid benefits debit card that will provide you 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 Program in 2017 and are re-enrolling for 2018, you will not receive a new pre-paid ‘Benny’ card.
  o New cards are distributed based on the expiration date on the front of the card
  o Full array of web services including on-line enrollment, claims submission, account balances, and claims history and detail.
  o Daily reimbursement of approved paper claims.
  o Non debit card transactions (paper claims) must be direct deposited into your bank account.

What is the FSA Program?
- Part One:
  o allows your payroll deducted health insurance premium to be deducted on a “pre-tax” basis; and
  o is automatic when you enroll in your health plan (“Premium Conversion”) unless you inform a UVA Benefits representative otherwise.
  o enrolling in this Plan you are authorizing UVA to deduct from your salary or other compensation, the required contributions for the amount(s) you have elected during your enrollment period.
  o you also agree to comply with the terms and conditions of the Plan.
- Part Two:
  o allows you to establish a Dependent Daycare Reimbursement Account to pay for dependent/child care on a “pre-tax” basis. If you are married, you can use the account if you and your spouse both work or, in some situations, if your spouse goes to school full-time. Single employees can also use the account; and allows you to establish a Full Flexible Spending Account to pay for out-of-pocket health costs such as co-pays and health plan deductibles on a “pre-tax” basis. If you enrolled in the UVA Health Plan Basic Health option and have an HSA, you can contribute to a Limited FSA for dental and vision expenses only. If you enrolled in the UVA Health Plan Choice Health or Value Plan, you can contribute to an FSA for all expenses.
Health options, you can contribute to a Full FSA which reimburses for eligible health care expenses.

- enrolling in this Plan you are authorizing UVA to deduct from your salary or other compensation, the required contributions for the amount(s) you have elected during your enrollment period.
- you also agree to comply with the terms and conditions of the Plan
- 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 Account is available at [http://www.chard-snyder.com/](http://www.chard-snyder.com/).
- Your out of pocket expenses must be incurred while an eligible participant during the Plan Year to be considered for reimbursement (date of service, not date of invoice, must occur during the Plan Year).
- You can’t itemize and deduct the same out of pocket expenses again on our IRS Form 1040 for any reimbursement from your FSA, HSA, and/or Dependent Care accounts.
- 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 60 days of the hire date and is effective the first of the month following the hire date.
- Individuals are eligible to open a Full or Limited Flexible Spending Account upon hire; the application must be received within 60 days of the hire date and is effective the first of the month following the hire date.

**How do I enroll in the FSA Program?**

Academic employees will enroll on-line using Self-Service and Medical Center employees will enroll on-line using PeopleSoft self-service. No paper applications will be accepted.

**If I am currently enrolled in the FSA Program, do I have to reenroll for 2018?**

No. Unless you want to change your amount of deduction or waive coverage through the on-line enrollment system. Your current elections are only effective during the 2017 calendar year. Keep in mind that this includes up to a 2 ½ month 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 12/31/17. If you are enrolled in the FSA Program on the last day of the plan year, 12/31/17, you may request reimbursement for eligible claims incurred through 3/15/18. 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 (3/15/18) until there is a zero balance. Reimbursements for expenses/services incurred through the grace period will be drawn from 2017 plan year funds first. If you have a situation, in which you need to have a claim reimbursed from the 2017 plan year first, you must submit a paper claim and specify that you would like the funds to come from the 2017 plan year.

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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 CY2017 to help me estimate what I might spend in CY2018?
• 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 “Aetna Navigator Member Log In.” Once you are logged in, click the “Download these Claims” button on your Claims List 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 CY2017 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 http://www.chard-snyder.com/.

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 12/31/17, you forfeit any money in your account(s) that is not spent on claims incurred by 3/15/18 and filed by April 30, 2018. A grace period of 2 ½ months after the end of the plan year (12/31/17) is available during which expenses incurred for qualified benefits may be paid or reimbursed from any unused contributions remaining on 12/31/17.
• If you terminate employment in 2017, the Full or Limited FSA funds must be used prior to your benefit termination date; the Dependent Daycare Reimbursement Account funds must be used prior to the end of the calendar year in which you terminate employment. However, you have until April 30, 2018 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 family status changes described below. 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.

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 that 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.
• Debit 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 (Debit Card) are authorized only for the payment at the point of service for qualified medical expenses as out outlined in the FSA Plan Document.
• Ineligible expenses purchased with the Benefit Card will require you to pay back this amount back to
If you don’t repay ineligible expenses back, the employer and/or Chard-Snyder has the right to cancel my benefit card and deduct this the ineligible amount from your salary.

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 time this maybe in your favor and at times you may need to repay monies back.

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 on-line, pre-tax money for the Full or Limited FSA will be available immediately beginning Jan. 1, 2018 for eligible health care expenses. 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, 2018, to submit expenses that you incurred during the 2017 plan year.
- If you terminate participation during the 2017 plan year, you have until April 30, 2018, to submit health care expenses incurred prior to your benefit termination date.
- If you terminate participation during the 2017 plan year, you have until April 30, 2018 to submit dependent daycare expenses incurred during the plan year 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](http://www.chard-snyder.com). You can also email them at askpenny@chard-snyder.com.

**What are the family status changes 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 and must be consistent with the status change:
  - Legal Marital Status – marriage, death of spouse, divorce
  - Number of Dependents – birth, adoption, death of dependent
  - Employment Status - termination or commencement of employment by employee, spouse or dependent
  - Work Schedule – reduction or increase in hours, switch between part-time and full-time
  - Leave from Work – the employee’s or spouse’s taking of an unpaid leave of absence or returning from an unpaid leave of absence
  - Unmarried Dependent Status – dependent no longer qualifies because of age
  - Cost and/or Coverage Changes – significant change in coverage or costs, change in day care provider

**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, 2017;

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• the last day of the month in which you submit a form to terminate your account due to a change in status;
• the last day of the month in which you submit a form to terminate your account because you realized you were ineligible to participate;
• 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.
• There are no 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 27, 2017. ALL ENROLLMENTS MUST BE SUBMITTED BY THE DEADLINE FOR YOUR ELECTION TO BE VALID.