

Flexible Spending Account (FSA) FAQs

1. When is the CY2022 Flexible Spending Account (FSA) Open Enrollment period?

Flexible Spending Account (FSA) Open Enrollment is included as part of Benefits Open Enrollment (BOE), allowing for a single, annual, comprehensive open enrollment period that combines both insurance benefit and FSA enrollments. BOE includes FSA Open Enrollment and is held from October 18, 2021 until 11:59 p.m. on November 9, 2021. This enrollment is for the 2022 calendar year, which runs from January 1, 2022 to December 31, 2022.

The Grace Period for the 2022 Dependent Care FSA is through March 15, 2023. The run-out period deadline for providing claim substantiation ends March 31, 2023 for the Dependent Care FSA and both types of Health Care FSAs. Both the General Purpose Health Care (GPHC) FSA and the Limited Purpose Health Care (LPHC) FSA include the Carryover option. View the [Health Care FSA with Carryover FAQs](#) for more information.

2. How do I contribute to an FSA?

When you enroll in an FSA, you will decide how much money you would like to set aside for the plan year. This amount is considered your Annual Goal and will be deducted from your check pre-tax and placed into your FSA. You can determine the amount you'd like to contribute to your FSA in one of two ways:

Determine your Annual Goal and divide it by the number of pay-periods in which you would like it to be deducted from your paycheck. There are 26 pay-periods in a year; you can select anywhere from 1 to the entire 26. This will give you the amount per pay-period you will have deducted from your paycheck, in order to reach your Annual Goal.

OR

Decide the amount per pay-period you can afford to have deducted from your paycheck, then multiply that by the number of pay-periods you would like to have the deduction come out (1-26). This will give you your Annual Goal for the plan year.

3. How do FSAs save me money?

Throughout the plan year, you use the money that was deducted from your paycheck and contribute to your FSA to pay for eligible General Purpose Health Care FSA, Limited Purpose Health Care FSA or Dependent Care FSA expenses. These are expenses that you would have to pay out-of-pocket, even if you didn't have an FSA (e.g., day care bills, copays, eyeglasses, dental care, and more). But with the use of an FSA, you are now using money that you did not have to pay taxes on to do so. Without an FSA, you would pay taxes on the money you use to pay for these eligible expenses, costing you more out-of-pocket. Click the following links to view the [General Purpose Health Care FSA Calculator](#), [Limited Purpose Health Care FSA Calculator](#), [Dependent Care FSA Calculator](#).

Flexible Spending Account (FSA) FAQs

4. How much can and should I contribute to an FSA?

The 2022 plan year maximum contribution for a General Purpose or the Limited Purpose Health Care FSA is \$2,850 per year. The maximum contribution for a Dependent Care FSA is \$5,000, up to the **maximum family amount** for which you qualify.

The minimum amount per pay-period you may contribute to each account is \$2.00. The total amount you decide to elect for the plan year is called your Annual Goal; you may not change your Annual Goal once Benefits Open Enrollment ends, unless you have had a qualifying life event (QLE).

It is important to only contribute as much as you can reasonably expect to spend on out-of-pocket health care or dependent care expenses (based on the FSA you select) for the coming year. View the [Health Care FSA with Carryover FAQs](#) for more information on how to avoid forfeiture for Health Care FSAs.

5. What are the differences between the Health Care and Dependent Care FSAs?

There are three major differences between the FSAs. First, each account has different eligible expenses; review them by selecting the following links: [General Purpose Health Care FSA](#), [Limited Purpose Health Care FSA](#), or [Dependent Care FSA](#).

Second, is when account funds are available for you to use:

- Health Care FSA - the entire Annual Goal is available at any time throughout the plan year, regardless of the amount that you have put into the account. That means when your plan year begins, you have access to your full Annual Goal. This is true for both the General Purpose and the Limited Purpose Health Care FSA.
- Dependent Care FSA - you will only be reimbursed up to the amount currently in your account, regardless of the Annual Goal you have elected. For example, if you are submitting a reimbursement claim for \$400.00 and only have \$200.00 in the account, you will initially be reimbursed for \$200.00 and reimbursed for the rest once the funds are deducted from your pay and deposited in your account.

Third, with the Health Care FSAs, you will have access to a Health Care FSA Card. The Card works like a debit card that gives you full access to your account funds. The Health Care FSA Card is not available for the Dependent Care FSA.

6. What is an FSA Grace Period?

Internal Revenue Service Notice 2005-42 permits a plan to establish a Grace Period of two months and 15 days following the end of each plan year during which unused contributions in your 2023 plan year Dependent Care FSA may be reimbursed for qualifying expenses incurred during the grace period. The State of Michigan has established this Grace Period for the Dependent Care FSA.

Flexible Spending Account (FSA) FAQs

Since the State of Michigan's FSA plan years end on December 31st, you may incur qualified eligible expenses through March 15th of the following year to use any remaining funds from your Dependent Care FSA, as long as your employment hasn't ended. The Grace Period should not be confused with the run-out period. The run-out period allows you additional time to submit requested substantiating documentation for your prior plan year FSA. The State of Michigan's 2022 plan year run-out period ends on March 31st, meaning you will have until March 31st to submit requested receipts and documentation for the prior plan year.

Both types of Health Care FSAs feature Carryover. View the [Health Care FSA with Carryover FAQs](#) for more information.

7. Should I include the Grace Period when calculating my future Annual Goal for my Dependent Care FSAs?

No. You should use only the 12-month calendar year for calculating expenses for your 2022 plan year Dependent Care FSA. The Internal Revenue Services Grace Period is intended to provide a safety net for you only if you have not incurred all of your anticipated expenses during the previous plan year.

8. What is the HealthEquity|WageWorks Health Care FSA Card?

The HealthEquity|WageWorks Health Care FSA Card allows you to pay for eligible purchases directly from your Health Care FSA. The Card works like a debit card, except the funds are deducted from your Health Care FSA, as governed by Internal Revenue Service regulations. The Card can be used at medical, dental, vision appointments, retail establishments, and pharmacies depending on which Health Care FSA you are enrolled in. Use the Card to pay for services or purchases the day you receive them. If paying a provider invoice after the initial date of service, use the HealthEquity member portal to request reimbursement.

HealthEquity|WageWorks issues a new Health Care FSA Card for those who are newly enrolled, and when existing cards expire. The Health Care FSA Card will expire every three years. You should continue to use your current Health Care FSA Card until you are issued a replacement from HealthEquity|WageWorks.

To activate the Card, you must use the last four digits of your Employee ID#. Cards for your dependents are activated by using the last four digits of their Social Security Number (SSN), rather than the employee's SSN. You will not be charged a fee to obtain, activate, or use the Card.

The Health Care FSA Card cannot be used for Dependent Care FSA expenses. For additional tips and information on using the Card, go to www.wageworks.com/card.

9. What payment options are available for FSAs?

Health Care FSAs:

- Swipe your HealthEquity|WageWorks Health Care Card at the point of sale.
- Log in to your account at www.HealthEquity.com/WageWorks to submit an online Pay Me Back Claim, or, use the Pay My Provider option.
- Download the HealthEquity|WageWorks [EZ Receipts](#) app and take a photo of

Flexible Spending Account (FSA) FAQs

your itemized receipt and submit your claim.

- Mail or fax a [claim form](#) to HealthEquity|WageWorks.

Dependent Care FSAs:

- Log in to your account at www.HealthEquity.com/WageWorks to submit an online Pay Me Back Claim, or, use the Pay My Provider option.
- Download the HealthEquity|WageWorks [EZ Receipts](#) app and take a photo of your itemized receipt and submit your claim.
- Mail or fax a [claim form](#) to HealthEquity|WageWorks.

10. Do I need to save or submit documentation for my FSA expenses?

Yes, per Internal Revenue Service regulations, you must save your itemized documentation for tax purposes. This includes receipts, bills, and any other documentation you may receive detailing your expenses when using the Health Care FSA Card. Otherwise, HealthEquity|WageWorks may request that you provide documentation such as a detailed receipt to validate a claim at any time throughout the plan year. The last day to substantiate reimbursement requests through HealthEquity|WageWorks for the 2022 plan year is March 31st, 2023.

Note: Health Care FSA participants using the Health Care Card must submit requested substantiation receipts within 90 days of the original transaction date, to HealthEquity|WageWorks or the Card privileges will be suspended until the claim is substantiated.

11. How will I know if documentation is needed for my claims?

HealthEquity|WageWorks will notify you through your preferred communication method of online account, mail, text message, or email. You may select your preferred communication method through your HealthEquity|WageWorks account. You are strongly encouraged to log into your HealthEquity|WageWorks account on a regular basis to monitor requests.

It is your responsibility to ensure all outstanding claims have been substantiated no later than March 31, 2023 for the 2022 plan year.

12. What happens if I do not send itemized documentation to HealthEquity|Wageworks?

If using the HealthEquity|WageWorks Health Care Card, the Card will be suspended if you do not submit documentation to HealthEquity|WageWorks within 90 days of the original transaction date. If your Card is suspended, it will be reactivated within 24 - 48 hours after receipt or repayment has been processed and approved for all unverified Card transactions.

If using a Pay Me Back claim, HealthEquity|WageWorks will recoup the unsubstantiated amounts ~~to~~ your next Pay Me Back claim submission.

If any amount remains unsubstantiated after the 2022 plan year run-out period (March 31st) and is not recouped by HealthEquity|WageWorks, you will be required to repay the amount as defined by Michigan Civil Service Commission [Regulation 5.19](#). This means the unsubstantiated amount will be recouped from your pay or you will

Flexible Spending Account (FSA) FAQs

receive a corrected W-2.

13. Do I need to submit anything else with a claim?

Yes, an itemized bill, receipt, or Explanation of Benefits (EOB) from the provider must be included, showing the following:

- Patient name
- Provider name
- Type of service
- Date(s) services were provided, and
- Amount you were charged, or your cost after insurance settlement

Account statements must include all of the above bulleted items, for each expense, if they are to be used instead of a receipt. Over-the-counter (OTC) drugs and medicines can be paid for or reimbursed through a Health Care FSA without a doctor's prescription. Certain eligible expenses also require a Letter of Medical Necessity, signed by your doctor, in order to receive reimbursement.

14. How can I view important account information, such as required documentation for a claim, whether my claim has been processed, my account balance, etc.?

This information is available by registering on the HealthEquity|WageWorks website at www.HealthEquity.com/WageWorks. You are strongly encouraged to access your HealthEquity|WageWorks account on a regular basis to assist you in managing your FSA(s) and monitor substantiation requests. If you are unable to obtain the information you are looking for, or have any account issues, contact HealthEquity|WageWorks Customer Service Center at 877-924-3967, Monday through Friday, 8:00 a.m. - 8:00 p.m.

15. How do I report a lost Health Care Card or request additional Cards?

Additional HealthEquity|WageWorks Health Care Cards for yourself, spouse, and qualified individuals (over age 18) can be requested by accessing your HealthEquity|WageWorks account (www.HealthEquity.com/WageWorks), and selecting Card Center at the top of the page. There is no charge to you for additional Cards.

To report a lost or stolen Card, contact HealthEquity|WageWorks Customer Service Center at 877-924-3967, Monday through Friday, 8:00 a.m. - 8:00 p.m. Additional Card requests are also accepted by phone. Use the last four digits of your employee ID#, rather than the last four-digits of your SSN when calling.

16. What happens to my FSA if I am seasonal, departed, retired, laid off, or on a leave of absence?

Health Care FSA:

- **Seasonal employees** – Seasonal employees who are enrolled in a Health Care FSA and are laid off will have their account suspended and Cards inactivated until returning to work. If returning to work in a different plan year, contact the Employee Benefits Division at 800-505-5011.
- **Departures, Retirees, and Layoffs** – Health Care FSAs for these employees will end and Cards will be inactivated the last day of the pay-period worked. Individuals wishing to achieve their Annual Goal and continue their Health Care

Flexible Spending Account (FSA) FAQs

FSA by a *pre-tax* deduction from their remaining pay warrants should complete the [Health Care FSA Continuation of Coverage Form \(CS- 1814\)](#). Employees may also choose to pay for the remaining contributions by personal check *after tax*, contact the Employee Benefits Division at 800-505-5011 if you have questions about continuing your coverage.

Note: If you have paid your entire Annual Goal before leaving state service, your FSA is extended through the end of the plan year, plus any applicable Carryover period. Health Care FSA Cards are disabled once you are no longer an active employee. To receive reimbursement for your remaining funds you must pay out of pocket and submit for reimbursement through HealthEquity|WageWorks.

- **Leave of Absence** - Employees with a Health Care FSA who are placed on a leave of absence or experience "lost time" will have full use of this FSA and the Health Care Card. Employees will be required to make-up any missed contributions upon returning to work.

Dependent Care FSA:

- **Unpaid Leave of Absence or Workers Compensation:** Your eligibility for the Dependent Care FSA ends on your last day of work. Expenses incurred while you are not actively at work are ineligible for reimbursement. If you return to work during the same calendar year, dependent care expenses incurred are again eligible for reimbursement. Contributions will restart at the same biweekly contribution in place before you left, unless you request a change due to a qualifying life event (QLE).
- **Paid Leaves:** Contributions continue during a paid leave of absence, but expenses incurred while you are not actively at work are ineligible for reimbursement.
- **Seasonal Employees:** Seasonal employees who are enrolled in a Dependent Care FSA and are laid off will have their account suspended. If returning to work in a different plan year, contact the Employee Benefits Division at 800-505-5011.
- **Departures, Retirees, & Layoffs:** Your eligibility for the Dependent Care FSA ends on your last day of work. Expenses incurred while you are not actively at work are ineligible for reimbursement.

17. What happens if I am rehired/recalled?

Employees rehired or recalled within 30 days of their departure and within the same plan year who had an FSA must maintain their original Annual Goal unless there is a QLE. There will be no lapse in coverage, contributions will be recalculated, and your GPHC or LPHC FSA Carryover balance will not be affected.

Employees rehired or recalled after 30 days from their departure and within the same plan year who had an FSA will not have their FSA restarted and cannot re-enroll until the next plan year, except for seasonal employees.

Flexible Spending Account (FSA) FAQs

Employees rehired or recalled who were not previously enrolled in current plan year FSAs may contact the MI HR Service Center within 31 days of rehire or recall date to enroll.

18. Who do I contact regarding questions about claims and substantiating documentation that I have or may still need to submit?

The HealthEquity|WageWorks Customer Service Center should always be your first point of contact. They can be reached at 877-924-3967, Monday through Friday, 8:00 a.m. - 8:00 p.m. Their customer service staff has detailed information regarding your account and can confirm what documentation has been received, processed, and/or identify any outstanding issues. You can also log into your HealthEquity|WageWorks account (www.HealthEquity.com/WageWorks) to confirm whether you have any claims that require substantiating documentation.

19. What happens if I do not seek reimbursement or submit requested substantiation (receipts) for the prior plan year by the end of the run-out period?

In accordance with Internal Revenue Service regulations, if you do not seek reimbursement for your claim(s) with HealthEquity|WageWorks for the 2022 plan year by the March 31st run-out period deadline for the prior plan year's account, funds will be forfeited from your Dependent Care FSA and any funds that exceeds the allowed \$570 Carryover amount for either type of Health Care FSA remaining in your account for that plan year will be forfeited. Also, any claims that HealthEquity|WageWorks requests substantiating documentation for that are left unsubstantiated after March 31st will be recouped by the State of Michigan on a post-tax basis. These funds will be taken via payroll deduction on a bi-weekly basis until the full amount of the unsubstantiated claims are recouped or you will receive a corrected W-2.

Exception: Under the "Heroes Earnings Assistance and Relief Tax Act of 2008" (H.R. 6081), employees called to active military duty for a period of at least six months would be allowed to receive a taxable distribution of their Health Care FSA funds to avoid forfeiture. This law is considered an optional enhancement to the Health Care FSA plans. The State of Michigan has adopted this enhancement to the plan.

20. What happens if I have money left in my Dependent Care FSA during the Grace Period?

You may incur qualified expenses through the end of the Dependent Care FSA Grace Period ending March 15, 2023. As required by the Internal Revenue Service, any funds remaining in your account after all claims submitted by the March 31, 2023 submission deadline (run-out period) are forfeited.