Flexible Spending Accounts

The Flexible Spending Account is administered by Keenan Employee Benefits TPA. The Health Care Account and the Dependent Care Account allow you to reduce your taxable income by paying for out-of-pocket health care and dependent care expenses with before-tax dollars. Since these accounts are to be used for predictable expenses, careful planning should help you avoid any forfeiture. Use the Flexible Account forms, available on the benefits website or in the Benefits Department, to help estimate your future expenses.

Note: Domestic Partners and children of Domestic Partners do not qualify and are not eligible for reimbursement.

Health Care Account (HCA)

To help pay for your eligible out-of-pocket, non-reimbursed medical, dental, vision, and prescription drug expenses for you and your family, Huntington Hospital offers a Health Care Account (HCA).

Due to Health Reform, the maximum allowed annual contribution in a health care account is $2,550.

Health FSA $500 Carryover: Your FSA plan allows a carryover of up to $500 of unused amounts remaining in your Health FSA account to be used in the following year. Your FSA administrator will pay claims from the carryover amount first and then, only after exhausting the carryover amount, from the current year contributions.

How it Works

- You can deposit from $100 to $2,550 per year ($3.85 - $98.08 per biweekly pay period).
- Using a debit card provided for this purpose, you can pay for incurred expenses – tax-free. Due to IRS regulations, all HCA receipts, including debit card receipts, must be submitted to Keenan for verification. The debit card is available for managing cash only. Receipts are still required to complete the transaction, except for flat copays.
- All expenses must be incurred during the plan year. Once your employment terminates or you change to non-benefit eligible status, your “plan year” will end on the termination or status change date. Eligible expenses must be incurred on or before that date.

What Expenses Can Be Reimbursed

In general, the money in your Health Care Account can be used for eligible expenses that are not paid for by your medical, vision or dental plan. Some examples include:

- Chiropractor – Out-of-Network
- Eye glasses/Contact lenses
- Medical, dental, vision and prescription copays, deductibles and coinsurance
- Laser eye surgery

Certain over-the-counter (OTC) drugs and medicines (with the exception of insulin) will require a physician’s prescription to be considered a reimbursable expense under a Flexible Spending Account.

Eligible incurred expenses may be submitted for reimbursement through March 31st of the following plan year.

Terminated employees or employees who lose coverage have 90 days from the date of termination or loss of coverage to submit a claim for reimbursement.

Access your Health Care Spending Account online at www.mywealthcareonline.com/Keenan/
Employer ID: KHC7000
Flexible Spending Accounts (continued)

Dependent Care Account (DCA)

You can use a Dependent Care Account to make before-tax deposits to be reimbursed for expenses for annual child care expenses (i.e., day care center, nursery, pre-school, after-school care, etc.) and annual elder care services (i.e., day care center or in-home care) so that you, or if you are married, you and your spouse can work.

Eligible Dependents

The DCA can only be used to reimburse expenses for the care of eligible dependents:

- **Children under age 13** who qualify as dependents on your federal income tax return.  
  *If a child reaches age 13 during the plan year, the benefit will no longer be effective.*

- Other qualifying family members who are physically or mentally incapable of caring for themselves and who qualify as dependents on your tax return.

Qualifying Care

- The care must be necessary so that you or your spouse can work, actively look for work, or attend school full-time.

- Care can be given in a private home (including your own) or in a day care setting.

- Overnight camp expenses are not reimbursable.

- Homes and centers caring for more than six people must meet state and local license requirements.

- You may also use the account if your spouse is disabled or a full-time student for at least five months during the year.

How it Works

- You make before-tax contributions (through payroll deduction) to your Dependent Care Account.

- You can deposit from $100 to $5,000 per year ($3.85 - $192.30 per biweekly pay period). In some cases, your maximum annual contribution may be less than $5,000.
  - For example, if you are married and your spouse contributes to a similar account, your combined contributions may not exceed $5,000 per year.
  - If you are married but file separate tax returns, your annual contribution is limited to $2,500.
  - Your contributions cannot exceed the amount of your income or your spouse's income, whichever is lower.

- For reimbursement of an eligible expense, you pay the charges and then submit a claim form for reimbursement to Keenan.

- You must include an original receipt from your dependent care provider and report the provider's taxpayer ID number or Social Security number on your claim form.

- You will lose your eligibility to participate in the Dependent Care Account (DCA) if you are out on leave of absence greater than 30 days.
IRS Rules for HCA and DCA

The Internal Revenue Service governs spending accounts and the following rules apply (see IRS guidelines for further specifics):

- Dependent Care Account – Any unused balance in this account at the end of the plan year must be forfeited.

- Health Care Account – Any unused balance in excess of the allowable $500 carryover in this account at the end of the plan year must be forfeited.

- Your deposit amount cannot be changed, stopped, or started during the year for any reason, unless you have a change in family or job status.

- Only those items that are considered tax deductible for the IRS as listed in Publication 502 are eligible for reimbursement.

- If you use the DCA account, you cannot take the entire IRS child care tax credit at the end of the year.

- The account can reimburse for expenses for legal dependents but does not recognize Domestic Partner status. Therefore, you cannot be reimbursed for a domestic partner’s or domestic partner’s child’s health care expenses.

- Spending account balances do not earn interest.

Keenan Customer Service
888.884.8083
www.keenan.com/benefits/hh