

Flex Plan News

Flexible Benefit Plan News for Administrators

October 2002

What Makes an FSA Claim Valid ?

To be eligible for FSA reimbursement, an expense must meet the following criteria:

- ✓ Purchase was for an eligible product or service per IRS rules;
- ✓ Product or service was purchased for an eligible person (the participant or dependent);
- ✓ Expense was incurred during the plan year;
- ✓ Expense is properly documented by a provider receipt. Cancelled checks or VISA slips are not acceptable because the necessary provider information cannot be determined.

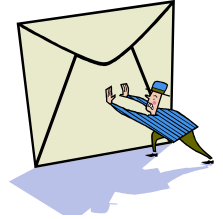


ProBenefits also checks to determine:

- ✓ Adequate funds remain in the participant's FSA account. Often, towards year end, the FSA account has been fully spent.
- ✓ The claim form is properly completed and signed. The claim form provides needed statements by the participant including:
 - The amount being claimed (not always equal to the attached receipt amount),
 - The required assertion that: *"I have not and will not be reimbursed for these amounts from any other source."*

Quickies

- ◆ **"Wake-Up" Letters to be Sent Soon**
During October, participants with funds remaining in their FSA accounts will receive a personalized letter at their home address showing their remaining account balance and encouraging them to use it prior to plan year end!



- ◆ **Calendar Year ReEnrollment Coming Soon**
Order forms for re-enrollment materials for calendar year plans will be included with November's edition of *Flex Plan News*.

Your Questions Answered

An employee's spouse signed up for medical coverage under her employer's group plan. Can our employee now drop her from dependent medical coverage?

Yes, **IF** the spouse signed up as a result of her employer offering an open enrollment period, adding or increasing coverage, or dropping or decreasing coverage.

Note that the common thread is the other employer's plan. All these conditions focus on the other employer's plan... not on the whim of the employee or spouse.

The answer would be "No" if the spouse merely decided to sign up for coverage as a late enrollee, or decided to apply for an individual policy in an effort to save on premium cost.

The rules are quite specific and the answer depends on the exact circumstances involved. Please call your **ProBenefits** administrator to get a correct determination in all such situations.

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