



BASIC FSA

Presented by: Fritz Teutsch

BASIC FSA

- A Section 125 Flexible Spending Account
- Sometimes called a
 - » Medical Spending Account
 - » Cafeteria or Flex Plan
- You save **MONEY** by paying less **TAXES**

You Can Save TAX dollars on:

- Contributions to your Group Health Insurance Premiums
- Out of Pocket Health Care Expenses
- Child & Dependent Care (in order to work)

Save Taxes – HOW?

- Every dollar you put in your Flex plan, reduces your W-2 wages.
 - Taxes are based on W-2 wages, therefore you avoid all taxes on these dollars.
 - + All federal taxes
 - + All state taxes (*and local taxes if applicable*)
 - + Social Security and Medicare Taxes
- = You save 25-40% of your Flex Dollars**

How does it work?

**Paycheck
Dollars**

**Held in an
Account for
you**

**Returned to
You tax-free
With qualified
Events.**

Less Taxes & Cash Flow Help!

The full amount of your election is available to you from the 1st day.*

- If you have a \$15 payroll deduction for medical reimbursement, you will be reimbursed for a \$300 dental service during plan's 1st week.
- Your paycheck does not get dinged for \$300.
- At the end of the plan year your reimbursements will equal your payroll deduction – **NO TAXES**

*dependent care works different, it is pay as you go



Schoolcraft College

Signing Up for BASIC FLEX

- Estimate your Out of Pocket Medical Expenses - medical, dental, vision, etc.
- Estimate your Child and Dependent Care weekly expenses.
- Use the Work Sheet in your Guide

ESTIMATE CAREFULLY...

- Any money left in your account is lost.
- BUT.....only **1 in every 500** ever loses any money in a Flex plan. And, on this RARE event, the average is only \$8.00.

The Rules Say...

- You can sign up for BASIC FLEX only once per year
- You must participate for the entire year.
- You can change your elections only in the event of a qualified status change.
 - Marriage, Divorce, Birth, Adoption, Loss of Dependent Status, Death
 - Change in work status of you or spouse

Getting Reimbursed...

Two Methods to Get Your Money

The BASIC Flex Debit Card

- Used at the point of service
- An immediate payment from your flex account to the provider

Check to your Home Reimbursement

- Pay the provider, submit a claim, get a check tax-free check mailed to your home.

FSA Debit Cards



Schoolcraft College

Using the BASIC FlexCard

1. You will be issued a Flex Debit Card
2. This Card comes charged with the dollar amount of your Flexible Spending Election. (medical reimbursement and dependent care)
3. It will only work at health care provider businesses – doctors, dentists, eye care, labs, chiropractors, hospitals, pharmacies, pharmacy who are IIAS certified.



Schoolcraft College

Using the BASIC Flex Debit Card

1. When you receive a service or purchase a product, simply present the Flex Debit Card and the provider will be paid with the money being deducted from your individual flex account.
2. Keep the receipt.
3. If BASIC needs to see a copy of the receipt, we will contact you.

What about paperwork?

1. If your purchase is a fixed co-pay – doctor's visit co-pay, or Prescription co-pay, no paperwork is necessary
2. If your purchase is not a fixed co-pay, BASIC may need to contact you to send in your receipt for verification of approved expenses.

What if I need to send a receipt?

- If BASIC does not receive the requested documentation within a 30 day time frame, we turn off your Flex Debit Card until the receipt is turned in or the amount is paid back to plan.
 - Without the verification on variable expenses, we have to assume it was NOT a qualified purchase.

What about Mail Order Rx

- For mail order Prescriptions, simply write the Flex Debit Card number of the order form, or read it on a call in order – no paperwork.
- The reason there is no paperwork in this is because it was a fixed co-pay amount.

What if I do not have the Flex Debit Card or do not want to use it?

- You do not have to use the Flex Debit Card, you can also pay your provider and submit a claim form to get a check mailed to your home or a direct deposit.
- Some people like to hold their receipts all year and get one large check at the end of the plan year.

Getting a Check...

- If you pay cash to a provider and need to get reimbursed, please use the “reimbursement form.”
 - This form can be obtained online or through your HR Dept.
- Complete and submit by email, fax, or mail to BASIC for a check reimbursement
 - Direct Deposit is also an option

Getting Reimbursed...

- No Minimums for Reimbursement
- Some save receipts all year and get one large check/direct deposit
- You Can Access Your Account Online (refer to your Confirmation Letter)
- Feel free to call BASIC, to talk to a person during business hours 9-5 pm EST



Schoolcraft College

Receipts Tips...

- Receipts Must Show
 - Date of Service (not payment)
 - Type and Nature of Service
 - Who Did the Service
 - Cost of Service
- EOB's are good documentation
- No canceled checks, credit card receipt or invoices

Helpful links to find IIAS vendors

- IIAS Merchant list: http://www.sig-is.org/imwp/idms/popups/pop_download.asp?contentID=12418
- 90% Rule Merchant List: <http://www.sig-is.org/imwp/web3/forms/sigis/Reports.aspx?ReportName=DBAList&ReportFormat=PDF>
- SIGIS site: <http://www.sig-is.org/en/index.asp>

Receipts Tips...

- Remember to sign the reimbursement form
- Make Sure Documentation is Readable
 - Avoid faxing light receipts
- If we have a problem, BASIC will send you a letter asking you to fix it and re-submit the claim
- For mileage, keep a running log of trips to health care provider and details: who, when, why and odometer readings.

If you have questions...

Contact BASIC at

Toll-free: 800 444-1922 ext 1

Email: basic@basiconline.com

Or

Contact your HR department



Schoolcraft College