



Flexible Spending Account (FSA)

Questions and Answers



On the following pages, you will find a list of answers to frequently asked questions regarding FSAs.

A complete list can be found by going to www.MyKansasCDH.com.



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I don't like the "Use-it-or-lose-it" FSA rule. Why can't my unused funds roll over from year to year?

Section 125 of the IRS tax code determines many of the rules and regulations for FSAs that plan administrators (State of Kansas) must follow. In particular, one rule states that there may be no deferral of compensation. Specifically, money contributed in one plan year cannot be used or deferred to pay for benefits in another plan year (except during the Grace Period).

Do I have to elect an FSA every year if I want to keep it?

Yes, participants must enroll each plan year.

Where can I go to find out what expenses are considered eligible under a Health Care FSA, Dependent Care FSA, and/or a Limited Purpose FSA?

The easiest way to find out if an expense is considered eligible is to go to www.MyKansasCDH.com. There you will find an extensive list of eligible FSA expenses. These expenses are determined by the IRS/Department of Treasury Publications 502 and 503. These publications are available at www.IRS.gov.

What is the deadline for incurring an eligible expense within a plan year and for filing a claim?

If you are actively employed and you have a positive balance in your Health Care FSA or Limited Purpose FSA at the end of the plan year, December 31, you have until April 30 following each plan year to file a claim for reimbursement. All expenses for Health Care FSA, Limited Purpose FSA and Dependent Care FSA must be incurred by December 31.

Note: If you have a positive balance of \$25 up to \$500 in your Healthcare FSA or Limited Purpose FSA, then you are eligible to carryover those FSA funds into the new plan year. These funds can reimburse expenses incurred throughout the entire plan year. (see question: When are carryover funds available for the member?) Dependent Care doesn't have a rollover.



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When are carryover funds available for the member?

Healthcare FSA to Healthcare FSA carryover

As of December 31 any funds up to \$500 remaining in the Healthcare FSA will immediately carryover on the first day of the new plan year. This means that the carryover amount is simultaneously available to pay previous plan year expenses and current plan year expenses during the previous plan year run-out period.

Healthcare FSA to Limited Purpose FSA carryover

Funds remaining in the Healthcare FSA as of December 31 can only be used for previous plan year dates of service until the end of the plan run-out period. Any dental or vision expenses incurred during the new plan year can be reimbursed either immediately from the new Plan Year Limited Purpose FSA, or at the end of the run-out period, when any remaining funds from the previous Plan Year Healthcare FSA are carried over to the Limited Purpose FSA.

If I experience a Qualifying Event, when will the change become effective?

According to Section 125 of the IRS tax code, all eligible changes must be made on a prospective or "future forward" basis. Participants have 31 days to inform the SEHP, in writing, of a qualified change in status. The effective date of the change will be the first of the month following the receipt and approval of the change request by the SEHP. For example, if a participant gets married on March 31 and does not submit a Change in Status form requesting to increase/decrease their contribution until April 10, the effective date of the change would be May 1.



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If I go on a leave of absence, what are my contribution options?

When a participant goes on a leave of absence there are three options available:

1. Make a lump-sum pre-payment for the time you're going to be gone, if known.
2. Make after-tax contributions via personal check to SEHP while on leave.
3. Make a catch-up contribution upon the employee's return from leave.

Note: If catch up contributions are not made then the absence will be considered a period of no coverage and claims incurred during this time will not be reimbursable.

What happens to my FSA if I retire or leave State employment mid-year?

The FSA is not portable and should you terminate coverage with the SEHP prior to the end of the plan year, you will have ninety (90) days from your last date on SEHP coverage to file any claims incurred while you were covered that plan year.

For the Dependent Care FSA, expenses may continue to be incurred after the termination date and submitted for reimbursement before 90-day expiration.

Example: My 10-year-old step-child will be living with me until the end of the school year. After that, they are moving in with their biological father. I had included their expenses when calculating my annual election during Open Enrollment. Can I lower my contribution amount after they move out?

Yes, a change in residence of a dependent child is a qualifying event that allows for a mid-year election change.

When I submit a Dependent Care FSA claim should I claim only what I've contributed for that month or what I actually incurred in daycare costs?

You should claim what you actually incurred in daycare costs. NueSynergy will keep track of your Dependent Care FSA claim and will reimburse you as contributions are made to the account.

Is there a deadline for submitting my FSA Debit Card Enrollment form?

No, you can submit your FSA Debit Card Enrollment form to NueSynergy at any time.



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Will I have to submit my receipts to NueSynergy after using my FSA Debit Card?

If a transaction cannot be electronically substantiated, the IRS requires participants to keep all receipts for FSA expenses for seven years in the event of a tax audit. If there is a discrepancy or unusual transaction amount, NueSynergy is required by the IRS to verify the transaction. If a transaction cannot be electronically substantiated, a participant will be sent a notification via email to submit a third-party receipt showing the date of service, description or type of treatment, and the amount owed.

Are over-the-counter items eligible for reimbursement under my FSA?

Over-the-counter medicines and drugs require a prescription from your doctor in order to be reimbursed through an FSA.

There are, however, many OTC items that do not require a prescription to be reimbursed such as:
Contact lens solution & supplies • Band-aids, elastic bandages • Insulin & diabetic supplies • Ostomy products • Hearing aid batteries • Cotton balls • First aid kits

What web browsers can I use to access my account online?

www.MyKansasCDH.com requires the most recent versions of Internet Explorer, Firefox, and Chrome. Safari is not an acceptable web browser for www.MyKansasCDH.com.

Further Questions?

NueSynergy is the administrator for your plan. We can be reached at 855.750.9440 Monday-Friday from 7:30AM – 5:00PM, CST.