

HealthEquity®

WageWorks®

Flexible Spending Accounts (FSAs)

Health Savings Account (HSA)

October 20th, 2021

Lawrence Livermore National Security

Copyright © 2020 HealthEquity, Inc. All rights reserved.

HealthEquity | WageWorks

A remarkable benefits partner.

HealthEquity and WageWorks have combined to help working families connect health and wealth.

Flexible Spending Accounts (FSAs)

What is an FSA?

- An employee benefit that saves you money on eligible healthcare and/or day care expenses
- An account where you contribute money from your paycheck BEFORE taxes, incur eligible expenses and then get reimbursed for the expenses
- A way to PAY LESS TAXES and SAVE MONEY!
- Completely voluntary
- Not a passive election -- must re-elect during Open Enrollment

Healthcare and Dependent Care FSA

Healthcare FSA

- Used to pay for out-of-pocket medical, dental and vision expenses not paid by insurance

Dependent Care FSA

- Used to pay for child or elder care expenses including day care, before/after-school care, summer day camp and private sitter

How FSAs Work

- Your annual election is deducted from pay before taxes in equal amounts throughout the year
- Election amount cannot be changed during the Plan Year, unless you experience a Qualifying Event
- The full amount of the Health Care FSA election is available at the start of the plan year
- You can use the 'smart' Visa card for Health Care FSA
- The Dependent Care FSA funds accrue with each payroll contribution
- Submit a claim for reimbursement with itemized receipts. WageWorks will process the claim and send reimbursement (via direct deposit or check)

Health Care FSA

Eligibility for Reimbursement

- Employee, spouse, and anyone that can be claimed as a dependent on Federal Income Tax return can incur an eligible expense for which the member will be reimbursed

Minimum & Maximum Annual Contributions Amounts for 2022

Minimum Health Care Annual Contribution - \$180

- Maximum Health Care Annual Contribution - \$2,750*

Use or Lose

- Employees have from 1/1 to 12/31 to spend their current years funds.
- Runout is 3/31. Meaning your employees have until 3/31 to submit claims that incurred from 1/1 to 12/31.
- Anything left over after 3/31 will be forfeited.

Health Care FSA – Eligible Expenses

- Copays, coinsurance and deductibles for health, dental and vision plans
- Prescription drugs
- Chiropractic care
- Physical therapy
- Infertility Treatments
- Over-the-counter (OTC) medical supplies
- Dental care
- Orthodontia, including braces
- Vision care (eye exams, glasses, contacts)
- Laser eye surgery

CARES Act Update

COVID-19 - CARES Act of 2020 *CONTINUED*

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed on 03/27/20, which included provisions that can benefit those with HSAs, FSAs and HRAs, and there is no expiration date.

Below are highlights:

- Plans can now pay for or reimburse over the counter (OTC) drugs without a prescription from a doctor. Vitamins and dual-purpose items will still require a letter of medical necessity.
- Expenses for menstrual care (feminine hygiene) products are deemed qualified medical expenses.
- Eligible Expense List has been updated.
- Debit Cards – The debit card should work at most pharmacies, etc. without a prescription.

Dependent Care FSA

Eligibility for Reimbursement

- Dependent children under age 13
- Person of any age you claim as a dependent on your Federal Income Tax Return and who is mentally or physically incapable of caring for him/herself

Minimum & Maximum Annual Contributions Amounts for 2022

- Minimum Day Care Annual Contribution - \$180
- Maximum Dependent Care Annual Contribution - \$10,500*

Use or Lose

- Money left in Dependent Care FSA will be forfeited if not used

Dependent Care FSA – Eligible Expenses

- Day care
- Pre-school and after-school care (must be kept separate from tuition expenses) for school age children
- Summer day camp, nursery school or private sitter
- Care of an incapacitated adult who lives with you at least 8 hours a day

Spending Account Website User Guide

- <https://www.wageworks.com/spending-accounts/>
- Then you click on FSA Resources
- Then Debit Card Users/ Website Guide

The above site likewise contains claim forms and a number of different resources to help you make a more informed decision regarding your spending account needs.

Health Savings Account (HSA)

Health Savings Account HSA

- **Eligibility for Reimbursement**

- You and your spouse, All dependents you claim on your tax return

Annual Contributions Amounts for 2022

- Individual coverage \$3650
- Family coverage \$7300
- The IRS allows a \$1,000 catchup contribution for individuals age 55+ each year

- **Use or Lose**

- Unlike flexible spending accounts, the entire HSA balance rolls over each year.

What is an HSA?

A health savings account is a tax-advantaged medical savings account available to employees who are enrolled in a high-deductible health plan.

Like a Healthcare FSA the funds can be used to pay for certain eligible medical expenses. Unlike a Healthcare FSA, unused funds persist year-over-year and can even be invested!

What is an HSA Continued

- **Health care** continues to be one of the largest **expenses** in **retirement**. It is estimated that the **average** couple will need \$295,000 in today's dollars for **medical expenses** in **retirement**, excluding long-term care.
- If you were to draw these funds from a 401k or similar tax deferred account you would have to withdraw over \$400k to offset the taxes to cover this amount.
- HSA contributions AND withdrawals are tax free!

HSA – Eligible Expenses

- Acupuncture
- Annual Physical examine
- Artificial teeth
- Body scan
- Chiropractor
- Orthodontia
- Prescription medication
- Eligible Long-term care
- COBRA continuation coverage
- Medicare premiums and out-of-pocket expenses for Part A, Part B, Part C, and Part D.
- Transplant
- Oxygen and equipment

How HSA's Work

- An HSA paired with an HSA-qualified health plan allows you to make tax-free contributions to a federally insured savings account.
- HSA-qualified health plans typically cost less than traditional plans and the money saved can be put into your HSA
- HSA balances earn tax-free interest and can be used to pay for qualified medical expenses.
- You can use the 'smart' Visa card for Health Savings Accounts

Utilizing Your Account(s)

Healthcare FSA/ HSA Card

- Easy access to account funds
- Works like a credit card, only the funds are deducted from your HSA and Health Care FSA
- Dependent Care FSA is **NOT** linked to the card

Keep your receipts! You might be required to submit them to validate your debit card transactions per IRS mandate.

Validating Card Swipes

Three Validation Methods

- Original Receipt/Explanation of Benefits (EOB)
 - Patient Name
 - Provider Name
 - Date(s) of Service
 - Service Type/ Description
 - Patient Responsibility Amount

- Substitute the expense with an eligible out-of-pocket expense

- Check

- Substantiation/Adjudication is a critical part of the process to keep the plan compliant and is regulated by the IRS.

Filing Claims for Reimbursement for HC and DC

Complete a claim form online and upload your supporting documentation--

- **Online:** <https://myspendingaccount.wageworks.com>

Complete a paper claim form and submit with supporting documentation via fax or mail--

- **Fax:** 1-866-643-2219
- **Mail:** WageWorks Spending Accounts, P.O. Box 34700, Louisville, KY 40232

HSA Getting Started

- Activate your debit card by logging into the website or calling one of our account mentors.
- Log on to <https://my.healthequity.com>
- Create a user name and password and follow the step-by-step process to verify your account.

Member Support

Support for Health Care and Dependent Care

<https://myspendingaccount.wageworks.com>

- View and manage your account in a secure environment
24 hours a day, 7 days a week
- Check account balance & claims history

1-866-334-4664

- Available 24/7 for automated account balance and claim payment information
- Toll-free member service 6 am to 6 pm MST provided by knowledgeable Member Service Representatives

Support for Health Savings Accounts

<https://my.healthequity.com>

- View and manage your account in a secure environment
24 hours a day, 7 days a week
- Check account balance & claims history

1-866-346-5800

- Available 24/7 for automated account balance and claim payment information
- Toll-free member service 6 am to 6 pm MST provided by knowledgeable Member Service Representatives

HealthEquity®

WageWorks®