



FOCUS Newsletter

December 2016



YEAR-END REMINDERS FOR FLEXIBLE SPENDING ACCOUNT PLANS

With many plan years ending on December 31st, deadlines loom. Now is a good time to remind plan participants to check their account balance via the ASIFlex Mobile App or online at asiflex.com. You may also wish to direct participants to the Eligible Expense Listing and FSA Store icon at asiflex.com. FSA Store offers educational information regarding FSA plans and lists thousands of over-the-counter health care products eligible with and without a prescription. For \$10 off an FSA Store order, go to fsastore.com/asinew and use coupon code ASIF10!

THE ASIFLEX CARD—EMPLOYER OBLIGATIONS



In our November newsletter, we offered detailed information regarding common participant questions related to use of debit cards. This month we offer information for plan sponsors and how to manage unsubstantiated card transactions. Should you have specific questions, please contact your ASIFlex account manager.

UNSUBSTANTIATED CARD TRANSACTIONS

As discussed last month, ASIFlex is very diligent in the execution of the IRS substantiation process to auto-substantiate as many transactions as possible and to avoid adverse tax consequences to employees and employer-sponsored plans. In the event that a card transaction does require back-up documentation as required by IRS regulations, ASIFlex will send three requests to the plan participant. Participants have until the end of the plan year runout period (deadline to submit claims) to satisfy the outstanding transactions, and can view these transactions by accessing his/her account detail online at asiflex.com or via the ASIFlex Mobile app. Outstanding transactions can be satisfied by submitting any of the following :

1. For expenses partially covered by insurance provide the insurance carrier Explanation of Benefits (EOB) statement.
2. For expenses not covered by insurance provide an itemized statement that shows the provider name, patient name, date of service, description of service/supply, and dollar amount. The participant may have to ask his/her provider for the itemized statement. Credit card receipts, balance forward or paid on account statements are not itemized and cannot be accepted.
3. For prescriptions, participants can provide the pharmacy receipt or ask for a print-out of prescriptions. For mail-order, simply provide the itemized mail-order receipt.

This information can be submitted online at asiflex.com, via the mobile app, by toll-free fax or USPS mail and must be received by the deadline to submit claims.

CONSEQUENCES OF UNSUBSTANTIATED CARD TRANSACTIONS

IRS guidelines provide specific correction procedures for plan sponsors to recoup money from health care participants for card transactions that have not been substantiated. The first step is deactivation of the card until the amount is recovered. Additional steps include:

- Requiring repayment of the amount to the plan
- Withholding the amount from the participant's compensation (employers should check with their legal counsel regarding state law)
- Offsetting the amount with a substitute valid claim
- Employer treating the payment as any other business indebtedness by taking the same steps it would take to collect an equivalent business debt

As a last resort, the employer may forgive the indebtedness and report the amount as wages on Form W-2. Note: The IRS has cautioned that treating an improper payment (i.e., an unsubstantiated card transaction) as uncollectible should be the exception and not a routine process. To assist employers, ASIFlex provides an "Outstanding Card Transaction" report listing participants who have outstanding card transactions. For questions, contact your ASIFlex account manager.

ASI HOLIDAY HOURS

Friday, December 23rd 7 am to 5 pm CT

Saturday, December 24th—Closed

Monday, December 26th—Closed

Friday December 30th 7 am to 5 pm CT

Monday, January 2nd—Closed

Happy Holidays!



About the Company: ASIFlex and ASI COBRA provide third-party benefit administration service solutions to clients nationwide. ASIFlex provides account-based administration for Flexible Spending Accounts (FSAs), Health Reimbursement Arrangements (HRAs), Health Savings Accounts (HSAs) and Parking/Transit Commuter Benefits. ASI COBRA provides COBRA and direct/retiree billing solutions. Formed in 1983, ASIFlex specializes in serving public and private sector clients nationwide and has significant experience with State, County, City and local government entities. ASI focuses on providing exemplary customer service and leveraging technology to provide improved service delivery.

FSA | HRA | HSA | COMMUTER | COBRA | DIRECT BILLING
IT'S WHO WE ARE. IT'S WHAT WE DO.

WWW.ASIFLEX.COM | WWW.ASICOBRA.COM

This FOCUS newsletter is intended for ASIFlex and ASI COBRA clients and provides general information that may be related to ASI services or the benefit plans sponsored by ASI clients. For questions or comments regarding this FOCUS newsletter, or to subscribe or unsubscribe, email marketing@asiflex.com.

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