



## FOCUS Newsletter

March 2019



### COMPLIANCE UPDATE

#### TAX REMINDER REGARDING COMMUTER BENEFIT PLANS

The 2017 Tax Cuts & Jobs Act (TCJA) eliminated the 2018 employer deductions for the cost of providing qualified employee transportation fringe benefits (van pool, transit passes and parking expenses). **The benefits are still tax-free to the employees.** However, the employer can no longer take a deduction for these expenses. (See [IRS Publication 15-B](#) for further details). Tax-exempt organizations should consult with a tax advisor about the requirement to include the benefit costs in unrelated business income (See 26 US Code §512(a)(7) and [Notice 2018-99](#)).

#### IRS LETTER REGARDING DEBIT CARD USAGE

The IRS recently released a letter that clearly explains that employer-sponsored health plans, including health FSAs, must comply with the IRS rules for the use of debit cards by limiting the usage of the card to certain merchants (See [Number 2018-0032](#)).

#### NONDISCRIMINATION TESTING REMINDER

Please remember that the entire cafeteria plan, including pretax premiums, health FSA and dependent care FSA, is subject to nondiscrimination testing. The requirement is for testing to be performed at the end of the plan year. However, ASIFlex recommends testing early so that you have ample time to make corrections if your plan fails one of the tests. Contact your account manager for assistance.



#### CLAIM FILING DEADLINE

If you sponsor a calendar year plan, it is likely that the deadline for employees to submit claims is fast approaching. Please encourage participants to file all 2018 claims prior to the filing deadline in order to avoid forfeiting funds.

*If you sponsor a calendar year plan with a grace period,  
the 3/15 grace period deadline is almost here!*

If you or your participants have been holding off, know that March 15th is the last opportunity to use remaining 2018 funds. With 4,000+ eligible products at FSA Store, there's virtually no limit to how you can save with your FSA. And considering you can also use your FSA for last-minute doctor, dental and vision appointments, there's no reason to have any tax-free funds left when the 3/15 grace period deadline expires.

FSA Store makes it easy for your employees to get the most out of their FSA or HRA. FSA Store offers thousands of eligible health care products! Please help your employees take advantage of this valuable resource by forwarding them this message. To visit the FSA Store, simply click the link from the asiflex.com website!



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.

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**IT'S WHO WE ARE. IT'S WHAT WE DO.**  
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*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](mailto:marketing@asiflex.com).  
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