

# FLEXIBLE SPENDING ACCOUNT (FSA)

## Frequently Asked Questions



Below is a list of commonly asked questions about the Flexible Spending Account benefit. As always, please contact BMS LLC with any questions you may have.

### **I've just enrolled in the FSA; how do I use my funds?**

After you enroll in the FSA, you will receive a BMS Flex Spending card in the mail. There will be two cards, one for you and one for your dependent(s) (if needed). You will need to call the number on the card to activate. Once active, the card will be ready for use at any qualified medical, pharmacy, dental, vision, and/or childcare/daycare merchant, depending on which benefit you enrolled in.

### **How long do I have to use my funds?**

Keep in mind that FSAs are generally "use it or lose it," so plan to use all your funds within the Plan Year to avoid forfeiture. Some plans offer an extended spending period (grace period) or carryover option. This will be detailed in your FSA plan documents, which can be found at your BMS Consumer site under Tools in the Support tab. You can also find "spend by" and "claim by" dates under Account information on the site landing page.

### **Why doesn't my balance increase when I have payroll withholdings?**

If you enroll in the general-purpose health FSA or the limited FSA, the BMS Flex Spending card will be loaded with your full annual election on day one of your enrollment. This means the FSA balance is prefunded with the total amount you elect for the year. Your payroll withholdings are essentially repaying the upfront balance throughout the year, so you will not see your balance increase; it will only decrease as you spend funds.

### **Why do I have to submit receipts when I use my FSA card?**

Submitting receipts is often required to verify that your expenses are eligible under IRS guidelines. While some transactions may be automatically approved, others might require additional documentation to ensure compliance. Since the FSA uses pre-tax funds, the IRS has rules and requirements for how the funds can be used and they require payments and reimbursements to be reviewed and substantiated. When a transaction is made with your FSA card that requires further review, you will receive a notification at your BMS Consumer portal, as well as via email and/or text (if you have signed up to receive notifications). You then have 60 days starting from the first request to comply with the requirement for further documentation. If not provided within that time, BMS is required to temporarily suspend the FSA card.

### **What type of receipts are required for verification?**

The IRS uses the word receipts, but what that really means is a detailed/itemized statement or Explanation of Benefits (EOB). The document must contain the provider's name, customer/patient name, detail of services provided, or items purchased, the date of service (not the date billed or paid), and the amount charged. The IRS says that credit card payment receipts and paid on account statements are *not* eligible receipts to verify FSA card payments.

### **How do I keep track of my account?**

To keep track of your FSA account, regularly check your balance and transaction history through the BMS Consumer portal and the BMS mobile app. Checking your online portal is crucial to keeping your account up to date and in compliance with IRS rules. At the BMS Consumer portal, you can track your balance, account activity, view notifications for requested receipts, view your Plan Documents, and more.

From the first time you enroll in the FSA, you have 365 days to register as a New User at the BMS Consumer portal. When registering, you will receive your Username and set your password. Passwords expire every few months if there is no activity on your account, so be sure to login in regularly or you may need to reset your password.

The Message Center at the Consumer Portal is where you will find notifications for all activity on your account, including claim processing confirmation as well as notification of paid claims, denied claim, debit card purchases, and receipt requests. Please check your Message Center regularly.

### **What happens to my FSA if I terminate employment?**

If your employment is terminated, your FSA will be terminated at that time as well. The BMS Flex Spending card will be deactivated effective on the date of termination. You will then have 90 days from the date of term to file claims for any unreimbursed expenses you incurred from their effective date in the current FSA Plan Year through your date of termination. You may no longer incur expenses after they stop contributing, which is why the FSA card is turned off, and you must file reimbursement claims during the 90 day run out (if you still have remaining expenses to file). You will still have what's left of the full annual election available to you during the 90 day runout period (if you were in the general-purpose medical FSA or limited FSA). After the 90 day runout ends, any remaining funds will be considered forfeited.

### **Where can I find details of the rules and guidelines?**

As noted above, your FSA Plan Documents will be located at the BMS Consumer site under Tools in the Support tab. You can also request your Plan Documents from your Employer at any time, and they must be provided to you. Please be sure to review the Plan Documents carefully to understand all aspects of the Plan.

Additional resources from the IRS can be found under the Links tab at the BMS website, [www.bmsllc.net](http://www.bmsllc.net). You can also access information on the FSA using the links below:

<https://www.irs.gov/publications/p969>

<https://www.irs.gov/pub/irs-wd/1413006.pdf>

<https://www.irs.gov/pub/irs-wd/21-0013.pdf>

<https://www.irs.gov/pub/irs-drop/n-06-69.pdf>

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