

Dependent Day Care Flexible Spending Account Questions

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Health Care Flexible Spending Account Questions

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Dependent Day Care Flexible Spending Account (FSA) Questions

Rollover

- Q.** Does Dependent Day Care FSA Roll Over? If our daycare is closed and we have not spent any money yet, can it be used in 2021?
- A.** No, the dependent day care does not rollover. However, there is a grace period which allows members to utilize 2020 funds through March 15, 2021. If you are still making contributions right now but do not need to, you can stop those for the time being, so that no more money is put in. To make this change, contact your health benefits representative or your HR department. The only way money would rollover is if the IRS changes their guidance.

Qualified Life Events

- Q.** I understand that we can modify our contributions to our dependent care FSAs. If we make a change now and schools and daycares reopen, can we make another change?
- A.** Yes, a change in day care needs is a valid Qualifying Life Event (QLE) to make future changes.

Claims Submission

- Q.** Since dependent care is typically more than \$416 a month, when submitting my dependent care FSA claim do the billing dates have to align with the month when the money is set aside? Or can I submit for expenses earlier in the year for the monthly deduction later in the year?
- A.** No, the billing dates do not need to align with month in when the money was set aside. For example, if a member paid \$1,000 in January for day care expenses and submitted the \$1,000 expense in January, the member would automatically be reimbursed \$416 in January, \$416 in February, and the remainder of the \$1,000 would be reimbursed in March. Deductions taken in 2020 can be for any expenses incurred from 1/1/2020 – 3/15/2021.
- Q.** With Year-Round School schedules I pay for January Track Out in December - would that be reimbursed under 2020 or 2021 Dependent Care Account?
- A.** The prepayment of services is not allowed. You will not be able to pay for January track out until the care has actually been provided. You can use your 2020 funds for day care services provided through March 15, 2021.

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Q. If we stop the dependent day care contributions in June and we later start day care again, can I use the funds that I contributed prior to June to pay for the day care expenses that occur later in the year?

A. Yes, you can use funds contributed prior to June to pay for day care services that are incurred up through March 15, 2021. Please note, that if you canceled your day care account, you will need to submit a paper claim for your day care expenses.

Closed Daycare

Q. If daycares are closed and we cannot make other arrangements will we lose the money?

A. If there is a future change in day care needs, the funds that have been set aside can be used for future daycare needs through March 15, 2021. However, if an employee does not have future day care needs the funds will be forfeited unless additional guidance is provided by the IRS that allows for an extension to use the funds or allows retroactive reimbursement of unused funds.

Timeframe Extension

Q. Since some daycares are closed this year, will there be an extension on how long we can use unspent dependent day care funds into 2021?

A. Currently funds that have been deducted can be used for day care expenses through March 15, 2021. If you are still making contributions right now but don't need to, you can stop those for the time being, so that no more money is put in. To make this change, contact your health benefits representative or HR department. The IRS has not provided additional guidance on allowing the extension of time to utilize the funds past March 15, 2021.

Q. Until what point in 2021 can we spend 2020 DDCFSA funds

A. You have until March 15, 2021 to utilize your 2020 DDCFSA funds.

Qualified Dependent

Q. Can I use my dependent day care FSA to pay for a grandchild's dependent care expenses or a grandchild's tuition?

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A. You can only use a dependent day care FSA to pay for a grandchild's day care expenses if you are the legal guardian of your grandchild. Tuition is not eligible for reimbursement under a dependent day care flexible spending account.

Q. What is the age limit for your child when using a dependent day care FSA?

A. You can use your dependent day care FSA for children up to the age of 13 or children who are over 13 but are physically or mentally incapacitated and not capable of taking care of themselves.

Q. Can we still use dependent care if a child turns 13 before March 2021?

A. Yes, you can utilize your dependent day care FSA up until the last day of the month in which your child turns 13.

Qualified Provider

Q. Can dependent care be used to pay nannies and babysitters who are providing in home care?

A. Yes, the care from a babysitter or nanny can be claimed if:

- It was for a qualifying person
- You are receiving earned income
- It allowed you to work or look for work

Q. How can we use the debit card to pay a nanny or babysitter? Or is there another way?

A. If the nanny or babysitter works with a service provider that accepts debit cards, you may be able to use the card to pay for the day care. Most of the time you will need to pay the nanny or babysitter first and then submit a written receipt for reimbursement. When submitting a dependent care receipt for care from a babysitter or nanny, you are required to provide their name and address. Claims can be filed online by uploading the receipt or can be filed using a paper claim form.

For tax filing purposes, you are required to provide the babysitter's or nanny's name, address and taxpayer identification number. In cases where the care provider is an individual, the taxpayer identification number is his/her social security number.

Q. Can DDCFSA money be used to compensate a relative who provides day care for our child?

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- A.** Yes, payments to relatives for care of qualifying dependent are eligible. However, the relative cannot be the employee's tax dependent or child under the age of 19 as of the end of the calendar year.

When submitting a dependent care receipt for care from a relative, you are required to provide their name and address. Claims can be filed online by uploading the receipt or can be filed using a paper claim form.

For tax filing purposes, you are required to provide the relative's name, address and taxpayer identification number. In cases where the care provider is an individual, the taxpayer identification number is his/her social security number.

- Q.** Can I use my DDCFSA to pay for care at a drop-off center?

- A.** Yes, if you are utilizing the drop-off center to care for your child(ren) so that you may work.

Virtual Camps

- Q.** Are virtual or online camps eligible dependent care expenses while we work from home?

- A.** No, virtual or online camps currently are not eligible expenses.

Unused Funds

- Q.** If we canceled dependent day care and did not utilize dependent day care funds due to COVID-19, can we be reimbursed our unused funds?

- A.** No, unused funds will be forfeited unless additional guidance is issued by the IRS allowing for retroactive reimbursement for unused funds.

- Q.** Can you reduce dependent day care FSA funds below what you've contributed from your paycheck, as long as you have not been reimbursed?

- A.** No, under the IRS guidance, employees cannot be reimbursed for funds that have already been payroll deducted.

Miscellaneous

- Q.** How long will it take P&A to cancel my Day Care Account?

- A.** Your dependent day care account will be canceled within two weeks of when you make the request to your HBR to have your dependent day care account canceled.

Health Care Flexible Spending Account (HCFSA) Questions

Personal Protective Equipment

- Q.** Can I use my HCFSA to purchase personal protective equipment (PPE)?
- A.** Yes, you can use HCFSA to purchase PPE products that prevent/stop the flow of disease. This includes but is not limited to, face masks, gloves, disinfecting wipes, and hand sanitizer. Please note, hand sanitizer must be considered antibacterial and at least 80% alcohol. If the convenience card does not work, you must take a picture of the hand sanitizer as this information does not appear on the receipts. Wipes are eligible but they must be considered alcohol wipes.

2019 Expenses

- Q.** Can we use 2020 HCFSA money to pay for 2019 expenses that were not reimbursed?
- A.** No, 2020 HCFSA money can only be used for expenses that were incurred in 2020.
- Q.** I noticed in my HCFSA account that my 2019 carry over account says “Final date to submit claims: 09/30/2020”. Does that mean I need to exhaust all my funds by September 30th in order to not lose those carry over funds?
- A.** The September 30th date is the last day to submit claims for 2019. Beginning Oct. 1st your 2019 rollover funds will be available to be used for 2020 claims without submitting a paper claim.
- Q.** I understand that now the roll over money from 2019 can be filed up until 9/30 but do the expenses need to have been incurred in 2019 or can I use it in 2020?
- A.** The 2019 funds except for any rollover amount must be utilized for services / items received in 2019.

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Acupuncture

- Q.** On slide #6 it says a letter of medical necessity is required for acupuncture. On the 2020 Sample Eligible Expenses document, acupuncture is listed under FSA eligible without a prescription or letter of necessity. Would you please clarify if a letter is needed for acupuncture?
- A.** Acupuncture does require a letter of medical necessity. The 2020 Sample Eligible Expenses will be updated to accurately reflect that a letter of medical necessity is required.

Eligible Purchases

- Q.** Am I able to use my FSA convenience card for eligible items purchased through Amazon?
- A.** Yes, on Amazon you can search for FSA eligible items, select the items you want to purchase and use your NCFlex convenience card to pay for those items.
- Q.** Can I use my FSA for purchasing a breast pump?
- A.** Yes, you can use your HCFSAs to purchase a breast pump. However, if you are currently enrolled in the State Health Plan certain breast pumps are considered preventive and covered by the Health Plan at 100%.
- Q.** Does the health care flexible spending account now cover the Diva cup?
- A.** Yes, menstrual items, including the Diva cup are now covered by your health care flexible spending account retroactively back to January 1, 2020.
- Q.** Does my HCFSAs cover CBD oils?
- A.** No, CBD oils are not an eligible expense under your HCFSAs.
- Q.** Will my HCFSAs pay for a gym membership and / or personal trainer with a letter of medical necessity from my medical provider?
- A.** For a gym membership to be considered for reimbursement under a Health Care FSA, you must have an approved Letter of Medical Necessity on file for a medical condition that requires exercise at a gym.
- Q.** Can I use my HCFSAs to pay for massages?
- A.** Yes, you can use your HCFSAs to pay for massages with a letter of medical necessity from your medical provider.
- Q.** What documentation is needed to claim mileage on my HCFSAs account?
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- A.** You should provide a copy of the bill you received from your provider showing that treatment was provided on that date of services.
- Q.** Are products that improve Mental Health expenses, like stress reduction products, apps for meditation, eligible for reimbursement from my HCFSAs?
- A.** Generally, items including apps specifically for the reduction of stress are not covered items under your HCFSAs.
- Q.** I tried to buy a blood pressure monitor at my local pharmacy and tried to use my flex card, but it would not go through. Can I submit the receipt to NCFlex and get reimbursement for the monitor or is it not covered by NCFlex?
- A.** Yes, blood pressure monitors are covered by your HCFSAs. The pharmacy most likely did not have the blood pressure monitor coded correctly to allow you to use your convenience card. You can submit your receipt online or by paper reimbursement.
- Q.** Are the medical supplies that are covered by HCFSAs listed on the NCFlex website?
- A.** The complete list of items that are covered by HCFSAs is not on the NCFlex website. A sample list of eligible HCFSAs items can be found on the NCFlex website. For a more complete listing visit the FSA Store at fsastore.com.
- Q.** Can we use the HCFSAs to pay for the prescription's delivery charge?
- A.** Yes, eligible expenses include shipping and handling charges for mail-order prescriptions.
- Q.** Can I use my HCFSAs to pay for a daily multi vitamin recommended by my nutritionist for patients who have undergone gastric bypass?
- A.** Yes, multi vitamins used to treat a medical condition are covered with a letter of medical necessity from your provider.
- Q.** Are reachers / grabbers covered by my HCFSAs for someone with mobility limitations?
- A.** Yes, EZ Reachers / Grabbers are a covered item under your HCFSAs account.
- Q.** Can I use my flex money for sneakers?
- A.** You can use your health care FSA to purchase orthopedic shoes or inserts with a letter of medical necessity from your medical provider.
- Q.** Does the health care FSA pay for mental health appointments?

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A. Yes, you can use your health care FSA to pay for your out-of-pocket expenses for mental health appointments. Please note, you may be asked to provide a copy of your explanation of benefits from your health insurance provider.

Q. Can a Chiropractor write the letter of medical necessity?

A. Yes, a chiropractor can write a letter of medical necessity.

Q. Is there an official form for medical necessity or do I just need a letter from my doctor?

A. Yes, there is an official form for the letter of medical necessity. The form can be found on the NCFlex website at ncflex.org or you can click the following link [Letter of Medical Necessity](#).

Q. Are laxatives an allowable OTC item or do I need a prescription?

A. Yes, laxatives are an allowable OTC item under your health care FSA.

Q. Is virtual therapy/psychologist appt eligible to be paid by FSA money?

A. Yes, virtual visits are reimbursable under your health care FSA. P&A may request a copy of your explanation of benefits.

Q. I bought a humidifier and the changeable filters out of pocket can I file a claim for reimbursement?

A. Yes, a humidifier is eligible with a letter of medical necessity from your provider.

HCFSA Changes

Q. When am I allowed to enroll, increase or decrease my HCFSA?

A. You can make changes to your HCFSA outside of open enrollment when:

- Due to COVID-19, the IRS has loosened restrictions for 2020 and has allowed employers the option to allow employees to enroll for the first time, stop deductions, lower deductions or increase deductions. Changes to your 2020 HCFSA election must be made by September 30, 2020. The changes can be made due to non-COVID-19 and/or COVID-19 related medical expenses.
- You experience a valid Qualifying Life Event (QLE). Some QLEs allow you to enroll for the first time and others allow you to increase or decrease your HCFSA.

Q. How can I request a change to my HCFSA or enroll the HCFSA for the first time?

A. You must contact your health benefit representative (HBR) and request an exception for HCFSA changes.

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- Q.** Can I stop having NCFLEX HCFSAs funds withdrawn from my paycheck for 2020 and cash out what I have contributed to date?
- A.** You can request to stop having HCFSAs contributions withdrawn from your paycheck if you have not spent over what has been contributed. However, under IRS guidance, you cannot be reimbursed for what you have contributed year to date.
- Q.** How can I request an increase in my current HCFSAs paycheck deduction, to use right now?
- A.** You must contact your health benefit representative and request an increase in your HCFSAs annual election. Changes will be made on a prospective basis (going forward), but the increased amount can be used for services received retrospectively to January 1, 2020.
- Q.** If I did not participate in the beginning of the year can I elect to participate now?
- A.** Yes, under the new IRS guidance for the 2020 plan, you can elect to participate now without a QLE. Elections to participate must be made by September 30, 2020.
- Q.** Can I increase my health care FSA (over \$2700) to include family? If so, how do you I that?
- A.** No, the annual limit per individual is \$2,700. However, if your spouse already has a HCFSAs, they also can elect the full amount.
- Q.** At the beginning of the year I planned to schedule dental work and elected to have HCFSAs funds deducted to cover the out of pocket portion. Now I do not feel comfortable proceeding with the work due to COVID-19. What are my options?
- A.** You can stop contributing to your HCFSAs for the remainder of the year. Up to \$550 in unused funds can be rolled over into 2020.
- Q.** If a person increases their HCFSAs now to \$500 and later decides that \$500 isn't enough and wants to increase to more than \$500, are they allowed?
- A.** No, there is only one opportunity to increase your HCFSAs without a QLE. If you experience a valid QLE then you would be allowed to have an additional increase.
- Q.** I would like to know the following: I had a SIGNIFICANT health event take place in March. (1) I currently have a total amount of \$1500 being deducted at \$125 per month. If I raise the amount to \$2700 (which would be \$1200 more credited to my FSA account) would the NEW monthly deduction be \$325 for the remainder of the year? (2) If I initiate this action this week, how quickly would the funds be credited to the account.
- A.** The additional \$1,200 would be spread across the remaining pay periods for the 2020 plan year and would be in addition your current \$125 deduction. If there are six pay periods

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remaining after you made the election to increase, the monthly deduction would be \$325. The increase is usually effective the first of the month after the election is made and the additional funds are available immediately and can be used for services received retroactively to January 1, 2020.

- Q.** If I increase my HCFSAs now, will I need to reenroll for 2021 during open enrollment?
- A.** Your increased election is only for 2020. However, up to \$550 of unused funds will rollover into 2021. If your rollover amount is equal to or more than you would like for 2021, then you do not have to make an additional election for 2021 during open enrollment.
- Q.** If I did not sign up for HCFSAs this year but had a rollover balance from 2019, will that be available if I sign up using the COVID-19 changes? Is retirement a life event to make changes or add an account?
- A.** Yes, the rollover amount is still available even if you increase your election due to COVID-19. Retirement is not a valid QLE to make changes or add an account. To be eligible for a HCFSAs, you must be actively employed.
- Q.** While trying to use the one-time change, with revised amount, I stopped my contribution. Can I restart in October?
- A.** Yes, during open enrollment in October, you can elect to contribute to a HCFSAs for 2021. To restart your HCFSAs on October 1st, 2020 would require that you experience a valid QLE in September.
- Q.** Can we add more money into the HCFSAs to reimburse costs that have already occurred?
- A.** Yes, elections to change HCFSAs amounts made due to COVID-19 are prospective but any HCFSAs funds can be used retrospectively for services received January 1, 2020 or later.
- Q.** If I increase my HCFSAs for this year, can it be applied to expenses back to January or only moving forward after I elect the increased amount?
- A.** Under the IRS guidance, you can use the increased HCFSAs election for services / items received retrospectively to January 1st.
- Q.** Is there a time frame for adding to our HCFSAs account?
- A.** Yes, you must elect to increase your HCFSAs by September 30, 2020.
- Q.** Can I stop my contribution for this year from July, since I am not going to unnecessary doctors' appointments?

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A. Yes, please contact your HR office with your request to cancel your health care FSA.

Claims Submission

Q. Do I need to submit a claim every time I swipe my FSA card?

A. No, you do not need to submit a claim every time you use your convenience card. But you should keep your receipts in case you are asked to provide documentation.

Q. What if I forgot about my FSA and paid my surgical center bill with my credit card. Can I still file a claim?

A. Yes, you can still file a claim either online or through a paper submission. You will need to provide a copy of your explanation of benefits from the State Health Plan or other insurer showing the amount you owed after your insurance paid.

Q. For my 2019 funds, I must have had a procedure before January 1, 2020 but can claim out-of-pocket expenses until May 31 if the expense occurred prior to January 1, 2020. Correct?

A. The timeframe for submitting 2019 expenses has been extended until September 30, 2020.

Q. If you use all of your 2020 funds and you have a carry forward amount from 2019. Can you use the surplus from 2019 to pay for 2020 expenses?

A. Yes, the 2019 rollover funds can be used to pay for 2020 claims after the last day to submit claims for 2019 has passed.

Q. Can I use 2020 FSA funds to pay for 2019 medical expenses?

A. No, your 2020 health care FSA must be used to pay for services that are incurred in 2020 or later if you have a rollover for 2021.

Deduction Amount

Q. How is the new deduction amount calculated if I am increasing my HCFSA?

A. The increased HCFSA amount is spread across the remaining pay periods in 2020. For example, you originally elected \$1,200 and increase the amount to \$2,400. If there are six pay periods remaining, the additional \$1,200 would be spread across the remaining six pay

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periods and would be in addition to the \$100 per month you are currently being deducted resulting in a total \$300 per month deduction.

Qualified Dependents and Dependent Expenses

- Q.** Can I pay for my kids' orthodontics using my Health Care FSA account while they are covered by a different insurance provider than me? (They are covered by my spouse's company insurance provider.)
- A.** Yes, dependents are not required to be covered on your health, dental or vision insurance in order to utilize your health care flexible spending account for eligible expenses.
- Q.** Is a parent who is NOT my tax dependent considered to be a qualifying relative if the parent lives with me?
- A.** No, a parent is not an eligible dependent, even if they are living with you, unless they are a tax dependent.
- Q.** Can I use the card to pay for a deductible of a vision bill and for glasses for my husband?
- A.** Yes, you can use your health care flexible spending account to pay a dependent's eligible expenses regardless of whether they are covered under your insurance policy.
- Q.** Can dependents be grandchildren if they live with their parents in your household?
- A.** You must have legal custody of your grandchildren to utilize FSA funds.
- Q.** I have 27-year-old daughter. Can I use my flex money to pay for her glasses and dental care?
- A.** To be eligible, your daughter must be age 26 or younger unless she is incapable of earning living due to a mental or physical incapacity.

Documentation

- Q.** If P&A does not request documentation within 45 days, can P&A later ask for documentation?
- A.** Yes, P&A can request documentation at any time.
- Q.** What documentation is required when submitting a claim?

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A. The following types of documents can be provided to show that you incurred an eligible expense:

- Bill from your provider
- Receipt showing the eligible item
- Explanation of benefits for your dental, vision or medical insurer

Timeframe Extension

Q. Is there any extension of the deadline for using the NC Flex HCFSA funds for the 2020 calendar year? Due to COVID-19, it had been difficult to get access to other types of medical care quickly.

A. No, the timeline for utilizing your 2020 HCFSA has not been extended. However, you can request to stop contributing to your HCFSA and \$550 from your 2020 HCFSA will rollover into 2021.

HCFSA Limit

Q. Has the limit for the HCFSA been increased?

A. No, the HCFSA limit for 2020 is \$2,700. For 2021, the limit will increase to \$2,750.

Over-the-Counter (OTC) Medications

Q. Can we use NCFlex to pay for OTC medications?

A. Yes, OTC medications are now covered under HCFSA account retroactive to January 1, 2020.

Q. What over the counter items are covered without a prescription under my HCFSA?

A. Almost all OTC medications like Tylenol and other pain relievers, heartburn medications, allergy relief and more are covered under your HCFSA. To see a listing of eligible OTC items go to the [FSAStore.com](https://www.FSAStore.com).

Q. Will OTC medications be covered next year or are OTC only covered for 2020 due to COVID-19?

A. Yes, the change to allow coverage for OTC medications was a permanent change to the IRS code.

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- Q.** If I buy OTC medicines, but lost my receipt, is there any other way we can claim the amount expended?
- A.** A receipt is required to be reimbursed for OTC medications. If you used a credit card, the retailer may be able to produce another receipt for you.

Prepayment of Services

- Q.** My obstetrician charged me a set amount of \$700 for all my prenatal care. This got denied as an expense because it was called a "global" expense. How can I get this reimbursed?
- A.** You cannot use your HCFSAs to prepay for services. After the service is provided, you can submit your explanation of benefits and be reimbursed for your prenatal services.

Convenience Card

- Q.** If an item is classified as FSA but the counter purchase rejects it, will P&A accept it and/or should I contact P&A and ask if it will be allowed if I submit a reimbursement?
- A.** Not all retailers have coded their systems to allow for HCFSAs purchases. If your purchase was not allowed using your convenience card, you can submit a receipt online or submit a paper claim for reimbursement.
- Q.** If we throw supplies in the shopping cart and we are at check out, do we purchase the medical supplies separately, or just scan our NCFlex Card and then our debit?
- A.** Typically, the items will need to be separated for you to utilize your HCFSAs convenience card.
- Q.** Are there specific retailers that accept HCFSAs convenience cards for the purchase of eligible items? For instance, can I buy OTC items at Sam's?
- A.** Yes, there are specific retailers that can accept your HCFSAs card for the purchase of HCFSAs eligible items. You will need to check with the individual retailer.
- Q.** CVS told me they are not allowed to use my Flex debit card for items I've ordered to be shipped to my home during this pandemic. Is that true?
- A.** You will need to contact CVS directly to see if they will allow you to utilize your convenience card for items that you have ordered to be shipped to your home.

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- Q.** I tried to add my NCFlex card to my PayPal account to order from Walgreens, but PayPal would not accept it indicating that the address I entered with the card is not valid. Should I be able to add the card to PayPal and, if so, what address should I use with the card?
- A.** NCFlex Convenience Cards will not work at PayPal as they are not considered an eligible FSA vendor.
- Q.** How do we request a convenience card?
- A.** You can call P&A at 866-916-3475 to request a convenience card or you can e-mail NCFlex at ncflex@nc.gov to request a convenience card.
- Q.** I started contributing around halfway through the year in 2019, not sure how much I contributed that year, but have filed nothing so far. I continued contributions in 2020 as well. I can go back and get old receipts from medical providers, but the convenience card is what I really need moving forward and I have had problems with getting one of these. Please advise how I can obtain a convenience card.
- A.** To check your health care FSA balance and to request a convenience card, you can log onto the P&A website at ncflex.padmin.com or you can call P&A at 866-916-3475. If you have recently moved, convenience cards are not sent to forwarded addresses.
- Q.** What if I paid for a procedures (MRI) with my FSA card and then my explanation of benefits showed that I actually owed less. Will my card be reimbursed for the difference?
- A.** Please submit a revised claim to P&A, showing what you actually owed. You will need to request a refund from the provider and reimburse P&A for the money that should not have been paid to the provider.

Unused Funds

- Q.** If we cancel now and do not make any additional contributions for 2020, and the IRS makes it retroactive, would we be able to recoup the money put in from Feb 2020 through the last contribution?
- A.** For an individual to recoup their contributions, the IRS would need to make a change to their previously published guidance that does not allow for retroactive reimbursements of unused funds.

Retirement / Termination of Employment

- Q.** If I am retiring or no longer employed by the State, how I can use or extend my HCFSA?

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- A.** Your HCFSA is eligible for COBRA continuation. You will be sent a COBRA offer upon retirement/termination. You will be able to extend your HCFSA by continuing to make post-tax contributions to your HCFSA account. COBRA coverage can be continued through the end of the calendar year allowing you time to utilize unused funds.
- Q.** I separated from the University in March and I am "coming back" in August. When I left, I had some HCFSA money left and wondered if I have access to the HCFSA money if I have benefits, like I did before.
- A.** If you did not elect to continue your HCFSA through COBRA, then you will not have access to your previously unused funds. However, you can still file claims for services or items that were incurred from January 1st through March 31st including OTC medications and menstrual items.

Rollover

- Q.** Will the HCFSA rollover amount increase for 2021?
- A.** Yes, the HCFSA rollover amount is increasing to \$550 for 2021.
- Q.** I will have a lot of unused dollars by the end of the current period. Will I only be able to get \$500 rolled over? How do I use the rest of my HCFSA contribution, or do I forfeit it?
- A.** The HCFSA rollover amount for 2021 is increasing to \$550. Any unused funds over \$550 will be forfeited. However, there are many ways to utilize unused funds by purchasing prescription sunglasses, everyday medical items such as heating pads and sunscreen that is SPF 15+, OTC medications such Advil and heartburn relief or for menstrual items.
- Q.** I have rollover HCFSA dollars from 2019. I see that any qualifying spending I am doing in 2020 is hitting my 2020 contributions first. If I do not spend into my 2019 rollover in 2020, will that 2019 excess roll into 2021, or will I lose it?
- A.** The 2020 funds will be continued to be used first until September 30, 2020 which is the last day to submit claims for 2019. Any unused 2019 HCFSA rollover funds will continue to rollover into 2021 if the total rollover amount is not more than \$550.
- Q.** If I carry over \$550 from 2020 to 2021, but end up not using \$550 in 2021, can I carry over \$550 again in 2022?
- A.** Yes, unused rollover funds will continue to rollover year after year.
- Q.** Why does the health care flexible spending account not pull from the rollover first once the new year begins? Do I have to use all my money from this year before the end date of the claim's submission from last year?

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- A.** The rollover funds are reserved to pay for previous year claims. Once the claims submission deadline has passed, the rollover funds can be utilized for current year claims. Due to COVID-19 the claims submission deadline for 2019 was extended to September 30th. You do not need to use all your HCFSA funds for this year before the end date of the claim's submission period for the previous year.
- Q.** If I contributed more than \$450 to my health care FSA in 2019 and did not yet submit a claim, is the money I contributed lost?
- A.** The rollover amount for 2020 was \$500. You still have until September 30th to submit claims for 2019.
- Q.** My 2019 carryover shows that I have \$49 available, but when I have used my card starting in 2020, the funds have been taken out of my NCFlex 2020 account rather than the carryover. How can I spend down the \$49 for my next purchase?
- A.** Due to COVID-19 the time period to file claims for 2019 was extended. Participants now have until September 30th to file claims for 2019. The rollover account is reserved to pay for 2019 claims until the last day to file claims for 2019. The reason is because claims incurred in 2019 cannot be paid using 2020 funds. After September 30th, the rollover amount from 2019 will be available to pay for 2020 claims.
- Q.** Is the rollover for your health care FSA an automatic process, or do we have to request to have our health care FSA rollover?
- A.** The rollover process automatically occurs each year if you have more than \$25 in your health care FSA account.

Miscellaneous

- Q.** Where do we go to check the balance of our health care FSA?
- A.** You can go to the P&A website at ncflex.padmin.com.
- Q.** Do I go into BEACON to make changes to the health care FSA?
- A.** To make changes to your health care FSA election amount, please contact your HBR. Bank account and address changes need to be made in BEACON. To update your e-mail, you will need to log into your P&A account at ncflex.padmin.com or call P&A at 866-916-3475.
- Q.** If you are "reimbursed" for a claim that is filed manually does it come off of your convenience card balance?
- A.** Yes, manual claims reduce the amount available on your convenience card.

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- Q.** What if you have used more than you contributed to your health care FSA?
- A.** The total annual election amount is available January 1st regardless of what you have contributed year to date. Members are reimbursed up to their annual election amount. Due to COVID-19, you can increase your annual election amount if you did not elect to contribute the full amount for 2020. Charges above the annual election amount will not be reimbursed.
- Q.** If I call today to get my FSA balance, are they giving me the money I contributed to date or what is left for my entire yearly election?
- A.** P&A will provide you with the balance remaining in your health care FSA.
- Q.** How do I find the P&A app for my phone?
- A.** The name of the P&A app through both Google Play and the Apple store is P&A Group.
- Q.** Can I email my claim to P&A? The website only states that claims can be sent via fax and I do not have access to a printer.
- A.** No, P&A does not accept claims that are sent via e-mail due to privacy concerns. However, you can take a photo of your claim and submit the claim online by logging into ncflex.padmin.com or from their app, P&A Group which can be found in both the Apple store and Google Play.
- Q.** Have the agency HBRs been notified that we can make changes to our contribution amount without a QLE, due to this legislative change? It sounds like some of my HR contacts are not aware...
- A.** Information on the change has been sent out the HBRs through our monthly newsletter. In addition, we conducted a webinar for HBRs. If your HBR is not allowing you to make this change, please contact NCFlex at ncflex@nc.gov and we will be happy to contact your HBR on your behalf.
- Q.** When the IRS first published the rule change for 2020 enabling us to increase funds, I was told I needed to submit a request and an explanation as to why. Why do we have to submit an explanation?
- A.** You do not need to submit an explanation. Just have your HBR use COVID-19 as the reason for the change.