Flexible Spending Accounts Frequently Asked Questions
2020 Plan Year

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Section 1: Introduction to FSA’s

1) What is a Flexible Spending Account (FSA)?
An FSA is a tax-advantaged financial account that allows you to set aside a portion of earnings on a pre-tax basis to pay for qualified expenses incurred during the plan year. The IRS sets pre-tax contribution limits for FSAs and enforces rules related to plan administration, enrollment, and status changes.

2) What are the kinds of FSAs that the State offers?
The State offers three kinds of FSAs to eligible employees:

General Health FSA covers a wide range of health-related expenses including, but not limited to:
- Copays
- Coinsurance
- Deductibles
- Prescriptions
- Dental Expenses
- Vision Expenses
- Orthodontia

Limited Health FSA covers dental and vision expenses only, including, but not limited to:
- Dental Expenses
- Vision Expenses
- Orthodontia
For both General and Limited Health FSAs, your FSA debit card is loaded with your full annual election amount at the start of the plan year and can be used to pay for eligible expenses. When the card is used, funds will be pulled directly from your health FSA and are paid to the provider.

**Dependent FSA** covers any day care or dependent care expenses that allow you (and your spouse) to work, look for work, or be a full time student. This includes expenses like:

Before and After School Care
- Day Care
- Preschool
- Day Camps
- Elder Care

The Dependent FSA requires that the dependent must live with you and be 12 years old or younger. A dependent age 13 or older may be eligible if they cannot physically or mentally care for themselves and require care while you’re working.

Unlike the health FSAs, the Dependent FSA is a “pay as you go” plan – the entire annual election amount is NOT available on the first day of the plan year. Debit cards for the dependent FSA have the elected paycheck deduction amount loaded each pay day and funds can be accessed up to the account balance.

*Please note: Navia will approve day care services up to one month in advance. For example, if it is currently the month of July, you can submit day care services that will be incurred in the month of August.*

3) Why are there two kinds of health care FSAs?
The General Health FSA is the standard health care FSA available to any eligible State employee so long as they are not covered by an HSA-qualified high deductible health plan (“HDHP”) like the State’s Anchor Choice Plan with HSA. Generally, individuals that are not covered by a HDHP should enroll in the General Health FSA. Individuals that are covered by an HDHP, or individuals whose spouse is covered by an HDHP, should enroll in the Limited Purpose FSA. Please note that while the Office of Employee Benefits can ensure that Anchor Choice Plan participants are not participating in a General Health FSA, it cannot see whether an employee’s spouse is covered by an HDHP. Accordingly, it is the employee’s responsibility to choose which health care FSA is appropriate for them. Individuals may not maintain both a General Health FSA and a Limited Health FSA at the same time.

4) What are the contribution limits for each FSA?
For the 2020 plan year, below are the maximum amounts that an employee can contribute to their FSAs:
- General Health/Limited Health FSA: $2,750
Dependent FSA: $5,000, or $2,500 if married and filing separately (*Please note that it is the employee’s responsibility to ensure their Dependent FSA election is appropriate for their tax filing status.*)

FSA contribution limits shown in this FAQ are set by the IRS and may change. Verify current maximums by visiting www.employeebenefits.ri.gov

5) **Who is the State’s partner for administering the FSA program?**
The State has partnered with Navia Benefit Solutions to assist in administering the FSA program.

6) **How do I contact Navia for customer service assistance?**
By phone at 800-669-3539, Monday-Friday, 8am-8pm EST. By email at customerservice@naviabenefits.com. Additional contact information is available on www.naviabenefits.com/contact.

## Section II: Eligibility & Enrollment

1) **What is the plan year?**
The annual plan year runs from January 1 to December 31.

2) **Who is eligible to enroll?**
Any State employee that is a non-seasonal position and is scheduled to work at least 20 hours per week.

3) **When can I enroll?**
An eligible employee can enroll within 31-days of employment start date, during open enrollment or if they have a qualified status change during the plan year.

4) **How do I enroll?**
   - You must enroll for your FSA(s) via Workterra, the state’s online enrollment system. Visit www.employeebenefits.ri.gov/enrollment for detailed instructions.
   - Enrollments for new hires are processed after the employee receives their first paycheck. Your per pay period deduction may be adjusted due to the timing of payroll processing.
   - All enrollees will receive a welcome email and card mailer from Navia with their confirmation of enrollment.

5) **I want to register my account on Navia’s website. What is the company code?**
The company code is RHI.
6) **What is a status change?**
A status change is usually a life-changing event such as marriage or birth of a child, where you are allowed to adjust your benefits election within 31 days of the event date. If you experience a qualifying status change, you can change your FSA election via Workterra. Supporting documentation evidencing the occurrence of the status change is required and must be attached along with your new election. Upon approval of the status change your election will be changed for the remainder of the plan year beginning with the next pay period. Please see [www.employeebenefits.ri.gov/enrollment/status-change.php](http://www.employeebenefits.ri.gov/enrollment/status-change.php) for more information.

7) **Can I contribute to a health FSA if I am covered on a HDHP through my spouse's employer?**
You can, but you should consider electing a Limited Health FSA instead so your spouse can remain eligible for HSA contributions. If you elect the General Health FSA, your spouse will lose his or her eligibility to contribute to an HSA since your General Health FSA automatically covers your spouse and is considered disqualifying health coverage for HSA purposes. Individuals that are covered by an HDHP, including participants in the HSA Plan, may not maintain General Health FSAs, but they are eligible to contribute to Limited Health FSAs. Qualifying dental and vision expenses can be paid under Limited Health FSAs, but general medical expenses that can be paid under General Health FSAs cannot be paid under Limited Health FSAs.

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**Section III: Using Your FSA**

1) **Where can I find a list of eligible expenses?**
A list of eligible expenses is available on the Navia website [www.naviabenefits.com](http://www.naviabenefits.com).

2) **Why would I need a prescription or a letter of medical necessity for a health care FSA expense?**
Certain health care FSA eligible expenses require a prescription. If you do not anticipate needing the item/service beyond the length of the prescription, then you do not need to consider a letter of medical necessity. If the item/service is regularly-used and you do not want to continually get prescriptions from your doctor and file them with Navia, you should consider filing a letter of medical necessity from your doctor. With a letter of medical necessity your doctor can set an expiration date or simply indicate “indefinite.”

3) **How do I access my FSA funds to pay for claims?**
The primary way you will access your health care FSA funds is through the FSA debit card that is provided to you automatically when you enroll. Health FSA debit cards are loaded with the full annual election amount on the first day of the plan year.
You may also submit manual reimbursement claims via your online account at www.naviabenefits.com or by using the MyNavia mobile app. If you want to initiate a manual reimbursement request or you receive an email requesting that you substantiate a debit card swipe, you will need to provide Navia a copy of the relevant receipt for verification. You can scan and upload a copy of the receipt to your online account or directly through the MyNavia mobile app. If you prefer to complete paper reimbursement request forms and mail/fax them to Navia, please visit www.employeefbenefits.ri.gov for the claim form.

4) How does the Navia direct deposit feature work?
At any time during your FSA participation, you may provide Navia with your bank account information (ABA routing number and account number) and Navia will direct deposit your manual reimbursement requests instead of sending you a check. Keep in mind that if you are using your FSA debit card, claim reimbursement is automatic, not manual, and so direct deposit will not play a role.

5) How long do I have to submit claims for the prior year?
At the end of each plan year, you have 90 days to submit claims you incurred during the plan year for reimbursement. After the 90-day claims run out period, carry-over amounts are credited to accounts and forfeitures occur (see Question 7 below).

6) How does a “carry-over” work?
The State health care FSAs allow up to $500 of unused dollars to be carried over to the following plan year. Carry-over amounts will be credited to your account after March 31st. The $500 carry-over amount does not affect your ability to elect the maximum annual election allowed each plan year for the health care FSA.

Example: $500 in carry-over funds from 2019 plan year + $2,750 (projected limit) 2020 plan year = $3,250 for the 2020 plan year.

The dependent FSA does NOT have a carry-over feature: any unspent balance after the plan grace period will be forfeited (see Question 7 below).

7) What about forfeiture?
Any amount over $500 remaining in a health FSA at the end of the 90-day claims run out period after the end of a plan year is forfeited. Any amount left in a dependent FSA at the end of the 90-day claims run out period after a plan year ends is forfeited.

8) I did not enroll in a health FSA during open enrollment and my debit card is not letting me access my $500 carryover from the previous plan year. Why is this?
If you did not enroll in a health FSA for the current plan year your FSA debit card will be deactivated as of the end of the past plan year. As referenced above, you will not be able to access your carry-
over amount until after the claims run out period has ended. After the claims run out period ends, you will be able to access your carry-over amount and use your debit card for new claims. You must make manual reimbursement claims for expenses you incurred during the claims run out period, so please remember to keep all relevant receipts.

9) How will a wage garnishment effect my FSA?
If a **writ** garnishment (i.e., attachment as a percentage of disposable wages) is placed on your account, all benefits deductions are transferred to **post**-tax. Any deductions that are pre-tax only are stopped until the garnishment is fulfilled. FSAs only exist as a pre-tax benefit. Therefore, because you are not making any contributions, the FSA is suspended until the garnishment is completed and contributions resume.

If a **fixed amount** garnishment (ex. $100/pay period) is placed on your account, pre-tax deductions remain so long as there is enough pay to support the FSA deduction. If there is not enough pay, then your FSA will be suspended until FSA contributions resume.

In both cases (writ garnishment and fixed amount garnishment), when the FSA contributions resume, the FSA is reactivated and if the FSA is **underspent**, the annual election amount is automatically lowered by the amount of the missed contributions. If the FSA is **overspent**, the annual election amount may be adjusted and the per pay period deduction amount is increased to make up for the missed contributions. Either way, you would be able to submit manual claims for reimbursement for eligible expenses incurred while the garnishment was in place.

10) What happens to my FSA if I go on an unpaid leave of absence from the workplace?
When you go on an unpaid leave of absence, your FSA account(s), including your FSA debit card, will be suspended until you return to work and payroll deductions resume. Expenses incurred during an unpaid leave of absence from the workplace are eligible for reimbursement. Upon your return to work, your payroll contributions will be adjusted to reflect your annual FSA election amount, unless your FSA is underspent and you request through Workterra that your annual election amount be decreased via qualifying event.

11) Can I enroll in an FSA if I am on an unpaid leave of absence from the workplace?
Employees on Leave Without Pay are not eligible to enroll.