



News from Altus Benefit Administrators

Saving you time, money and hassles.

Using Your Debit Card To Make The Most Out Of Your Flexible Spending Account

Your new MBI Benefits Card™ is a quick and easy way to pay for qualified expenses when using your Flexible Spending Account (FSA). The MBI benefits card looks and works like a typical debit card, allowing you instant access to your FSA account for eligible medical and dependent care expenses. And, while the debit card offers you the convenience of paying upfront for eligible expenses, it's important to understand how to use your debit card appropriately. Internal Revenue Service (IRS) regulations require "substantiation" of certain debit card transactions. As a result, Altus Benefit Administrators may ask you to provide receipts for certain debit card purchases.

Using Your Debit Card for Medical FSA Expenses

If you elected a medical FSA, your annual election amount is pre-funded, which means the entire election amount is deposited into your debit card account on the start date of the plan year.

You can then use your benefits debit card at doctor's offices, pharmacies, orthodontists and hospitals. If you are using the debit card to pay for standard "fixed dollar" co-payments at a doctor's office or pharmacy, then your transaction will be processed immediately at the point of purchase, and you will most likely not be asked to provide additional information.

If, however, your benefits debit card transaction does not match the medical/pharmacy co-payment amount that we have on file for your employer (e.g. \$10, \$25, or \$40), then IRS regulations require that you provide additional documentation to "substantiate" your claim.

You can also use your benefits debit card to pay for many health care expenses that are not currently covered by your insurance plan, including:

- Deductibles/Coinsurance
- Dental Care, including orthodontia
- Vision Care, including eyeglasses and contact lenses

For these types of medical expenses, you can still use the debit card at the point of purchase – providing that

the MasterCard® logo is accepted at the location where you have incurred the eligible expense. However, the transaction will be considered "pending" until we receive the supporting documentation from you.

Save Your Receipts!

We will send you a notice if your transaction requires further documentation. If we request a receipt, please include the following information:

- Name of the person for whom the service/expense was incurred
- Name and address of person/company who provided the service/expense
- Date the service/expense was incurred
- Amount charged for service/expense

In addition to a receipt, other acceptable forms of documentation include: a doctor's note verifying the medical necessity or duration of the treatment or a medical Explanation of Benefits (EOB) form. **Please note: Credit card receipts and canceled checks are not accepted as documentation, according to the IRS.**

How to Submit Supporting Documentation

You can fax or mail the appropriate documentation to Altus Benefit Administrators.

Fax receipts to: 401-457-7266

Mail receipts to: Altus Benefit Administrators
PO Box 1643
Providence, RI 02901-1643

Replacement Cards

If your debit card is lost or stolen, please contact Altus Benefit Administrators' Customer Service Center at 1-800-371-7542 immediately. A customer service representative will deactivate the lost or stolen card and assist you in getting a replacement card. There is a \$15 fee for this service, which is deducted from your FSA account.

Using Your Debit Card for Dependent Care Expenses

If you have an FSA Dependent Care account, you can use your benefits debit card for eligible dependent care expenses, such as childcare (daycare) or eldercare expenses. If your daycare or eldercare provider accepts credit or debit cards, you can use your benefits card for regular payments. However, you can only use your debit card to access funds that you have already contributed, and that are currently in your dependent care account.

For example, if you elected to pay \$100 a week for eligible dependent care expenses on January 1, and your FSA account totals \$500 on February 1, then your debit card transaction cannot exceed \$500 on February 1st.

If you have a recurring daycare expense, you should provide us with an initial receipt that documents this ongoing expense.

What happens if I swipe my debit card and the dependent care funds are not available?

Let's say you use your debit card to cover your monthly dependent care expenses of \$1,000, but you only have \$500 in your FSA dependent care account. The transaction will not be processed at the point of service because you do not have sufficient funds. You will have to submit a reimbursement claim form, as well as provide a receipt from your daycare provider.

Once we receive your claim, Altus Benefit Administrators will reimburse you for the \$500 that is in your account, and continue to pay out funds as they become available, based on your pay period election amount.

Remember, you can't use your card to pay for future expenses. You may want to check with your daycare provider to coordinate your payment schedule so that you can pay as expenses are incurred.

Save Your Receipts!

Like a medical FSA account, you should always save your receipts for dependent care expenses because the IRS can ask you to substantiate a debit card transaction at any time.

What happens if I cannot find the receipt for a medical/dependent care claim?

If you've lost or misplaced the required receipt, you have several options to avoid limitations on the use of the card.

You can:

1. Send a check for the amount that is not substantiated (the money is then put back into your account), or
2. Submit a claim for reimbursement for a new expense that you paid for, which will then be applied against any unsubstantiated amount that is outstanding.

IRS regulations require that your benefits card be temporarily deactivated until the receipt is received, or one of the resolutions above occurs.

Altus Benefit Administrators offers you a grace period during which you can submit receipts or other supporting documentation. You will receive two other reminder notices from Altus via email or traditional mail, depending on whether we have your email address on file. The notices will request a copy of the documentation (e.g. receipt, doctor's bill, invoice or Explanation of Benefits) that supports the pending debit card transaction.

If you do not send us the supporting documentation, your debit card will be de-activated 30 days from the date on the final notice, as required by IRS regulations. If you've lost or misplaced the receipt, the notice will provide you with several options to avoid having the card "turned off."

Easy Claim Filing for Non-Debit Card Transactions

You always have the option of filing a claim directly with Altus Benefit Administrators instead of using the debit card. If you were unable to use your debit card at the time of service, you will need to fill out a claim form. When the claim form is completed, you should submit the form, along with a receipt for the expense, to Altus Benefit Administrators by fax or email. A copy of the claim form is available online at: www.altusbenefitadmin.com.

View Your Account Balances Online

For your convenience, you can view your FSA account information 24 hours a day, 7 days a week at: www.altusbenefitadmin.com. Our online services give you all the tools you need to manage your account, including account balances, claim and direct deposit forms, a listing of eligible expenses and more!

The IRS continues to update its guidelines on the use of debit cards for eligible medical and dependent care expenses. Be sure to visit our website for the most up-to-date information