

# NCFlex FSA Q&A

Related to recent webinars discussing changes due to the Consolidated Appropriations Act.  
March 2021

## **P&A Contact info:**

Website – [ncflex.padmin.com](http://ncflex.padmin.com)

Phone – 1-866-916-3475

Mobil App – search “P&A Group” in the App Store or Google Play

## **Learn more about FSA eligible items and how to file claims:**

Visit [www.ncflex.org](http://www.ncflex.org), click the tile for Flexible Spending Accounts, then click “Claim Forms, Plan Information, FAQs and more”. You will see two different lists, the 2<sup>nd</sup> and 3<sup>rd</sup> option on the page. One has details of OTC (over-the-counter) meds covered.

**Please note:** If you do not see the changes we described in our presentation and Member alert, or your account is showing inactive and you believe it should be active, reach out to us at [ncflex@nc.gov](mailto:ncflex@nc.gov).

## **FSA General and FSA Changes General:**

**Q** Will these changes be communicated to employees? How will the changes be communicated to employees?

**A** Yes. Via email from NCFlex and P&A. There is a direct link on [ncflex.org](http://ncflex.org), under the main picture, where anyone can sign up for the NCFlex Member Newsletter (when signing up, be sure to choose “NCFlex Eligible Employees”). For P&A emails, employees can sign into their account at [ncflex.padmin.com](http://ncflex.padmin.com) to be sure their email is up to date to receive all correspondence.

**A** Also, these changes were communicated through a [Member Alert in February](#) via webinar in February. A recording of this webinar can be found here: <https://oshr.nc.gov/ncflex-webinars>.

**Q** I didn't sign up for FSA 2021 due to amount left from 2020. Can I still use 2020 money in 2021?

**A** Yes, you can.

**Q** Will you be allowing changes to FSA amounts – increase and decrease amounts?

**A** Employees have always been allowed to make changes to FSAs as long as they have a valid QLE (qualifying life event). For example, a change in day care is QLE, the reason in the enrollment system would be “day care change”. If employees need assistance making changes due to a QLE, they should reach out to their Benefit Representative.

**Q** Where can we find the list of qualified life events?

- A** The life events are available in the NCFlex benefits guide and on the ncflex website at ncflex.org.
- Q** Are the qualifying life events determined by NC or are these determined by what's allowed by the federal government?
- A** They are governed by IRS rules.
- Q** How can you get access to NCFlex funds from last year?
- A** Funds will be extended automatically. For the Health Care FSA funds, these will roll into 2021. For Dependent Day Care FSA funds, the grace period to use 2020 money is extended to 12/31/2021 and the grace period to use 2021 money is extended to 12/31/2022.
- Q** How will the new runout period impact the holds on the account from the previous year?
- A** You will still need to submit documentation for the previous year claim. Contact P&A Group if your account is on hold to discuss options.
- Q** Will employees who experience a transfer to another state job continue to have access to 100% of their 2020 rollover account balance? What about the other NCFlex benefits?
- A** Yes, if an employee has less than a 31-day break in service, this is considered a transfer. If that transfer is from/to an agency, University, select community college or select charter school, the HCFSA account should remain in place with the same election amount and rollover amount as before the transfer. In this scenario, all other benefits should also remain in-tact as they were before the transfer.
- Q** How do I update my address for P&A? OR I've updated my address and it's still not correct with P&A Group. What about my dependent who also has a card but a different address?
- A** You would need to update your address with your HR/Payroll system. For BEACON employees, if you have both a permanent and a mailing address, the mailing address will override the permanent so be sure to update both or remove your mailing address if it is no longer valid.
- A** For a spouse or child who has a card to use on your account, update their address with P&A Group either online or by phone.
- Q** When is the runout period for 2020 and 2021 money (last day to submit claims)?
- A** The runout date for 2020 expenses is 04/30/2022. The runout date for 2021 expenses is 03/31/2023. Depending on the employee status, account status and account type, will depend on what funds are made available and what that run out date. Those with an HCFSA in 2020 will have their funds carried over, essentially removing a runout date. Those funds within the 2021 carryover account will be used for either: 2021 expenses (as long as the 2021 HCFSA has been depleted) or 2020 runout expenses. Those with DCA within 2020 will have until 04/30/2022.

## **Claims and Convenience Card:**

**Q** What accounts are claims paid from first?

**A** For Health Care FSA, if a claim is dated in 2021, it pulls from the 2021 contributions first and then from the 2020 rollover amount. For 2020 claims still being submitted (deadline is 4/30/2022), this can only pull from 2020 funds, not 2021 funds. Once your 2021 account is depleted, your 2020 rollover is available immediately.

**A** For Dependent Day Care FSA, if a claim is dated in 2021, it pulls from any 2020 funds first, since this is a grace period account, not a rollover account. Then it will pull from available 2021 funds. For claims with dates of service in 2020, this would only come from 2020 account balance if it is available.

- To clarify further, for the 2020 DDCFSA account, this money can be used for dates of service dated 1/1/2020 – 12/31/2021. For the 2021 DDCFSA account, this money can be used for dates of service 1/1/2021 – 12/31/2022.

**Q** Can I prepay for services with my HCFSA and/or DDCFSA?

**A** No, the date of the service must have already happened for you to receive reimbursement from these accounts. If you prepay with a separate account, wait to submit the claim until the service occurs. If you have used your convenience card to prepay for services, your account is subject to being locked until those services are justified or the money is returned to P&A.

**Q** Do you need to provide a receipt for all FSA related expenses for 2020?

**A** Not unless P&A requests it from you.

**Q** Can I order cards for my dependents (spouse and/or child(ren))?

**A** Yes, as long as they are over 18. You can go out to the website and order the cards yourself or you can call P&A.

**Q** If your card is getting ready to expire, do they send you a new one automatically, or do you need to request one.

**A** You will automatically be sent a new card.

**Q** What if I swipe my card at a store or try to use online for something I know is eligible, and the item does not come off of my convenience card?

**A** The items may not be coded correctly at the store or online. You can submit a manual claim. Also, if you call P&A, they will contact the store to try and have the issue resolved.

**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.

### **Health Care FSA specific:**

- Q** For previous funds that were carried over to this year, are we able to use them for this year's doctor's appointments? I did not take out enough this year to cover unexpected doctor's appts.
- A** Yes, any unused Health Care FSA funds from 2020 can be used on eligible medical expenses in 2021.
- Q** If I do not contribute to my FSA for the 2022 plan year and I have rollover funds, can I continue to use any rollover funds in 2022.
- A** Yes, as long as you have a minimum balance of \$25 left at the end of 2021.
- Q** What is the 2022 contributions limit?
- A** We will not know until the IRS releases that information. Sometimes it is released in time for us to incorporate as a change and sometimes it is not released until after open enrollment and we cannot adopt until the following plan year. For now, it is \$2,750.
- Q** In the private sector, we could opt into a Health Savings Account. Money was ours and would accumulate year to year based on our contributions. We could use it later in life if need. This doesn't sound like the same thing. You have to use it or loose it?
- A** In order to have an HSA, you must be enrolled in a high deductible health plan. The State Health Plan is not a high deductible plan and therefore does not qualify for an HSA only an FSA.
- Q** Do Health Care FSA rollover funds ever expire?
- A** No, they do not expire. However, in the future the IRS may change back to limiting the amount that can rollover and you will need to use anything over that amount before the end of the plan year. If this happens it will be noted in the enrollment guide and on our website at [ncflex.org](http://ncflex.org).
- Q** Are vitamins and supplements automatically covered with the HCFSA funds?
- A** No, to purchase these with your HCFSA funds you would need a Letter of Medical Necessity completed by your doctor. Submit the form to P&A for approval. The Letter of Medical Necessity can be found on [ncflex.org](http://ncflex.org) in the FSA section and also at [ncflex.padmin.com](http://ncflex.padmin.com). You can then either submit the receipt for your vitamins/supplements or submit with the LOMN.
- Q** So, on the P&A app, what is the Carryforward amount?

- A** The Carryforward amount shows no more than \$550 because this was the original carryforward limit. This amount is available for all of 2021 and if unused, will roll into 2022 as well. If you had above the \$550, this will still show in your 2020 Health Care FSA line item and is still available to use for 2020 or 2021 expenses, and if not used, will roll into 2022.
- Q** Regarding pre-payments for surgeries, can you use your card to pay for that?
- A** Funds cannot be used until services have been rendered. You cannot pre-pay.
- Q** Will 2019 money that was rolled into 2020 roll into 2021?
- A** After September 30, 2020, any rollover money from 2019 (which was a max at the time of \$500) combined with 2020 left over funds and your carryforward account would have become a 2020 carryforward. Therefore this amount rolled over into 2021 as well.
- Q** So, if we had \$500 in unused funds from 2020 and we payroll deduction to support \$1200 for 2021, will the balance on our spending card be \$1700?
- A** That is correct.
- Q** Please confirm, that an employee set to retire in 2021 will lose any already paid in contributions (deducted from pay) for Health Care FSA that has not been used. But would also not be responsible for paying back any funds used that have not been contributed (deducted from pay) yet?
- A** If the retiree has contributed more than they have used, they can COBRA their FSA account which gives the retiree more time to spend the funds. COBRA is paid on a post-tax basis and includes a 2% fee; it can only be continued through the end of the plan year. If the retiree used more than contributed year to date then the retiree is not responsible for paying back the overage amount.
- Q** How do you find a provider that accepts benefits for Medical Massage specifically?
- A** As long as you have a letter of medical necessity from your provider you can use your funds at any massage provider. If they do not accept your debit card, you can file a claim by uploading a photo of your receipt to the P&A website or app or do a paper claim for reimbursement.

### **Dependent Day Care FSA Specific:**

- Q** Is there a separate card for the dependent FSA?
- A** No, it is the same card used for the Health Care FSA. The type of terminal used when swiping the card determines which account it comes out of. If you swipe the card at a childcare facility and it does not work, reach out to P&A Group.

- Q** Is virtual summer camp eligible for reimbursement?
- A** No, virtual camps are not eligible for reimbursement at this time. If this changes we will notify all participants.
- Q** Can we still submit DDC FSA claims for charges incurred in 2020, or only 2021?
- A** Yes, you can submit claims for 2020 DDCFSA expenses until 4/30/2022. The dates of service for 2020 money must be dated 1/1/2020 – 12/21/2021.
- Q** If my child turns 13 this June, will I no longer be able to use my money from 2020? What happens to that money? Is it lost or could I get it refunded if my son is no longer eligible due to aging out this year?
- A** You will not be able to use the funds after 6/30. Unfortunately, it will be lost unless there is new legislation that extends the age to 14 for children who turn 13 in 2021.
- Q** I completed a camp registration in November 2020 for a camp in August 2021. Can that payment go against my 2020 DDCFSA since it was paid in 2020 or should it go against my 2021 DDCFSA since the camp takes place in 2021?
- A** It will go against your 2020 unused funds first for services provided in 2021 and then 2021 funds. If you use all of your 2020 funds, then it would utilize the 2021 funds.
- Q** Can I redirect Dependent contributions over to Health Care FSA since I can't utilize daycare?
- A** Unfortunately, no you cannot move funds between plans.
- Q** My son was eligible for DCA in 2020, but he is now 13. Can I still use the funds from my 2020 DCA for summer day camp that I was unable to use last summer?
- A** Yes, until he turns age 14.
- Q** If we sign up/pay for summer camp in March, and it starts in June, when is life event?
- A** You can use either. If you use March, the total amount will be spread over more months than if you use June.