NORTH CAROLINA OFFICE OF STATE HUMAN RESOURCES

NCFlex Flexible Spending Accounts

2026

Agenda

1. Flexible Spending Accounts explained
2. Viewing your account
3. Filing claims/submitting documentation
4. FSA Mobile Pay and Scan
5. Account Access and Info

Flexible Spending Accounts

- Set aside pretax dollars to pay for eligible expenses
  - Save 25% - 40% on taxes
- Deductions divided evenly among pay periods remaining once coverage begins
- Convenience card provided
- Outside of card, claims can be filed online, via paper form, or through mobile app – P&A Group
- Reimbursements are made by direct deposit
- **Re-enrollment required each year to continue contributions**

Health Care FSA

- Annual amount - $3,400 for 2027
- $680 rollover even if you do not re-enroll for the next plan year
  - $25 minimum to roll over
  - New year contributions used before rollover funds
- Expenses can be for employee, spouse, dependent children or a qualifying relative
  - **Family members DO NOT have to be on your medical, dental or vision plans**
- Full election available immediately on effective date
- If your spouse contributes to a Health Savings Account (HAS), you cannot contribute to a Health Care FSA (HCFSA)

Health Care FSA

- Eligible expense examples
  - Out-of-pocket medical, dental, and vision expenses (Explanation of Benefits may be required to be submitted) such as deductibles, coinsurance, co-pays, and other items not covered by insurance.
  - Drugs – prescription co-pays, over-the-counter medicines
  - Everyday health products like contact lens solution, bandages, hot and cold packs, sunscreen SPF 15+
- Eligible expenses that require a letter of medical necessity
  - Weight loss programs
  - Vitamins and supplements
  - Massage Therapy
- Ineligible expense examples
  - Insurance premiums, elective cosmetic procedures
- More examples can be found on our website, www.ncflex.org, in the FSA section

Health Care FSA

National Website: FSAStore.com

- Online store that has over 4,000 FSA-eligible products
- Easily identify products that do not require a prescription or letter of medical necessity
- Pay with FSA card
- Free shipping offers and FSAStore coupons
- Tool available to look up eligible items

Also use the convenience card at other online retailers, if accepted.

Health Care FSA

Example of Tax Savings When Using an FSA

Annual Savings Example	With FSA	Without FSA
Annual Income	$50,000	$50,000
Annual Pre-Tax FSA Contribution	- $2,000	- $0
Annual Taxable Income	= $48,000	= $50,000
Annual Tax Withholdings (approximately 30% of the annual taxable income)	$14,400	$15,000
Total Annual Savings (approximately $300 for every $1,000 withheld in the FSA per year)	$600	$0

Dependent Day Care FSA

- $7,500 account maximum for most employees (per household)
- Funds available via convenience card once payroll deducted
    - Same card as HCFSA
- Both parents must work to participate (or be a full-time student or looking for a full-time job)
- **Reimbursement is limited to your available account balance**
- Special rules for separated/divorced employees
- Prior year contributions used FIRST for current year claims, if still within grace period (different from HCFSA)
- Claims for reimbursement can be made for qualifying family members (not only children)
- A grace period applies to this plan – giving you more time to use the funds
- Contact a tax professional with questions related to your specific situation

Dependent Day Care FSA

- Eligible expense examples:
  - Child daycare for children under 13
  - Before/after-school care beginning with kindergarten for children under age 13
  - Payments (instead of regular daycare) to day camps, but not overnight camps
  - Day Care expenses for a qualifying child of any age, spouse, or other dependent, who is physically or mentally incapable of caring for himself or herself (guide has additional details)

- Ineligible expense examples:
  - Kindergarten tuition expenses
  - Overnight camps or virtual camps

Dependent Day Care FSA

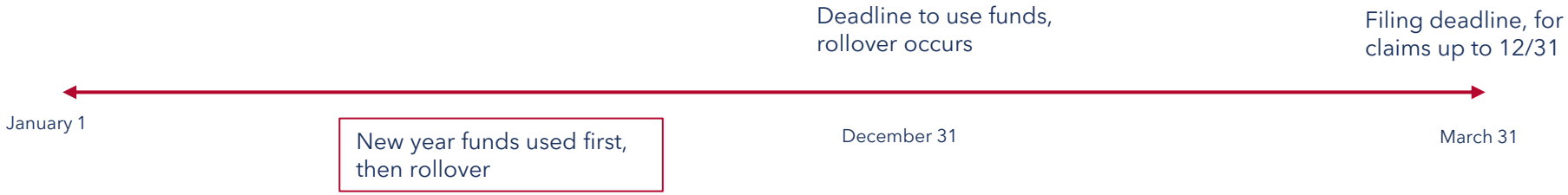
Example of Tax Savings When Using a DDCFSA

Without DDCFSA		With DDCFSA	
Gross Annual Pay	$50,000	Gross Annual Pay	$50,000
Tax Rate (30%)	-$15,000	Annual Dependent Care FSA Contribution	- $7,500
Net Annual Pay	= $35,000	Adjusted Gross Pay	= $42,500
Annual Dependent Care Expenses	- $7,500	Tax Rate (30%)	- $12,750
Final Take-Home Pay	= $27,500	**Final Take-Home Pay**	= $29,750
Take home this much more when a DDCFSA is used			$2,250

FSA Comparison Recap

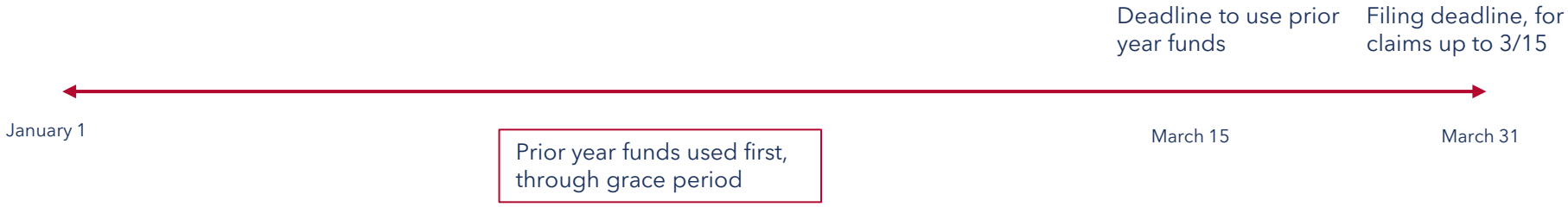
Health Care FSA

- $3,400 **per person** all available on start date, $680 rollover applies



Dependent Day Care FSA

- $7,500 per family available after payroll deduction, grace period applies



NCFlex Convenience Card

- You can use the card to pay for eligible DDCFSA expenses and eligible HCFSA expenses – save documentation
- Cards issued at no cost to participants
  - Cards are good for 3 years from date of issue (date on card)
  - P&A will automatically re-order

- No additional charge for dependent or replacement cards
- If an eligible item does not work with your card, submit a manual claim to P&A group

FSA – General Reminders

- You cannot pre-pay for services
- You **cannot** use current year contributions for prior year expenses

  - **Your account will be frozen if this occurs**

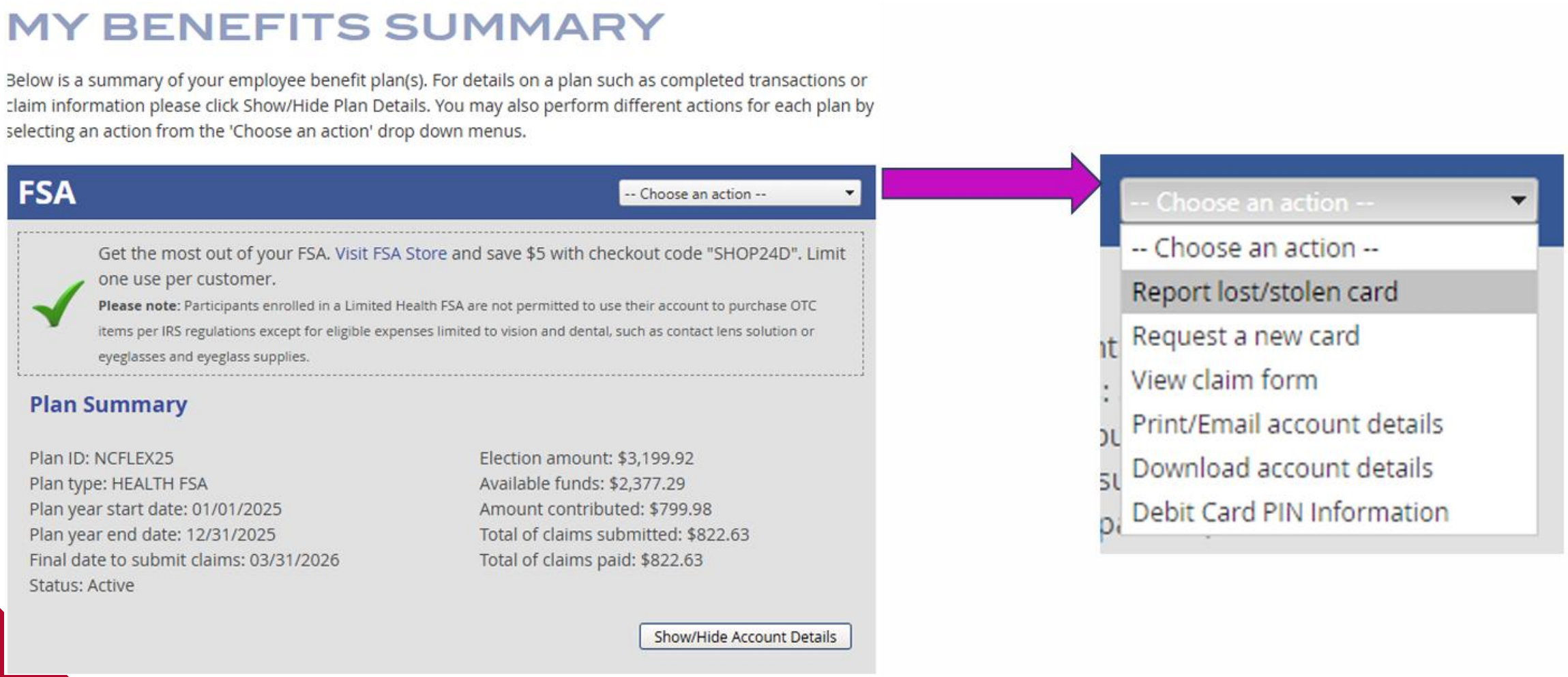
- Changes can only be made to these plans in the middle of the year with a valid life event

  - Marriage, birth, adoption, death of a dependent, divorce, loss of other coverage, day care change such as stop, start, change in costs

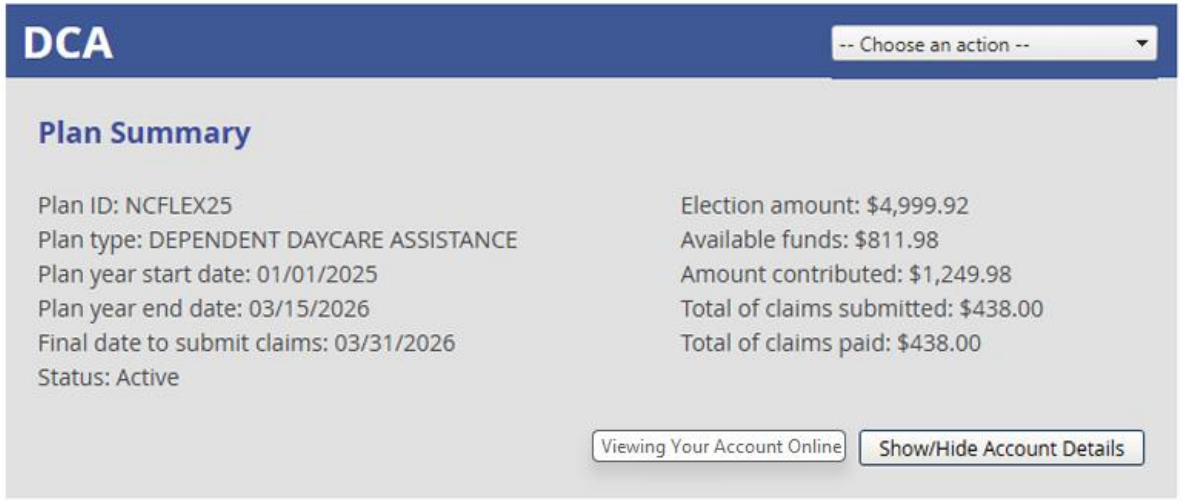
FSAs – Continuation after Employment

- DDCFSA : If you leave employment (retire, separate, etc.) you cannot continue the DDCFSA, but can use funds you have contributed for expenses incurred up through the end of the plan year.
- HCFSA: If you leave employment:
  - Any money used above what you put in does not have to be paid back
  - Any money not used from what you put in is lost unless you COBRA the plan
  - COBRA is a continuation of benefits after separation, paid to the vendor
    - Can go through the end of the plan year and includes a 2% fee
- If you are retiring January 1st, choose COBRA if you have rollover, no more money is owed, and you can use your rollover for up to 18 months.

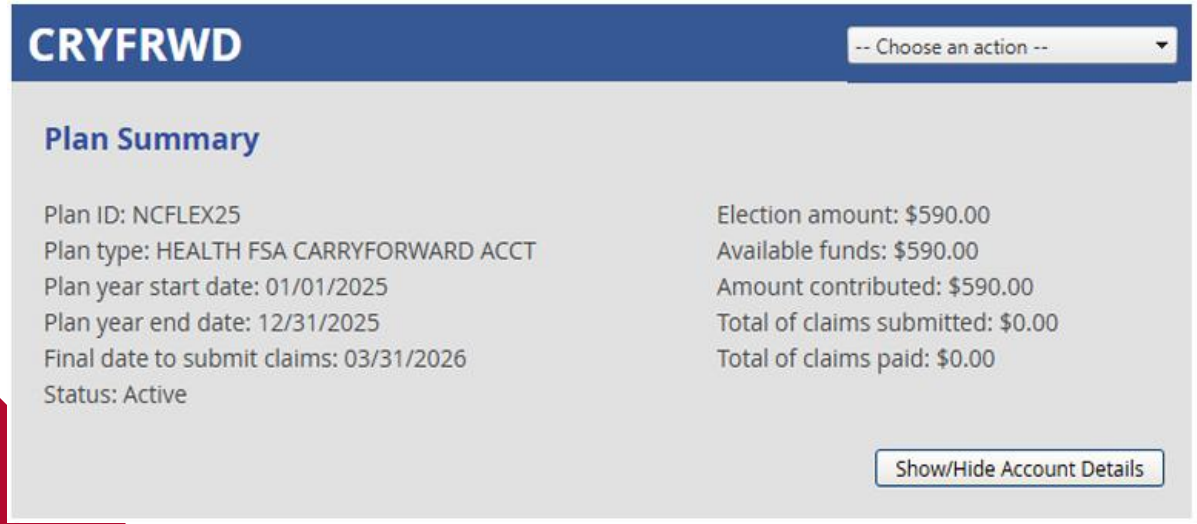
Viewing Your Account Online



Viewing Your Account Online

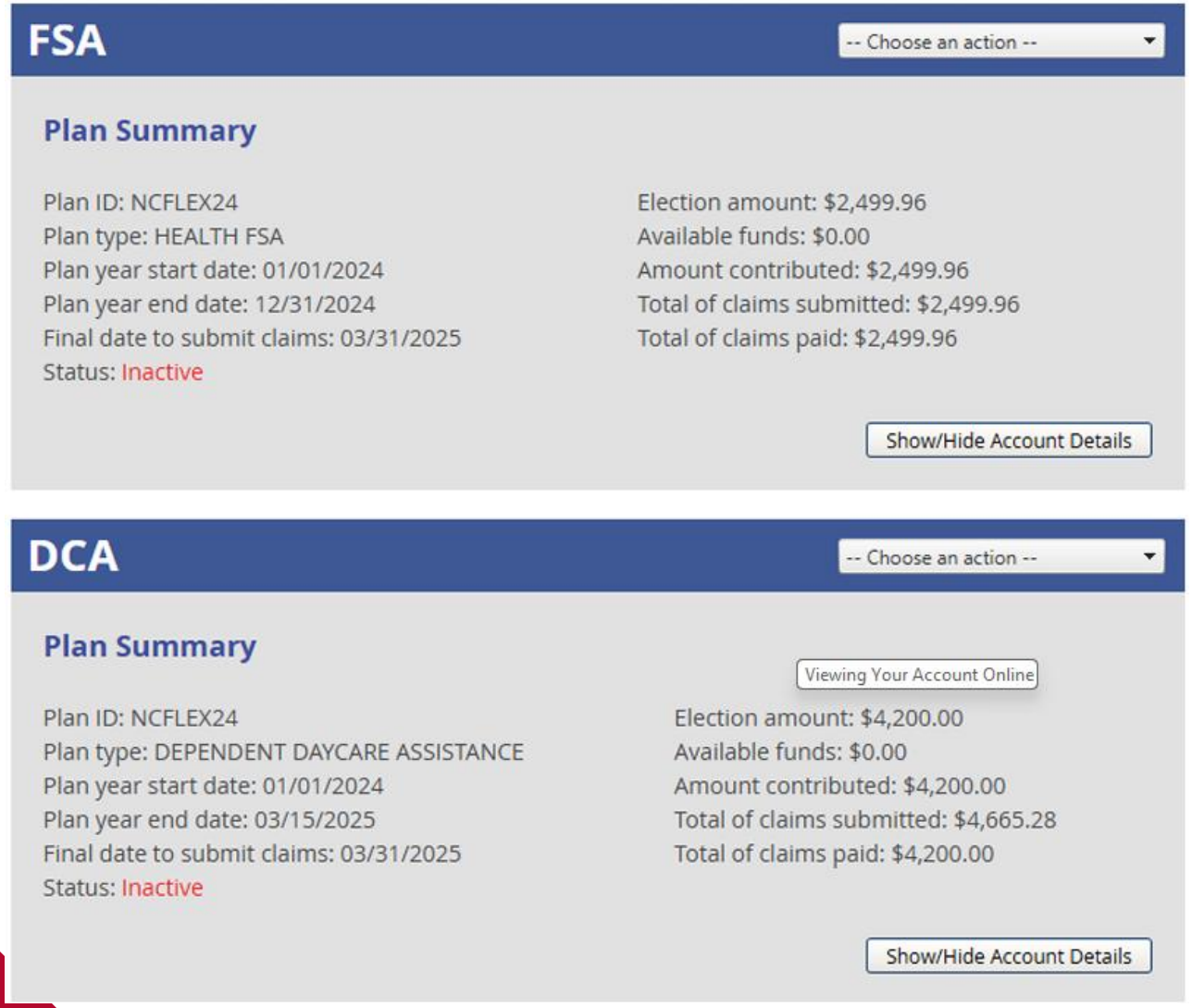


If you have a DDCFSA account, you will also have a "DCA" box.



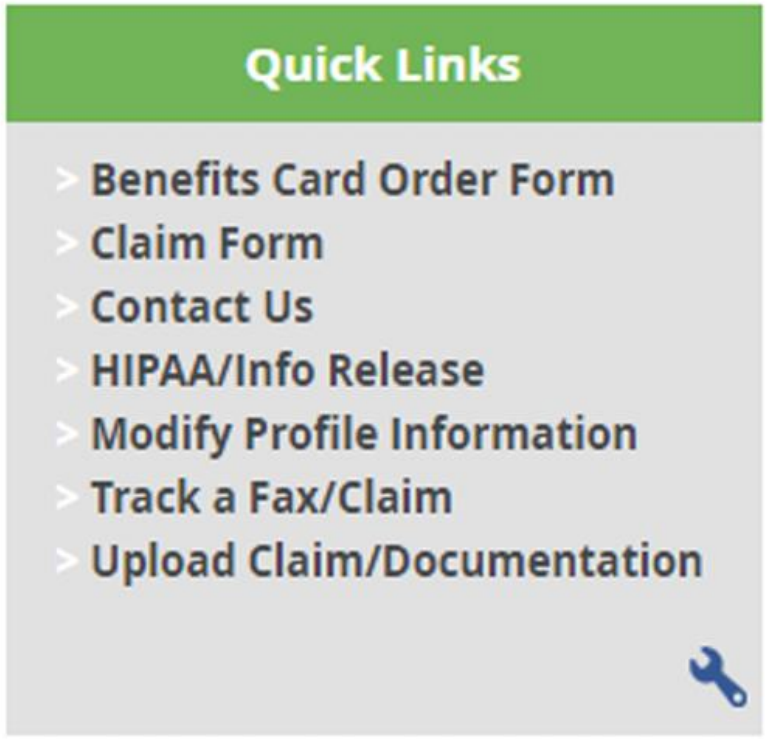
If you had a carry forward from your prior year plan, you will have a "CRYFRWD" box.

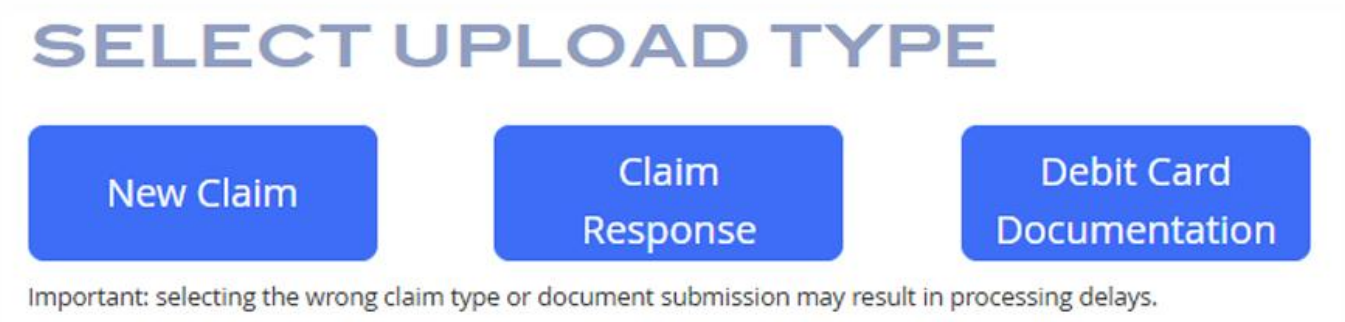
Viewing Your Account Online



Prior year accounts will show "Inactive" after the final date to submit claims – March 31.

Viewing Your Account Online





Submitting Claims

- File a paper form by fax or mail
- Online from a computer or mobile device at ncflex.padmin.com
- You can submit via mobile app – search P&A Group in Google Play or App Store
- Have copy of receipt or invoice, dates of service or purchase, amount of claim, and Tax ID if DDCFSA claim
- If using the convenience card, no documentation is required unless requested by P&A Group
    - You will be contacted 3 times and have approximately 45 days to submit

P&A FSA Mobile Pay and Scan

- Allows payment for eligible FSA expenses digitally, through your mobile devices
- How Mobile Pay works
  - Open your digital wallet (Apple Pay, Google Pay, or Samsung Pay)
  - Enter your Convenience Card details
  - Accept the Terms and Conditions
  - Complete the authentication process, as prompted
  - Begin using your digital wallet to pay for eligible expenses
- Informational Flyer available at NCFlex.org

P&A Account Access and Info

- ncflex.padmin.com or P&A Group mobile app
  - View your account, order new card or card for dependents over 18
  - Upload claims or supporting documentation
- 1-866-916-3475
  - Contact P&A Group directly
  - Order new card or card for dependents over 18
  - General inquiries or reset password for account online
- FSA section of ncflex.org
  - Claim form and how to submit claims
  - Eligible items list for HCFSA
  - Letter of medical necessity

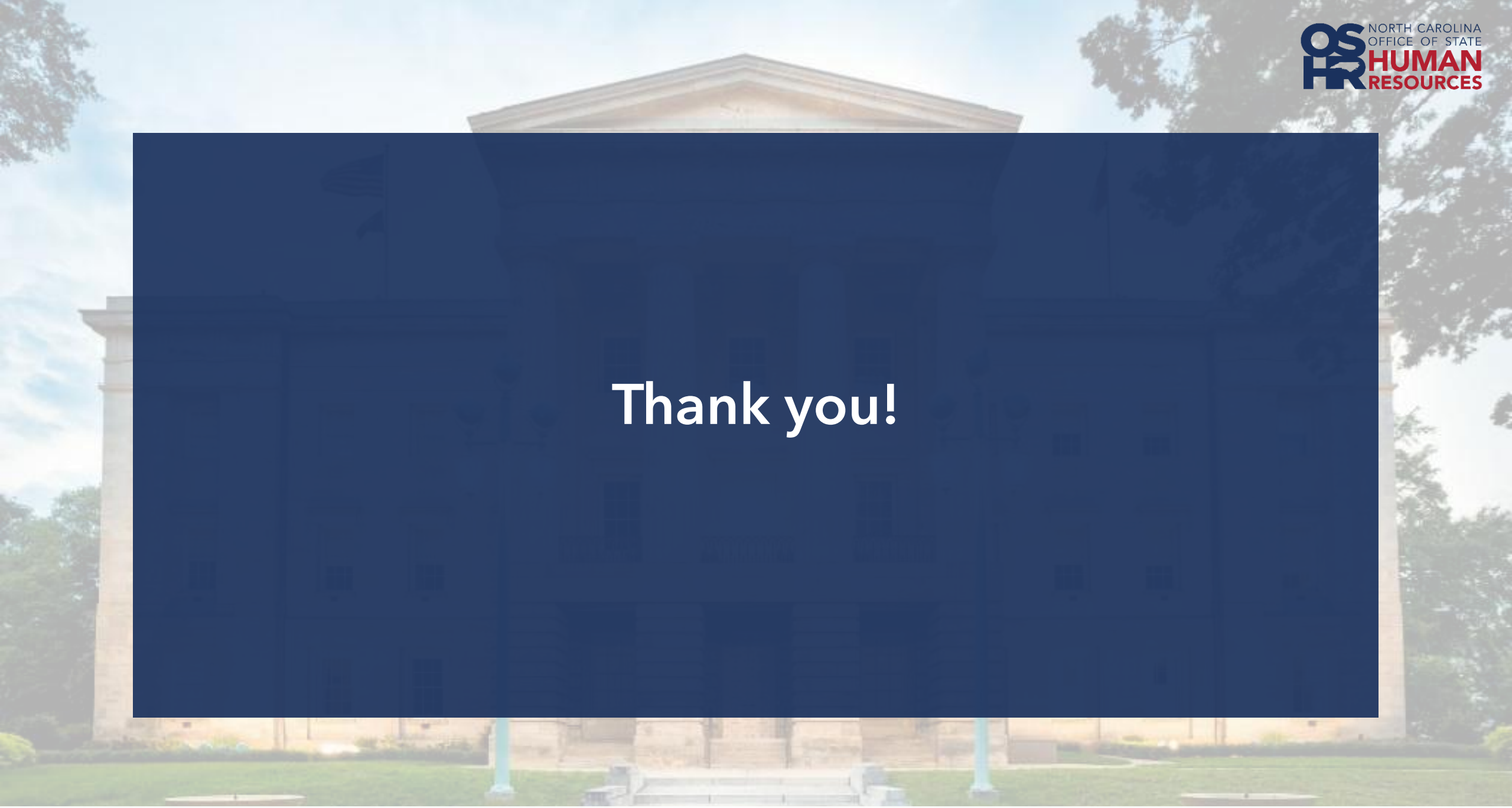
Wrap Up

Have questions for NCFlex?

- Reach out to us on our website, at the bottom of most pages there is an option to connect.
- Email us directly at ncflex.nc.gov

A recording of this presentation will be made available by the end of the week.

- https://oshr.nc.gov/ncflex-webinars



Thank you!