



## Debit Card FAQ's

### **Getting started:**

#### **How do I get a Cafeteria Plan debit card?**

Fill out an application for the debit card and submit it to The Cafeteria Plan Company. You may also order a card for your spouse or dependent. You will receive the card in the mail.

#### **I already have a card, but it's a new plan year. Do I throw my old card out?**

No. Even if the balance on your old card is depleted, that same card will be reactivated with your new balance on the new plan year. As long as your card account remains in good standing, a new card will be mailed to you after your current card's expiration date, and no action is required by you.

#### **I have a card, but want an additional card for my spouse or dependent. What should I do?**

Fill out the application and submit it with your election form. Include the information for your spouse or dependent.

#### **Is the card mandatory?**

No. In fact, if you had a card this year, and don't want to continue, or if you'd prefer to submit paper claims, inform your plan administrator.

#### **What if my card is lost or stolen?**

You should contact The Cafeteria Plan Company to deactivate the old card and get a new card. There is a charge for the issuance of the new card.

#### **How do I activate the card?**

Upon receipt of the card, you will receive instructions on activating the card online or via telephone.

### **Purchases:**

#### **Is this just like any other MasterCard debit card?**

No. This card uses funds from your Health FSA account. It is treated like a credit card at the merchant or provider terminal because it does not require a PIN number before approving a transaction. It is also linked to Merchant Category Codes, and can only be used at qualified merchants. These merchants are those that provide health care products or services, and their Visa/MasterCard terminals must be coded as such in order for the card to be accepted.

#### **What can I purchase with the Cafeteria Plan debit card?**

The card should only be used for eligible health expenses as outlined in the IRS Publications 502 and 503. (There is a list of eligible expenses at [www.myrsc.com](http://www.myrsc.com).) Some examples include co-pays, prescriptions, and dental or vision related expenses.

#### **How does the card work?**

Just swipe your card to pay for your purchase at a qualified merchant or provider. Funds for eligible expenses will be transferred directly to the provider or merchant from your Health FSA account through the MasterCard network.

#### **Can I throw my receipts away?**

No. Remember to save all your receipts as you may be required to document eligibility of an expense. You may also need to show your receipts and documentation if you are ever audited by the IRS. The IRS has the ability to audit both you and your employer for up to the previous 5 years.

#### **What swipes substantiate OR CLEAR automatically?**

The IRS allows auto substantiation of the following:

- Co-payments that match your health plan
- Over the counter products (not medicines) provided by an IIAS merchant that have an electronic inventory number
- Repeat transactions



### **What is IIAS?**

The Inventory Information Approval System is a nationwide database of vendors that provide IRS compliant over the counter products. The vast majority of vendors you use are already on this system, but small “mom and pop” providers may not be participating, and the IRS does not allow for cards to be accepted at non-IIAS compliant merchants. You can view a current list of merchants at [www.sig-is.org](http://www.sig-is.org). This list is updated daily, and also accepts applications for vendors to become compliant.

### **What’s a repeat transaction?**

If you have sent in documentation once on a transaction, and repeat the exact amount and vendor, you don’t need to send in documentation again. Some examples would include orthodontic payments, chiropractic care, and non-copay therapy. Notify your administrator by email if you receive a reminder for a repeat transaction.

### **Why do I need to send in more documentation? My swipe was obviously medical (i.e. dentist, eyeglass vendor).**

Dental, vision, and some other transactions don’t have a set copay, and also don’t register electronic inventory items. They also provide non-eligible services like teeth whitening, bleaching supplies, and non-prescription sunglasses. So, your plan administrator needs a statement of services to know if an expense is eligible. Collecting this documentation insures the plan is compliant and protects you and your employer should either of you are ever audited.

### **What kind of vendors take this debit card?**

Every MasterCard or Visa terminal is coded with a specific MCC (Merchant Category Code). The IRS only allows FSA debit cards to be used at merchants with related MCC’s. A swipe will decline if your vendor has a non-medical MCC. For example, some mail-order medication vendors use an MCC for direct marketing, or a University hospital or clinic may use the MCC for Universities. You will have to send in manual claims for non-medical vendors.

### **Will my transaction be denied if I don’t have enough money in my account to cover the expense?**

Yes, the entire transaction will be denied if the charge is for an amount that is greater than the balance in your account. Some terminals can make a partial payment, but this varies by vendor.

### **What if my provider doesn’t take MasterCard?**

You can still use your FSA account by paying for the service and submitting a paper claim for reimbursement to The Cafeteria Plan Company.

### **How much can I charge on my card?**

You will be able to access your full annual election on the first day of the plan year. There is a daily purchase limit of 2000.00.

### **What about doctor or hospital visits that don’t match a copay?**

Your swipe will be accepted, but you will need to send in additional documentation, as even hospitals provide non-eligible services like cosmetic surgery. The documentation also will prove that the date of service occurred in the proper plan year.

### **What happens if I use my card for an ineligible expense?**

If you purchase ineligible items, you are required to send a reimbursement to your employer. You may also offset the claim in question by submitting a manual claim for a different eligible item.

### **What happens if I don’t resolve the ineligible expense or don’t send a reimbursement check for the amount of the ineligible expense?**

You will be held accountable should the IRS audit your taxes. Your card will be deactivated and your account will be frozen until that time when either the reimbursement is received or the amount of eligible claims received is sufficient to cover the overpayment.