

# Important Information About The FSA Benny Master® Card

CSU The California State University



## FREQUENTLY ASKED QUESTIONS

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### *General Questions on the Benny® Card*

#### **1. What is the Benny Card?**

The Benny Card is a special-purpose MasterCard® that gives participants an easy, automatic way to pay for eligible health care/benefit expenses under the Health Care Reimbursement Account (HCRA) Plan. The Card lets HCRA participants electronically access the pre-tax amounts set aside in their Health Care Reimbursement Account (HCRA). Please note: the Benny Card is not applicable to Dependent Care Reimbursement Account (DCRA) Plan participants.

#### **2. How does the Benny Card work?**

It works like a MasterCard® Card or Visa® Card, with the value of the participant's account(s) contribution stored on it. When participants have eligible expenses at a healthcare provider, pharmacy or retailer (for example) that accepts MasterCard debit cards, they simply use their Card. The amount of the eligible purchases will be deducted – automatically – from their account and the pre-tax dollars will be electronically transferred to the provider/merchant for immediate payment.

#### **3. How does the Benny Card change how the participant is reimbursed for expenses?**

Before the Benny Card became available, participants had to pay for their eligible expenses at the time of purchase, submit claim forms along with all receipts, and then wait for the reimbursement to be processed. Checks were issued and mailed to the participants, who then cashed the checks. In essence, participants “paid twice” – through payroll deduction and then at the point of sale – then they had to wait for reimbursement.

However, with the Benny Card, participants simply swipe their Cards and the funds are automatically deducted from their respective benefit account(s) for payment. The Card eliminates most out-of-pocket cash outlays and paperwork, as well as the need to wait for reimbursement checks.

#### **4. Is the Benny Card just like other MasterCard® Cards or Visa® Cards?**

No. The Benny Card is a special-purpose MasterCard Card that can be used only for eligible health care/benefits expenses. It cannot be used, for instance, at gas stations or restaurants. There are no monthly bills and no interest.

#### **5. How many Benny Cards will the participant receive?**

The participant will receive two Cards. If CSU participants would like additional Cards for other family members, they should contact ASIFlex.

#### **6. Will participants receive a new Benny Card each year?**

No, participants will not receive a new Card each year. If the participant will again enroll in HCRA for the following plan year – and he/she used the Card in the current benefit year – the participant will simply keep using the same Card the following year. The Card will be loaded with the new annual election amount at the start of each plan year or incrementally with each pay period, based on the type of account(s) the participant has.

**7. What if the Benny Card is lost or stolen?**

Participants should call ASIFlex to report a Card lost or stolen as soon as they realize it is missing, so the Administrator can turn off their current Card(s) and issue replacement Card(s). There is a \$5.00 fee for each replacement card.

**8. Is there a fee associated with the Benny Card?**

Yes, there is an administrative fee of \$1.00 per month that will be deducted directly from the initial HCRA contribution that is applied to your HCRA account by ASIFlex as a non-refundable, one-time, lump sum amount (i.e., \$12.00 if your enrollment begins in January, and the amount is prorated if enrollment begins after January). Therefore, your annual HCRA election amount will be reduced by an amount equal to or less than \$12.00.

*You can adjust your annual HCRA election amount to include the debit-card fee and thereby obtain a higher HCRA benefit as long as you do not exceed the maximum election allowed under the Plan. Please note: Effective with the 2013 plan year, the annual HCRA maximum is \$2,500 due to Health Care Reform. As a result, your maximum monthly HCRA pre-tax deduction amount cannot exceed \$208.33 if you enroll during annual open enrollment for the maximum amount.*

Please note: The lump sum administrative fee is calculated based on the month that you are enrolled in the HCRA Plan during the Plan Year. If you exhaust your HCRA election prior to the end of the Plan Year, the administrative fee applied to your HCRA account for the Benny Card will not be adjusted.

**9. What if I want to cancel the Benny Card?**

Once the Benny Card is issued on your behalf, your enrollment in the Benny Card will continue from Plan Year to Plan Year, unless you decide to cancel your participation prior to the beginning of the next Plan Year. Your cancellation request must be submitted to ASIFlex in writing by December 15<sup>th</sup> of any Plan Year.

***Getting Started and Activating Your Card***

**1. How soon can I receive the Benny Card?**

If you submit a completed FSA Debit Card Request form to ASIFlex during Open Enrollment or by December of any Plan Year, you will receive the card by mid-January. Requests for the Benny Card received after this timeframe will be issued within 10-15 days of the receipt of the form.

**2. How do participants activate the Card?**

Participants should call the toll-free number on the activation sticker on the front of the Card or visit the web site on the back of the Card.

Participants can use both Cards once the first Card is activated – they do not need to activate both. They should wait one (1) business day after activation to use their Cards.

**3. What dollar amount is on the Benny Card when it is activated?**

For Health Care FSAs, the dollar value on the Card will be the annual amount that participants elected to contribute to their respective employee benefit account(s) during their annual benefits enrollment. It's from that total dollar amount that eligible expenses will be deducted as participants use their Cards or submit manual claims.

***Using the Card***

**1. Where may participants use the Benny Card?**

IRS regulations allow participants to use their Benny Cards at participating pharmacies, mail-order pharmacies, discount stores, department stores, and supermarkets that can identify FSA-eligible items

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at checkout and accept MasterCard® prepaid cards. Eligible expenses are deducted from the account balance at the point of sale. Transactions are fully substantiated, and in most cases, no paper follow-up is needed. Participants can find out which merchants are participating by visiting the web site on the back of the Card or consulting ASIFlex.

Some plan designs may also allow participants to use their Cards at pharmacies that have certified that 90% of the merchandise they sell is HCRA-eligible. However, since these pharmacies cannot identify the eligible items at the point of sale, another form of auto substantiation or paper follow-up will be required.

Participants may also use the Card to pay a hospital, doctor, dentist, or vision provider that accepts MasterCard®. In this case, ASIFlex uses its auto-substantiation technology to electronically verify the transaction's eligibility according to IRS rules. If the transaction cannot be auto substantiated, paper follow-up will be required.

### **2. Are there places the Benny Card won't be accepted?**

Yes. The Card will not be accepted at locations that do not offer the eligible goods and services, such as hardware stores, restaurants, bookstores, gas stations and home improvement stores.

Cards will not be accepted at pharmacies, mail-order pharmacies, discount stores, department stores, and supermarkets that **cannot** identify HCRA-eligible items at checkout. Consequently, the Card transaction will be declined, and another form of payment will be requested. Participants can find out which merchants are participating by visiting the web site on the back of the Card or consulting ASIFlex.

### **3. If asked, should participants select "Debit" or "Credit"?**

Your Benny Card is actually a prepaid card. But, since there is no "prepaid" selection available, participants should select "Credit." Participants do not need PIN and cannot get cash with the Benny Card.

### **4. How does the Card work in participating pharmacies, discount stores, department stores, and supermarkets?**

- a. Bring prescriptions, vision products, eligible OTCs and other purchases to the register at checkout to let the clerk ring them up. (Please note: The list of eligible OTC items changed per the Patient Protection and Affordable Care Act of 2010. Contact ASIFlex for more information.)
- b. Present the Card and swipe it for payment.
- c. If the Card swipe transaction is approved (e.g., there are sufficient funds in the account and at least some of the products are HCRA-eligible), the amount of the HCRA-eligible purchases is deducted from the account balance and no receipt follow up is required. The clerk will then ask for another form of payment for the non-HCRA-eligible items.
- d. If the Card swipe transaction is declined, the clerk will ask for another form of payment for the total amount of the purchase.
- e. The receipt will identify the HCRA-eligible items and may also show a subtotal of the HCRA-eligible purchases.
- f. In most cases, the participant will not receive requests for receipts for HCRA-eligible purchases made at participating pharmacies, discount stores, department stores, or supermarkets.

### **5. Why do participants need to save all of their itemized receipts?**

Participants and their other eligible users should always save itemized receipts for HCRA-related purchases made with the Benny Card. They may be asked to submit receipts to verify that their expenses comply with IRS guidelines, or the participant may be asked to submit specific documentation in the case of an audit by the IRS. Each receipt must show: the merchant or provider name, the service received or the item purchased the date and the amount of the purchase. The IRS

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requires that every card transaction must be substantiated. This can occur through automated processing as outlined by the IRS (e.g. copay matching, etc.). If the automated processing is unable to substantiate a transaction, the IRS requires that itemized receipts must be submitted in order to validate expense eligibility.

### **6. How long do participants need to save their itemized receipts?**

To determine the length of time that you should keep a record of HCRA receipts, please refer to the IRS' Period of Limitations table in IRS Publication 552 located online at:  
<http://www.irs.gov/publications/p552/index.html>.

### **7. What if participants lose their receipts or accidentally swipe the Card for something that's not eligible?**

Usually the service provider can recreate an account history and provide a replacement receipt. In the event that a receipt cannot be located, recreated, or if the expense is ineligible for reimbursement, the participant can send a check or money order to ASIFlex for the amount so it can be credited back to the participant's HCRA account. Failure to repay these funds will result in the amount being considered as taxable income on the participant's W-2 form.

### **8. May participants use the Benny Card for prescriptions ordered prior to activating the Card?**

No. The Card must be activated prior to the order and/or purchase date of prescriptions. In some cases, participants need to wait one (1) business day after activating the Card to purchase prescriptions at their pharmacy. For example, if the Card is activated on Tuesday, a prescription can be ordered and picked up on Wednesday.

### **9. May participants use the Benny Card if they receive a statement with a Patient Due Balance for a medical service?**

Yes. As long as they have money in their account for the balance due, the services were incurred during the current plan year, and the provider accepts MasterCard® debit cards, participants can simply write the Card number on their statement and send it back to the provider.

### **10. Sometimes the participant is asked for the CVC when paying the balance due or when placing an order by phone or online. What is this and where is it found?**

CVC stands for "Card Verification Code." It is a 3-digit number that can be found on the back of the card to the right of the signature panel.

### **11. How do participants know how much is in their account?**

They can visit their personal Account Summary page at [www.my.asiflex.com](http://www.my.asiflex.com). Or, they can call ASIFlex at the phone number on the back of the Card to obtain their current balance. Participants should always know their account balance before making a purchase with the Card.

### **12. What if participants have an expense that is more than the amount left in their account?**

By checking their account balance often – either online or by calling ASIFlex at the phone number shown on the back of the Card – participants will have a good idea of how much is available. When incurring an expense that is greater than the amount remaining in their account, participants may be able to split the cost at the register. (Check with the merchant.) For example, participants may tell the clerk to use the Benny Card for the exact amount left in the account, and then pay the remaining balance separately. Alternatively, participants may pay by another means and submit the eligible transaction manually via a claim form with the appropriate documentation to ASIFlex.

### **13. What are some reasons that the Benny Card might not work at point of sale?**

The most common reasons why a Card may be declined at the point of sale are:

- a. The Card has not been activated.

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- b. The Card has been used before the one (1) business day activation period is over.
- c. The participant has insufficient funds in his or her employee benefit account to cover the expense.
- d. Non-eligible expenses have been included at the point-of-sale. (Retry the transaction with the eligible expense only.)
- e. The merchant is encountering problems (e.g. coding or swipe box issues).
- f. The pharmacy, discount store, department store, or supermarket cannot identify HCRA-eligible items at checkout according to IRS rules.

### **14. Is the participant responsible for charges on lost or stolen Benny Cards?**

If ASIFlex and the issuing bank are notified within two (2) business days, the participant will not be responsible for any charges. If the notification is after two (2) business days, the participant may be responsible for the first \$50 or more. Replacement Cards may be purchased.

### **15. Whom do participants call if they have questions about the Benny Card?**

Call ASIFlex at the phone number shown on the back of the Card.

### **16. How will a participant know to submit receipts to verify a charge?**

The participant will receive a letter or notification from ASIFlex if there is a need to submit a receipt. All receipts should be saved per the IRS regulations.

### **17. What if a participant fails to submit receipts to verify a charge?**

If receipts are not submitted as requested to verify a charge made with Benny Card, then the Card may be suspended until receipts are received. The participant may be required to repay the amount charged. ASIFlex will advise the participant that the Card has been suspended, if a receipt is not received. Submitting a receipt or repaying the amount in question will allow the Card to become active again. If the participant fails to repay the amount in question, it will be reported by CSU as taxable income on the employee's W-2 form.

### **18. What happens if I have HCRA funds left on my Benny Card when the Plan Year ends on December 31<sup>st</sup>?**

*Beginning in 2013, your remaining HCRA balance from the prior Plan year will remain on your FSA Benny Card for a limited period.* If funds remain in your HCRA account after December 31<sup>st</sup>, then you can still use the Debit Card to pay for eligible HCRA expenses incurred during the 2 ½ month grace period claims extension period (January 1 through March 15) of the following plan year. If you re-enroll in the HCRA plan, card transactions during the grace period will exhaust prior year funds first before deducting from your new election.