

Frequently Answered Questions

Flexible Spending Accounts

What is a Flexible Spending Account (FSA)?

A valuable employee benefit that allows you to have pre-tax dollars withheld from your paycheck to pay for eligible health care or dependent care expenses. It covers not just your medical expenses, but also the expenses of your spouse and tax dependents. Depending on your tax bracket, you may save up to 30% or more in taxes.

What types of FSAs does WMATA offer?

Healthcare FSA is available to Non-Reps, Local 2, Transit Officers and Officials, Special Police Officers and Local 689 employees.

Dependent Care FSA is available for Non-Reps, Local 2, Transit Officers and Officials, Special Policy Officers, Local 689 and Local 922 employees.

WMATA does **NOT** offer Health Savings Accounts (HSA) or Health Reimbursement Arrangements (HRA).

What is the difference between Healthcare and Dependent?

A Health Care FSA can cover medical, dental or vision expenses that you would otherwise pay for out of pocket for you and your covered dependents. Common qualified expenses that a health care FSA will usually cover include the deductible, coinsurance or copayment amounts for your health plan, eyeglasses or contact lenses, dental work and orthodontia, medical equipment, hearing aids and chiropractic care. Many over the counter drugs, such as cold and allergy medicines, pain relievers and antacids, can also be reimbursed through an FSA.

A Dependent Care FSA covers employment-related expenses for childcare. Qualified expenses must be for services that allow for you to be able to go to work. Typical expenses under this account include charges for day care, nursery school and elder care (though not if it is for medical care) for your legal tax dependents.

To see eligible expenses for both plans, go to Health Equity/Wageworks' website <https://www.wageworks.com/employees/support-center/support-and-faq/forms-eligible-expenses/>

What are the benefits of a Flexible Spending Account?

Your biggest advantage is the tax savings. Every dollar you set aside in your account reduces how much you pay in income taxes. Plus, you can be reimbursed for qualified expenses that you are already paying for!

How does a Flexible Spending Account work?

- Funding. You will contribute a pre-determined amount to your account via your weekly or bi-weekly paycheck based on your new hire or Open Enrollment annual election.
- Accessing Funds. When you have an eligible health care expense, pay for them with your debit card, or pay out-of-pocket and request reimbursement online. Remember to always keep your receipts.
- Requesting Reimbursement/Substantiating Purchases. It's quick and easy to request reimbursement for eligible expenses paid using personal funds, or to submit documentation for card purchases.
 - Mobile App Upload – Take a photo with your phone's camera and the image is submitted in seconds. Wageworks' mobile app – EZ Receipts
 - Online Upload – Log in to your online account, then browse and upload scanned images directly to your claim. No need for faxing or mailing, and the image is saved with your claim as a record of submission.

Please remember that credit card receipts, non-itemized cash register receipts and cancelled checks are not acceptable forms of documentation.

- Claims Processing. Health Equity/Wageworks will promptly process your request and reimburse you either by check or direct deposit if you sign up for that feature. Please note that you will receive your money sooner if you use direct deposit.
- Account Management. Log in to your online account regularly to check your account balance and access health education tools.

Who are eligible dependents?

Dependents must be either your spouse or someone you can claim as an exemption for federal income tax purposes.

To be covered through your Dependent Care FSA, the individual must meet one of the following criteria:

- Your dependent under age 13 for whom you would be entitled to a deduction under IRS Code 151(c);
- Your dependent who is physically or mentally incapable of caring for him or herself; or,
- Your spouse who is physically or mentally incapable or caring for him or herself.

How do I enroll?

Non-Reps, Local 2, SPO – via Benefits Portal – www.mywmatabenefits.com

Local 689 and 922 – via Health Equity/Wageworks website – www.wageworks.com

NOTE: You can only enroll during your New Hire Orientation (as a new employee) or during Open Enrollment. You must enroll **EVERY** year for the upcoming plan year. FSA elections will **NOT** rollover into the upcoming year – you **MUST** enroll each year.

How much can I contribute to my FSA?

Health FSA contributions are limited by the IRS to \$2,750 each year. The limit is per person; each spouse in the household may contribute up to the limit.

Dependent Care FSAs, you may contribute up to \$5,000 per year if you are married and filing a joint return, or if you are a single parent. If you are married and filing separately, you may contribute up to \$2,500 per year per parent.

Each year, the contributions limits may change based on Internal Revenue guidance.

How is my FSA funded?

Healthcare FSA - Once you make your annual election during open enrollment, your employer will fully fund your account at the beginning of the plan year with your total election amount. Your employer will then deduct the election amount from your paychecks in equal amounts throughout the year.

Dependent Care FSA – Your account is fully funded by the employee, WMATA does not fund this account. WMATA will deduct the election amount from your paycheck in equal amount throughout the year. You will only have reimbursement access to the amount in your account.

How do I have access to my FSA funds?

You will receive a debit card to access your Healthcare FSA (Dependent care funds are **NOT** accessed via the debit card). You can also pay for eligible expenses with any other form of payment and request reimbursement from your account.

Account Balance and Claims Status information is available three ways:

- Use the mobile app, EZ Receipts (Wageworks mobile app), or log on to the online account (www.wageworks) at any time for balance information. Your mobile and online accounts are secure and updated in real time.
- Call the Customer Service line (877.924.3967) at any time for automated balance information. Customer Service representatives are available to assist you via phone or email.

Can I make changes to my annual election amount outside of Open Enrollment or 30 days after new hire orientation?

Your election is irrevocable for the plan year unless you have a change in status or other qualified event as defined in the IRS Regulations and your plan permits such

qualified changes. Request for qualifying event changes must be submitted within 30 days of the event. These are some of the qualifying events:

- Legal marital status change – marriage, divorce, death of spouse, or legal separation
- Change in number of dependents – birth, adoption, death of a dependent or change in custody of a dependent
- Employment – change in employment status of employee, spouse or dependent to include termination, switching from part-time to full time or vice versa, return from an unpaid leave of absence
- Residence – change in the residence of employee, spouse or dependent that changes the service area in which you are located
- Dependent eligibility – situations where a dependent satisfies or ceases to satisfy the rules for eligible dependents due to the attainment of age, student status, or similar circumstances as provided in the plan
- Annual election changes for changes in cost of coverage

My dependent will become 13 prior to the end of the plan year, can I use the remaining Dependent care funds through the end of the plan year?

No. You are no longer eligible to be reimbursed for care for a child as of age 13, unless they are physically or mentally incapable of caring for themselves. Having a child attain age 13 is a qualifying event and a reason to terminate your participation in the plan.

You should reach out to the Benefits Office to terminate your contributions.

What happens if I use the account for a non-eligible expense?

If you file a manual request for reimbursement of a non-eligible expense, the request will be denied. If you used the debit card and the expense is deemed ineligible after the expense is already paid, you will be required to reimburse your account for that transaction. If you fail to reimburse the account, you may be required to pay income taxes.

Can I transfer funds from my Healthcare FSA to my Dependent care FSA or vice versa?

No, this is not allowed.

Can I use both the Dependent Care FSA and the Dependent Tax Credit?

No. You can only use one or the other. You should refer to your tax advisor to see which provide your family with the most tax advantage.

Why is my debit card not working?

The IRS mandates that all debit card transactions be verified, and the card be suspended, if there are transactions for nonqualified expenses. You have 90 days to provide documentation or reimburse your account.

If your debit card is declined, you can still complete the purchase by paying out of pocket and submitting a claim online for reimbursement.

Call Health Equity/Wageworks Customer Service at 877.924.3967 for assistance.

What happens if I do not claim all the funds in my account?

Funds must be used by the December 31st of the current plan year. WMATA does allow a \$500 carryover of unused funds from one year to the next (Healthcare FSA only). Any funds over \$500 not used by the end of the plan year will be forfeited.

How long do I have to request reimbursement of funds spent?

For both accounts, you have until March 31st of each year to submit any reimbursement request of expenses paid for out of pocket for the prior year (runout period). If this deadline is NOT met, any remaining funds in your account over \$500 will be forfeited.

Does WMATA offer a grace period?

Currently, WMATA does **NOT** offer a grace period. All expenses must be incurred during the plan period to be reimbursed with that plan year's funds. (ex. services incurred on 2/3/2022 can only be reimbursed with 2022 Plan Year funds; not 2021 Plan Year funds even if you have funds remaining in your account.)

Can I use my FSA card to pay for service in the prior year when we are in the new plan year?

No, the card can only be used for current plan year expenses. You should pay for prior year services out of pocket and submit a manual reimbursement. (ex. Services incurred on December 22, 2021, you paid copay with card (this is okay) and then you receive a Statement/Invoice on January 15, 2022 stating you owe your share of the coinsurance. **DO NOT** use the card for this payment since it is for a 2021 service.)

Can I use my Dependent care FSA for a provider who does not report the income to the IRS?

No. Therefore, we must have your provider's social security number or Employer Identification Number to have dependent care claims processed.

What if I have coverage under my spouse's employer health plan, can I still enroll with WMATA's FSA plan?

Yes. Please note there are contribution limits for Dependent care for married parents.

What happens if my employment terminations?

For a Dependent Care FSA, your deductions will end when your employment ends. You are eligible to be reimbursed only for services that were received before your termination date, but you can request reimbursement for these expenses through the end of your former employer's plan year.

Deductions for your Health Care FSA will also end when your employment ends unless your employer is obligated to offer you COBRA continuation and you elect this option. A COBRA request will only be approved if you have **NOT** overspent your account at time of termination (ex. Annual election was \$1500, you have contributed only \$900 from your paychecks but have been reimbursed or used the card for expenses totally \$1200 – COBRA will be denied). Requests for reimbursements should be submitted prior to the end of your employer's runout period.

FSA accounts are terminated at the end of the month of your separation. Any expenses you incur after the end of your employment is not eligible for reimbursement.

Does WMATA offer Commuter Transit or Parking Accounts?

Yes, Non-Reps, Local 2 and Special Police Officers (enrollment via Health Equity/Wageworks website – www.wageworks.com)

Elections are one month in advance (ex. If you enroll in September, the benefits will be available starting October 1st). Elections can be added or cancelled at any time. All changes must be completed by the 9th of the month to take effect the next month. Deductions are taken out of the first and second paycheck of each month.

My question is not listed here, where can I go for answers?

Health Equity/Wageworks website – www.wageworks.com

Health Equity/Wageworks Customer Service – 877.924.3967

IRS website – <https://www.irs.gov>

Benefits Office – 202.962.1076 (email address: HCTR_Benefit_Inquiries@wmata.com)

NOTE: There are special exceptions because of the COVID-19 pandemic that this document does not address. Please review WMATA Staff Notices or reach out to Health Equity/Wageworks' Customer Service or the Benefits Office for assistance.