

2020

# MoneyPlus Tax-favored Accounts Guide



**PEBA**<sup>SM</sup>  
SC Retirement Systems  
and State Health Plan

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## MoneyPlus

### Don't leave money on the table.

MoneyPlus is a tax-favored accounts program that allows you to save money on eligible medical and dependent care costs. You elect to contribute an annual amount from your salary, and it is deducted from your paycheck, before taxes. You can use these funds to pay your eligible medical and dependent care expenses. As you incur eligible expenses during the plan year, you request reimbursement. ASIFlex administers the MoneyPlus program. MoneyPlus includes:

- Pretax Group Insurance Premium feature, which allows you to pay insurance premiums for health, vision, dental and up to \$50,000 of Optional Life coverage before taxes come out of your paycheck.
- Flexible spending accounts (FSAs):
  - Medical Spending Accounts (MSAs), which allow you to pay for eligible medical expenses with pretax dollars.
  - Dependent Care Spending Account (DCSA), which allows you to pay for eligible dependent care expenses using pretax dollars.
- Health Savings Account (HSA), which allows you to save for and pay for future medical expenses using pretax dollars.

## Important dates and enrollment

The 2020 plan year is January 1, 2020, through December 31, 2020. New employees can enroll in MoneyPlus accounts through their employer. Current participants may make changes due to qualifying status events through MyBenefits at [mybenefits.sc.gov](https://mybenefits.sc.gov).

If you have questions about MoneyPlus, contact ASIFlex at 833.SCM.PLUS (833.726.7587) or visit [www.asiflex.com/SCMoneyPlus](https://www.asiflex.com/SCMoneyPlus). Customer Service staff are available Monday-Friday, 6 a.m. to 6 p.m., ET, and Saturday, 8 a.m. to noon, ET.

## How MoneyPlus can save you money

With MoneyPlus, you benefit from having less taxable income in each of your paychecks, which means more spendable income to use toward your eligible medical and dependent care expenses. The monthly savings example below shows how paying eligible expenses with a pretax payroll deduction may increase your spendable income. The scenario is for a married person who covers two children enrolled in the Standard Plan and who is also a member of the South Carolina Retirement System, or SCRS.

	Without MoneyPlus	With MoneyPlus	MoneyPlus advantage
<b>Gross monthly pay<sup>1</sup></b>	\$3,750.00	\$3,750.00	
<b>State retirement contribution (9%)</b>	- \$337.50	- \$337.50	
<b>Dependent Care Spending Account fee</b>	- \$0.00	- \$2.32	
<b>Medical Spending Account fee</b>	- \$0.00	- \$2.32	
<b>MoneyPlus pretax payroll deductions</b>			
<b>Dependent Care Spending Account</b>	- \$0.00	- \$400.00	
<b>Medical Spending Account</b>	- \$0.00	- \$56.00	
<b>Health and dental premiums</b> <i>Employee/children coverage level</i>	- \$0.00	- \$157.58	
<b>Taxable gross income</b>	\$3,412.50	\$2,794.28	\$618.22
<b>Estimated payroll taxes (27%)<sup>2</sup></b>	- \$921.38	- \$754.46	\$166.92
<b>Expenses</b>			
<b>Dependent care expenses</b>	- \$400.00	- \$0.00	
<b>Medical expenses</b>	- \$56.00	- \$0.00	
<b>Health and dental premiums</b> <i>Employee/children coverage level</i>	- \$157.58	- \$0.00	
<b>Take-home pay</b>	<b>\$1,877.54</b>	<b>\$2,039.82</b>	<b>\$162.28</b>
<b>Additional take-home pay per year with MoneyPlus (4.33% increase)</b>			<b>\$1,947.36</b>

<sup>1</sup> Assumes annual salary of \$45,000.

<sup>2</sup> Includes state and federal taxes; married, filing jointly.

## Eligibility

You must be an active employee and eligible for the State Health Plan to participate in MoneyPlus. However, you do not have to enroll in the State Health Plan or other insurance benefits to participate in MoneyPlus. Retirees are not eligible to participate in MoneyPlus.

## Medical Spending Accounts (MSAs) and Limited-use MSAs

You must enroll each year to participate in an MSA or Limited-use MSA. You can only enroll upon initial eligibility, during open enrollment or if you have a qualified change in status. More information about changes in status is to the right. If you elect to enroll in a Health Savings Account (HSA), you are only allowed to enroll in a Limited-use MSA. See Pages 18-20 for more information.

## Dependent Care Spending Accounts (DCSAs)

You must enroll each year to participate in a DCSA. You can only enroll upon initial eligibility, during open enrollment or if you have a qualified change in status. More information about changes in status is to the right.

## Health Savings Accounts (HSAs)

To participate in an HSA, you:

- Must be enrolled in the State Health Plan Savings Plan;
- Cannot be covered by any other type of health plan, including Medicare (you may be covered for specific injuries, accidents, disability, dental care, vision care and long-term care); and
- Cannot be claimed as a dependent on another person's tax return.

## Changes to your account

Within 31 days of a qualifying event, you must submit a *Notice of Election* form and supporting documentation to your benefits administrator. Upon approval of your election change request, your existing spending account(s) elections will be stopped or modified (as appropriate). If your election change request is denied, you will have 31 days to file an appeal. For more information, refer to the Appeals section on Page 12.

Examples of qualifying status changes include changes in: marital status; number of tax dependents; status of employment affecting coverage eligibility; dependents' eligibility; residence; and coverage and cost (for DCSA only). Other events that may allow you to make changes include open enrollment under another employer's plan; judgments, decrees or orders; gain or loss of Medicare/Medicaid; and leaves of absence due to FMLA. Qualifying events differ for each account type (MSA, Limited-use MSA and DCSA). More information is available in the following pages. The requested change must also correspond with the event. Here's an example:

If you had a child, your expenses would increase due to gaining another dependent. Therefore, you can increase your MSA due to the birth and/or increase your DCSA contribution or enroll in a DCSA when you return to work. However, requesting to decrease your MoneyPlus elections would not correspond with gaining a dependent.

## Termination or unpaid leave of absence

Under these circumstances, your eligibility for MoneyPlus will change. You can change or continue your MSA contributions, but you must complete the appropriate forms. Learn more in the [Insurance Benefits Guide](#).

## Flexible spending account access

After you enroll, ASIFlex will send you a confirmation letter. As you incur eligible expenses throughout the plan year for your MSA, Limited-use MSA or DCSA, you submit a claim form online, through the ASIFlex mobile app, or via fax or mail, along with documentation of the expense. You will be reimbursed with funds from your account. If you use your ASIFlex Card for your MSA, you will not need to submit a claim form. However, you may still need to submit documentation. Be sure to retain copies of your documentation until requested. You are not taxed on these claim reimbursements. After each claim, you will receive an account summary. You can sign up for direct deposit and sign up to receive email and/or text alerts each time a claim is received and processed.

Federal rules state that you can only be reimbursed for expenses you incur during the plan year, which runs from January 1 through December 31. IRS rules also state you will forfeit any unused funds in your account. You can carry over up to \$500 of unused funds in your MSA or Limited-use MSA into the new plan year. There is a grace period for DCSAs in which remaining funds may still be used, and you have until March 15, 2020, to incur expenses. You must file all claims no later than March 31, 2020.

## ASIFlex Online

You can access your spending accounts 24/7 anywhere you have an internet connection. Log in to your participant account to submit and view the status of a claim, submit documentation and access your account balance and statement. It's easy to create an account.

1. Go to [www.asiflex.com/SCMoneyPlus](http://www.asiflex.com/SCMoneyPlus).
2. Select Account Login, then Participant Login.
3. Follow the instructions to set up your account.

Once logged in, you will be in the Self Service Menu. Select the account you wish to view. All transactions for the plan year will be shown through the previous processing day. If you have an MSA, you can see information about your ASIFlex Card and submit any requested documentation.

Under Notifications you can access a secure message center where you can view notices that have been sent regarding your account.

Under Account Settings, you can change your username, password, security image, security questions, email address, telephone number and direct deposit information. Be sure to log out when you finish to close your account for security purposes.

## ASIFlex mobile app

Search ASIFlex Self Service and download the app today. It's available for free in the App Store and on Google Play. Once you've created your participant account online, you can use the app to:

- Submit and view status of a claim.
- Submit documentation.
- Access your balance and account statement.

## Annual contribution limits

### MSAs and Limited-use MSAs

MSA and Limited-use MSA maximum contributions are per eligible employee.

- Minimum annual contribution: None
- Maximum annual contribution: \$2,750

### DCSAs

The DCSA maximum contribution is a household limit.

- Minimum annual contribution: None
- Maximum annual contribution is determined by your tax filing status:
  - Married, filing separately: \$2,500
  - Single, head of household: \$5,000
  - Married, filing jointly: \$5,000

If either you or your spouse earn less than \$5,000 a year, your maximum annual contribution is equal to the lower of the two incomes.

In 2020, the DCSA is capped at \$1,700 for highly compensated employees (those who make more than \$130,000 annually).

## Receiving reimbursement

Reimbursements will be processed within three business days from the time ASIFlex receives your claim. Please include all necessary documentation in order to avoid delays.

If you are enrolled in the MSA or the Limited-use MSA, you will automatically receive an ASIFlex Card at no cost. The ASIFlex Card can be used to pay for eligible medical, dental and vision expenses; it will automatically debit funds from your account. You should still keep copies of documentation as it may be requested. See Page 15 for more details about the ASIFlex Card.

## Flexible spending account basics

- Estimate carefully the amount you anticipate spending on eligible medical and dependent care expenses. IRS regulations require you to forfeit any unused funds remaining in your spending account at the end of the plan year. See the MSA section on Page 13 and the DCSA section on Page 17 for information.
- You cannot transfer money between spending accounts, pay medical expenses from your DCSA or pay dependent care expenses from your MSA.
- The plan year amount you elect will be divided into equal amounts, deducted from your paycheck before taxes are withheld and deposited into your MoneyPlus account(s).
- When you incur expenses, you may seek reimbursement. You may not be reimbursed for services or goods not yet received. You must have already incurred the expense prior to reimbursement.
- You cannot deduct reimbursed expenses for tax income purposes, and cannot seek reimbursement for expenses that were paid for by another source, including insurance.
- You may seek reimbursement in a number of ways. Reimbursements will be processed within three business days from the time ASIFlex receives your claim. Learn more about submitting claims on Page 11.
- You have until March 31, 2021, to file claims for reimbursement of eligible expenses incurred between January 1, 2020, and December 31, 2020. DCSAs have a grace period in which you can continue to incur eligible expenses. The grace period ends March 15, 2021.
- MSA claims will be paid up the amount of

your plan year election, minus previous reimbursements, regardless of the amount you have contributed.

- DCSA claims will only be paid up to the actual balance in your account at the time of the claim. Any excess approved expenses will be held and disbursed when funds are available in your account.

- Eligible medical expenses will be reimbursed until your coverage period terminates, you exhaust your MSA annual election or the plan year ends, whichever occurs first.
- Eligible dependent care expenses will be reimbursed until you have exhausted your DCSA account balance or the plan year ends, whichever occurs first.

## MoneyPlus worksheet

Use the worksheets below to calculate the amount you may wish to contribute to an MSA or DCSA. Be conservative in your planning. Remember that any unclaimed funds cannot be returned to you. You can, however, carry over up to \$500 of unused MSA funds into 2021 plan year. You cannot carryover DCSA funds, and you cannot transfer funds between flexible spending accounts. Refer to Page 7 for annual contribution limits.

### Medical Spending Account

Estimate your eligible out-of-pocket medical expenses for the plan year.

Medical expenses	
Health insurance deductible	\$
Copayments and coinsurance	\$
Prescription drugs	\$
Dental care	\$
Vision care	\$
Travel costs for medical care	\$
Other eligible expenses	\$
<b>Annual contribution</b>	<b>\$</b>

### Dependent Care Spending Account

Estimate your eligible dependent care expenses for the plan year.

Child care expenses	
Day care services	\$
In-home care/au pair services	\$
Nursery/preschool	\$
After school care	\$
Summer day camps	\$
Elder care expenses	
Day care center services	\$
In-home care services	\$
<b>Annual contribution</b>	<b>\$</b>

## Typical eligible and ineligible expenses

Eligible expenses are defined by the IRS. Below is a partial listing of eligible expenses.

<b>MSA-eligible expenses</b>	<b>Limited-use MSA-eligible expenses</b>	<b>DCSA-eligible expenses</b>
Birth control pills and devices	Dental care expenses	<i>Only expenses that allow you to work</i>
Chiropractic care	Drugs related to dental or vision care	Babysitting fees
Contact lenses (corrective)	Vision care expenses	Before school/after school care
Dental expenses		Daycare services
Diagnostic tests/health screening		Elder care
Doctor fees		In-home care
Eyeglasses (corrective)		Nursery and preschool (not tuition)
Hearing aids and exams		Summer day camps
Injections and vaccinations		
Medical equipment and supplies		
Nursing services		
Orthodontic treatment		
Over-the-counter drugs (prescription must be submitted with claim)		
Prescription drugs		
Smoking cessation programs/treatments		
Surgery		
Transportation for medical care (up to IRS limits)		
Vision care expenses		
X-rays		
<b>MSA-ineligible expenses</b>		<b>DCSA-ineligible expenses</b>
Cosmetic procedures not medically necessary		Child care if you are a non-custodial parent
Insurance premiums		Health care expenses
Over-the-counter medications not accompanied by a prescription		Services provided by your dependent, your spouse's dependent or your child who is under age 19
Vision warranties and service contracts		Tuition expenses

## Frequently asked questions

### How much does it cost to participate?

There is a \$2.32 monthly administrative fee for every spending account in which you participate. These fees are deducted from your paycheck pretax. Administrative and bank fees for the Health Savings Account are explained on Page 18. There is no fee to participate in the Pretax Group Insurance Premium feature.

### What if I already participate in MoneyPlus?

You must re-enroll in flexible spending accounts each year and elect a new contribution amount. You do not need to re-enroll in the Pretax Group Insurance Premium feature or Health Savings Account each year.

### If I elect to contribute to MoneyPlus accounts, won't I make less money?

No. When you participate in MoneyPlus accounts, contributions will be deducted from your paycheck before taxes are withheld. This means you save tax-free money in your MoneyPlus accounts. Then, as you incur eligible expenses, you can use the funds. Participating in MoneyPlus means you will have more spendable income. See the example on Page 4 for more details.

### Will contributions affect my taxes?

Contributions to the MoneyPlus accounts will lower your taxable income and taxes. Your salary reductions will also reduce earned income for purposes of the federal Earned Income Credit. Consult your tax advisor and/or the IRS for information regarding your specific tax situation.

### Where can I get more information on MoneyPlus?

Refer to your [Insurance Benefits Guide](#) available online at [www.peba.sc.gov](http://www.peba.sc.gov). You can also visit [www.asiflex.com/SCMoneyPlus](http://www.asiflex.com/SCMoneyPlus).

### How do I contact ASIFlex?

You can speak with a Customer Service

representative by calling 833.SCM.PLUS (833.726.7587), Monday through Friday, 6 a.m. to 6 p.m., ET. Representatives are also available Saturday from 6 to 11 a.m., ET. You can also email ASIFlex at [asi@asiflex.com](mailto:asi@asiflex.com).

## More information

Find more information about flexible spending accounts, including frequently asked questions, at [www.asiflex.com/SCMoneyPlus](http://www.asiflex.com/SCMoneyPlus).

## Over-the-counter (OTC) expenses

You may purchase OTC medicines and drugs without a prescription; however, you must obtain a prescription from your health care provider in order to have OTC medicine and drug expenses reimbursed from your MSA or Limited-use MSA. The prescription must be dated on or before the date you purchase the OTC items. You must submit the prescription and itemized merchant receipt with your claim. Examples of OTC expenses include allergy medications, antacids, cold remedies and pain relievers.

OTC supplies that are not medicated do not require a prescription. Examples of OTC supplies include bandages and first aid kits; breast pumps; diabetic supplies; reading glasses; contact lens solution; hearing aids and batteries; medical equipment, such as canes, crutches, joint braces, walkers and wheelchairs; ostomy products; sunscreen; and vaporizers.

## Requesting reimbursement

You may seek reimbursement in a number of ways. Reimbursements will be processed within three business days from the time ASIFlex receives your claim.

- **ASIFlex mobile app** Download the app and log in to your account. Then, just snap a picture of your itemized statement and submit a claim via the app.
- **ASIFlex Online** Sign in to your online account at [www.asiflex.com/SCMoneyPlus](http://www.asiflex.com/SCMoneyPlus) to submit a claim.
- **Toll-free fax or mail** Download and complete a claim form. Then, submit it with your itemized statement. Keep a copy for your records.

If you use your ASIFlex Card for your MSA or Limited-use MSA, you will not need to submit a claim. However, you may still need to submit documentation. Be sure to retain copies until requested. Learn more about the card on Page 15.

### Claim filing deadline

You have until March 31, 2021, to file claims for reimbursement of eligible expenses incurred between January 1, 2020, and December 31, 2020.

### Carryover provision for MSAs

You can carry over up to \$500 of unused funds in your MSA or Limited-use MSA into the 2021 plan year.

### Grace period for DCSAs

The IRS allows for a grace period for DCSAs following the end of a plan year. The grace period ends on March 15, 2021. During the grace period, you may continue to incur expenses and submit claims for these expenses using your 2020 funds. The claim filing deadline for 2020 expenses is March 31, 2021.

If you have funds available from two plan years (2020 and 2021), the funds from the prior plan year will be exhausted first before using funds from the current plan year. Claims will be processed in the order received.

## Direct deposit

Enroll in direct deposit to receive your reimbursement faster. Funds are automatically deposited into your bank account within one business day of claim approval. There is no fee for direct deposit, and you don't have to wait for a check to arrive in the mail. You will receive notification that the claim has been processed via email or text.

To sign up for direct deposit, log in to your account online at [www.asiflex.com/SCMoneyPlus](http://www.asiflex.com/SCMoneyPlus). Then, go to your account settings.

## Appeals process

### Reimbursement or claim for benefits

If your request for reimbursement or claim for benefits is denied, in full or in part, you have the right to appeal the decision by sending a written request to ASIFlex within 31 days of the denial. Find the *MoneyPlus Appeal Form* at [www.asiflex.com/SCMoneyPlus](http://www.asiflex.com/SCMoneyPlus) under Resources, then Forms.

Your appeal must include:

- Your name and contact information;
- The name of your employer;
- The date of the services for which your request was denied if the appeal is regarding a denied claim;
- A copy of the denied request, as well as a copy of the denial notice you received;
- Why you think the request should have been approved; and
- Any additional documents, information or comments you think should be considered in your appeal.

ASIFlex will review your appeal and supporting documentation. You will be notified of the results within 31 days from receipt of your appeal. In some cases, such as when an appeal requires additional documentation, the review may take longer. If your appeal is approved, additional processing time is required to modify your benefit election or claim.

If you are still dissatisfied after the decision is re-examined, you may ask PEBA to review the matter by making a written request to PEBA within 90 days of notice of ASIFlex's denial of your appeal. Send the request via email to [IAD@peba.sc.gov](mailto:IAD@peba.sc.gov) or via mail to:

S.C. PEBA  
Attn: Appeals Department

202 Arbor Lake Drive  
Columbia, SC 29223

Appeals are only approved if the extenuating circumstances and supporting documentation are within the *Flexible Benefits Plan* guidelines, insurance provider's rules and the IRS regulations governing the plan.

### Enrollment

You have the right to appeal enrollment decisions as well by submitting a *Request for Review* through your benefits administrator to PEBA. Benefits administrators may write a letter or use the *Request for Review* form, which is found at [www.peba.sc.gov/iforms.html](http://www.peba.sc.gov/iforms.html), under Other forms.

If the request for review is denied, you may then appeal by writing to PEBA within 90 days of notice of the decision. Please include a copy of the denial with your appeal. Send the request via email to [IAD@peba.sc.gov](mailto:IAD@peba.sc.gov) or via mail to:

S.C. PEBA  
Attn: Appeals Department  
202 Arbor Lake Drive  
Columbia, SC 29223

## Pretax Group Insurance Premium feature

With this feature, you can pay your State Health Plan, TRICARE Supplement Plan, Dental Plus, Basic Dental, State Vision Plan and Optional Life (for coverage up to \$50,000) premiums before taxes are taken out of your paycheck. If you participate in this feature, you will not pay taxes on the dollars you use to pay these premiums. You must elect to participate upon initial enrollment, or during open enrollment or a special eligibility situation. Once you enroll, you do not have to re-enroll each year.

## Optional Life Insurance premiums

You can pay your Optional Life Insurance premiums before you pay taxes. Your entire Optional Life Insurance premium will be deducted from your check before taxes. However, only premiums for coverage up to \$50,000 will be exempt from tax. Premiums paid for additional coverage amounts will be added back to your earnings on your W-2 form at the end of the year.

## Medical Spending Accounts

A Medical Spending Account (MSA) is an IRS tax-favored account you can use to pay for your eligible medical expenses not covered by your insurance or any other plan. You set aside money from your paycheck pretax to pay for out-of-pocket health care expenses, such as copayments and coinsurance.

### Whose expenses are eligible?

Your MSA may be used to reimburse eligible expenses incurred by:

- You;
- Your spouse;
- Your qualifying child; or

- Your qualifying relative.

An individual is a qualifying child if he is not someone else's qualifying child, does not turn age 27 during the taxable year and:

- Is a U.S. citizen, national or resident of the U.S., Mexico or Canada;
- Has a specified family-type relationship to you;
- Lives in your household for more than half of the tax year; and
- Has not provided more than half of his own support during the tax year.

An individual is a qualifying relative if he is a U.S. citizen, national or resident of the U.S., Mexico or Canada and:

- Has a specified family-type relationship to you, is not someone else's qualifying child and receives more than half of his support from you during the tax year; or
- If no specified family-type relationship to you exists, is a member of and lives in your household (without violating local law) for the entire tax year and receives more than half of his support from you during the tax year.

There is no age requirement for a qualifying child if he is physically and/or mentally incapable of self-care.

An eligible child of divorced parents is treated as a dependent of both, so either or both parents can have a MoneyPlus MSA.

## Travel expenses

Travel expenses primarily for, and essential to, receiving medical care, including health care provider and pharmacy visits, may be reimbursed up to IRS limits. With proper substantiation, eligible expenses can include round-trip mileage, parking fees and tolls.

## Prescriptions

Most filled prescriptions are eligible for reimbursement. Be sure to maintain sufficient documentation to submit for reimbursement. IRS-required documentation includes the complete name of all medicines on pharmacy invoices (including prescription number, date(s) of service and total dollar amount).

## Over-the-counter (OTC) expenses

OTC items categorized as medicines and drugs, such as allergy treatments, antacids and cold remedies, require a prescription from your health care provider to be eligible for reimbursement. OTC supplies such as bandages, braces and diabetic test strips do not require a prescription. Be sure to maintain sufficient documentation to submit for reimbursement. Learn more on Page 10.

Newly-eligible OTC items and medicines are not considered a valid change in status event that would allow a change to be made to your MSA election amount.

## Orthodontic treatment

Orthodontic treatment is reimbursable with proper documentation. Reimbursement of the full or initial payment amount may only occur during the plan year in which the braces are first installed. If you wish to spread the cost of the treatment over a period of time, you will need to submit a copy of the patient's contract for the treatment. Reimbursed payments are made as long as the braces are still installed and you are receiving care.

## When are funds available?

Your full annual election amount is available on the first day of your coverage period. You do not have to wait for the funds to accumulate in your account.

## Should I claim my expenses on IRS Form 1040?

You cannot claim expenses reimbursed through your MSA on your taxes. You can, however, claim expenses that were not reimbursed through the MSA on your taxes. Expenses reimbursed through the MSA are always tax free. You must incur a certain percentage of your adjusted gross income before you can obtain a tax advantage on your Form 1040. Consult a tax professional to determine which option is best for you.

## Making changes to election amount

You may be eligible to make changes to your election amount within 31 days of a qualifying event. However, the requested change must correspond with the event. For example, if you have a child, your expenses would increase due to gaining another dependent. Therefore, you can increase or enroll in an MSA. However, requesting to decrease your MSA would not correspond with gaining a dependent. Qualifying events that allow you to make changes to your MSA include:

- Your legal marital status changes through marriage, divorce, death, legal separation or annulment.
- Your number of dependents changes through birth, adoption (or placement for adoption) or death.
- You, your spouse or any of your dependents have a change in employment status that affects eligibility under MoneyPlus or a plan maintained by your spouse or your dependent's employer.
- One of your dependents satisfies or ceases to satisfy the requirements for coverage under MoneyPlus for dependents due to student status or any similar circumstances.
- You are served with a judgment, decree or

court order, including a Qualified Medical Child Support Order (QMCSO) regarding coverage for a dependent, and the order requires you to pay for medical expenses not paid by insurance for a dependent child.

- If you, your spouse or a dependent become entitled to and covered under Medicare or Medicaid.
- If you, your spouse or a dependent lose eligibility and coverage under Medicare or Medicaid.

You must submit a *Notice of Election* form and supporting documentation to your benefits administrator within 31 days of the date of the qualifying event. The change becomes effective on the first of the month following the event and the approval of the request. In the case of birth, adoption or the placement of child for adoption, the election change request must be filed within 60 days of the date of the qualifying event and can become effective retroactive to the event date.

### **Carryover provision**

You can carry over up to \$500 of unused funds in your MSA or Limited-use MSA into the 2021 plan year. The carryover provision is only available for MSAs, and is not available for Dependent Care Spending Accounts.

### **Limited-use Medical Spending Account**

A Limited-use Medical Spending Account (Limited-use MSA) is available for Savings Plan members who also have a Health Savings Account (HSA). The Limited-use MSA works just like a traditional MSA except for the type of expenses that may be reimbursed. You can use your Limited-use MSA to pay for expenses the Savings Plan does not cover, like dental and vision care.

You can only choose the Limited-use MSA plan if you are enrolled in the Savings Plan and are

contributing to an HSA, or if you or your spouse are contributing to or receiving reimbursements from another HSA outside of MoneyPlus.

### **ASIFlex Card**

If you participate in a Medical Spending Account or Limited-use Medical Spending Account, you will receive an ASIFlex Card, which you can use for credit or debit transactions. You will receive two cards in your name at the home address ASIFlex has on file for you. Upon receipt, you must call to activate the card and set up your PIN. You may order additional card sets by logging in to your participant account.

### **Using your card**

The ASIFlex Card may be used to pay for health, dental and vision care received during the plan year. The ASIFlex Card provides a convenient method to pay for out-of-pocket health care expenses for you, your spouse and any qualified dependents. The IRS has strict regulations about appropriate use of the ASIFlex Card, such as where the card can be used and when follow-up documentation is required. Use of the ASIFlex Card does not necessarily eliminate all paperwork. The ASIFlex Card is a great benefit, but it is important that you take a moment and understand how it works.

Per IRS regulations, the ASIFlex Card can only be used at health care providers (based upon its Merchant Category Code) and at stores that have implemented an Inventory Information Approval System (IIAS). Learn more about where you can use your card online at [www.asiflex.com/SCMoneyPlus](http://www.asiflex.com/SCMoneyPlus).

Remember, while the card makes it easier to pay for your medical expenses, the IRS still requires ASIFlex to ensure that the transactions are for eligible expenses. So, it is important to remember to always ask for an itemized statement from your provider and also save your insurance plan explanation of benefits. There are times when ASIFlex is required to ask you for documentation to validate that a card transaction was for an eligible expense.

### When to submit documentation

IRS regulations require you to submit documentation for certain card transactions. The only items that do not require follow-up documentation are:

- Flat dollar copayments under PEBA's insurance plans
- Identified recurring expenses (such as a regular monthly payment to the same provider for the exact same dollar amount)
- Prescriptions or over-the-counter health care products purchased at pharmacies/merchants that identify which products are qualified health care items

All other expenses require documentation. ASIFlex will receive data from other insurance vendors to substantiate debit card transactions and other claims submitted by the participant for reimbursement. ASIFlex will notify you if documentation is required. If you receive a request for documentation, you have two options:

1. Apply insurance claims data that ASIFlex has on file to outstanding debit card transactions; or
2. Provide an itemized statement or your insurance plan's explanation of benefits (EOB) statement. The itemized statement must include the name of provider, patient

name, date of service, brief description of the service(s) provided and the dollar amount owed.

You will have 47 days to submit documentation and will receive three requests for documentation. These notices are also posted to your secure message center online.

1. Initial notice – Sent approximately five days after ASIFlex receives notice of the card transaction.
2. Reminder notice – Sent 21 days after the first request.
3. Deactivation notice – Sent 21 days after the reminder notice. Your card will be deactivated and future claim submissions will be offset by the outstanding amount.

### How to submit documentation

Upon request, you can apply insurance claims data to outstanding debit card transactions by logging into your account. You can also submit the documentation through the mobile app, by logging in to your account, or by mail or fax. If you do not submit the requested documentation within 47 days, IRS rules require that your card be temporarily deactivated and future claim submissions be offset by the outstanding amount. For additional details regarding IRS regulations governing use of the card, visit [www.asiflex.com/SCMoneyPlus](http://www.asiflex.com/SCMoneyPlus).

If you are unable to provide documentation for an ASIFlex Card transaction in question, you may:

- Submit a claim for expenses incurred out-of-pocket to offset the card transaction; or
- Repay the unsubstantiated claims by submitting payment to ASIFlex by check or by requesting ASIFlex to debit your bank account.

As a last resort, ASIFlex will provide any transaction

amounts that have not been substantiated at the end of the plan year to your employer to include as taxable income on your W-2.

## Dependent Care Spending Account

A Dependent Care Spending Account (DCSA) is an IRS tax-favored account you can use to pay for your eligible dependent care expenses to ensure your dependent(s) is cared for while you and your spouse, if married, work outside the home. You set aside money from your paycheck pretax to pay for child day care expenses and, in some cases, elder care expenses.

### Whose expenses are eligible?

You may request reimbursement from your DCSA for eligible dependent care expenses for qualifying individuals. A qualifying individual is a qualifying child, a qualifying relative or a spouse if he meets the following requirements.

A qualifying child must:

- Be a U.S. citizen, national or resident of the U.S., Mexico or Canada;
- Have a specified family-type relationship to you;
- Live in your household for more than half of the tax year;
- Be 12 years of age or younger; and
- Not provide more than half of his own support during the tax year.

A spouse must:

- Be physically or mentally incapable of self-care;
- Live in your household for more than half of the tax year; and
- Spend at least eight hours per day in your home.

A qualifying relative must:

- Be a U.S. citizen, national or resident of the U.S., Mexico or Canada;
- Be physically or mentally incapable of self-care;
- Not be someone else's qualifying child;
- Live in your household for more than half of the tax year;
- Spend at least eight hours per day in your home; and
- Receive more than half of his support from you during the tax year.

Only the custodial parent of children of divorced or legally separated parents can be reimbursed using the MoneyPlus Dependent Care Spending Account.

### When are funds available?

Unlike a Medical Spending Account, funds are only available as deposited into your account. You may file claims for the amount incurred even if you do not have enough funds in your account. In this case, ASIFlex can only reimburse up to the amount in your account at the time of the claim. As more funds are deposited, ASIFlex will reimburse remaining amounts.

### Ineligible expenses

View a complete list of eligible and ineligible expenses at [www.asiflex.com/SCMoneyPlus](http://www.asiflex.com/SCMoneyPlus). The following expenses cannot be reimbursed: overnight camps; educational tuition costs; books and supplies; child support payments or child care expenses if you are a non-custodial parent; health care expenses; and services provided by your dependent, your spouse's dependent or your child under age 19.

### Should I claim tax credits?

You cannot claim expenses reimbursed through your DCSA on your taxes. However, you may be

able to claim a tax credit for amounts, up to IRS limits, not contributed to your DCSA. You should consult a tax advisor for additional assistance.

### **Making changes to election amount**

You may be eligible to make changes to your election amount within 31 days of a qualifying event. However, the requested change must correspond with the event. For example, if you have a child, your expenses would increase due to gaining another dependent. Therefore, you can increase or enroll in a DCSA when you return to work. However, requesting to decrease your DCSA would not correspond with gaining a dependent, unless you change providers which may correspond with decreasing the amount. Qualifying events that allow you to make changes to your DCSA include:

- Your legal marital status changes through marriage, divorce, death, legal separation or annulment.
- Your number of dependents changes through birth, adoption (or placement for adoption) or death.
- You or your spouse have a change in employment status that affects your need for dependent care services.
- One of your dependents satisfies or ceases to satisfy the requirements for coverage due to attainment of age.
- You change dependent care providers, including school or other free providers. You may make a corresponding change to your DCSA if you change dependent care providers.
- Your dependent care provider who is not your relative changes your costs significantly. A relative is any person who is a child, parent, stepchild, sibling, aunt, uncle, cousin or in-law of the participant.

You must submit a *Notice of Election* form and supporting documentation to your benefits administrator within 31 days of the date of the qualifying event. The change becomes effective on the first of the month following the event and the approval of the request.

### **Grace period**

The IRS allows for a grace period for DCSAs following the end of a plan year. The grace period ends on March 15, 2021. During the grace period, you may continue to incur expenses and submit claims for these expenses using your 2020 funds. The claim filing deadline for 2020 expenses is March 31, 2021. The grace period is only available for DCSAs, and is not available for Medical Spending Accounts.

If you have funds available from two plan years (2020 and 2021), the funds from the prior plan year will be exhausted first before using funds from the current plan year. Claims will be processed in the order received.

### **Health Savings Accounts**

A Health Savings Account (HSA) is an individually owned, tax-advantaged bank account that allows you to accumulate funds pretax to pay for qualified health care expenses. You may pay for current expenses or save the funds for expenses in retirement. There are several benefits of an HSA:

- All funds carry over from one year to the next.
- You own the account and keep it if you leave your job or retire.
- You can invest your funds to earn investment income tax-free.
- After age 65, funds can be used tax-free for eligible expenses, including Medicare premiums, or taxed with no penalty for other expenses.

## Eligibility

To be eligible to enroll in an HSA, you must meet the following requirements:

- Be covered by the Savings Plan, which is a high-deductible health plan;
- Have no other health coverage, including a spouse's plan or a Medical Spending Account (MSA) unless it is a Limited-use MSA;
- Not be enrolled in Medicare;
- Not be receiving health benefits under TRICARE;
- Have not received Veterans Administration (VA) benefits within the past three months; and
- Cannot be claimed as a dependent on someone else's tax return.

You can, however, have accidental, disability, dental, vision or long-term care coverage that provides benefits for a specific disease or illness, a fixed amount for hospital stays or liability coverage, such as workers' compensation.

To make pretax contributions from their paycheck, Savings Plan members can enroll in a MoneyPlus HSA and open an account with Central Bank, the HSA custodian bank. Savings Plan members who enroll in an HSA can enroll in a Limited-use MSA to pay for expenses the Savings Plan does not cover, like dental and vision care. You can maximize your tax savings by using your Limited-use MSA to pay for current dental and vision expenses while saving and investing your HSA funds for future health care expenses or larger unexpected expenses. See Page 15 for information about Limited-use MSAs.

## Enrollment

The 2020 plan year is January 1, 2020, through December 31, 2021. New employees can enroll in an HSA through their employer. Savings

Plan members may enroll in an HSA anytime throughout the year by completing a *Notice of Election* form and opening a bank account with Central Bank at [schsa.centralbank.net](https://schsa.centralbank.net).

Savings Plan members may enroll during open enrollment through MyBenefits at [mybenefits.sc.gov](https://mybenefits.sc.gov) for coverage beginning the following January 1.

## Contributions and contribution limits

You may contribute to your HSA with Central Bank through pretax payroll contributions. You may also make post-tax deposits to your account. You will receive the post-tax benefits when you file your tax return.

You can change your payroll contributions anytime, but not more than once a month. To change your pretax payroll deduction amount contact your benefits administrator to complete a *Notice of Election* form.

The IRS establishes annual contribution limits, and anyone can make contributions to an HSA on behalf of an eligible individual. Excess contributions, if not withdrawn in a timely manner, may be assessed an excise tax of 6 percent. Your contribution limit is determined by your health coverage level:

- Self-only coverage: \$3,550
- Family coverage: \$7,100
- Catch-up for ages 55 or older: \$1,000

## Opening an HSA through Central Bank

To open your account with Central Bank, you will need:

- Your driver's license, address, Social Security number and date of birth; and
- The name, address, Social Security number and date of birth of all beneficiaries.

Beneficiaries may be added or changed any time after opening your bank account.

## Administrative fees

There is a \$1 monthly administrative fee, which is deducted from your paycheck pretax. Central Bank also has fees, which are deducted from your bank account:

- Maintenance fee: \$1.25 per month for balances less than \$2,500
- Paper statements: \$3 per month

## Eligible and ineligible expenses

Eligible expenses are defined by the IRS. HSA-eligible and ineligible expenses are the same as those for MSAs. You can find a partial listing of eligible expenses on Page 9.

## Accessing HSA funds

Your funds are available as you contribute throughout the year. An HSA with Central Bank includes features designed to make paying and tracking qualified expenses seamless and user-friendly. You, and any authorized signer, will receive a MasterCard® debit card to use as you have eligible expenses. Remember to save your itemized statements and explanation of benefit statements. It is your responsibility to keep documentation for expenses. Central Bank also offers mobile banking, Bill Pay and online account statements. You can also add your debit card to Apple Pay®, Samsung or Android Pay.

## Rolling over funds from another HSA

You can rollover funds from another HSA into your Central Bank account. While there are no transfer fees from Central Bank, you should check with other bank custodians for details about their fees.

## Joint accounts

You cannot have a joint HSA. A spouse must open a separate account. You may, however, use your HSA funds for your spouse's expenses. Your spouse may access your HSA by becoming an authorized signer on the account. Each authorized signer will receive a MasterCard® debit card.

## Investing HSA money

You can invest your funds once your account balance reaches \$1,000. You have a choice of investment options or you can self-direct funds with a registered representative by contacting Central Bank. Investments are not guaranteed and may lose value, including the loss of principal. Investment products and services are not a deposit, not FDIC insured, not insured by any federal government agency, not guaranteed and may go down in value.

## Central Bank, HSA bank custodian

Central Bank  
[schsa.centralbank.net](https://schsa.centralbank.net)  
866.719.2122

## Frequently asked questions

Find more information about HSAs, including frequently asked questions, at [www.asiflex.com/SCMoneyPlus](https://www.asiflex.com/SCMoneyPlus).

## Contact us

### PEBA

#### For enrollment and eligibility

[www.peba.sc.gov](http://www.peba.sc.gov)

803.737.6800 or 888.260.9430

202 Arbor Lake Drive

Columbia, SC 29223

Monday-Friday, 8:30 a.m. to 5 p.m.

### ASIFlex

[www.asiflex.com/SCMoneyPlus](http://www.asiflex.com/SCMoneyPlus)

[asi@asiflex.com](mailto:asi@asiflex.com)

P: 833.SCM.PLUS (833.726.7587)

F: 877.879.9038

P.O. Box 6044

Columbia, MO 65203

Monday-Friday, 6 a.m. to 6 p.m., ET,

Saturday, 8 a.m. to noon, ET.

### HSA custodian bank

Central Bank

[schsa.centralbank.net](http://schsa.centralbank.net)

866.719.2122



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