



The Impact of Regulatory Changes On Your Flexible Spending Accounts

Repeal of DOMA

In June 2013, the US Supreme Court struck down provisions of the Defense of Marriage Act (DOMA) which defined marriage as between one man and one woman. In August 2013, the IRS released guidance indicating same-sex spouses are deemed “spouses” for federal tax purposes. According to the IRS, individuals of the same sex will be considered to be lawfully married as long as they are married in a state where laws authorize the marriage of two individuals of the same sex, even if the spouses currently live in a state that does not recognize same-sex marriage.

Health Care FSA

Employees can receive Health Care FSA reimbursement for eligible health care expenses for same-sex spouses and their dependents. Make sure to include their predictable health care expenses in your 2014 election. You may also order a second TRI-AD BenefitCard in your spouse’s name.

Dependent Care FSA

Employees can receive Dependent Care FSA reimbursement for eligible daycare expenses for dependents of same-sex spouses. In order for dependent care expenses to be eligible, the same-sex spouse must be working, looking for work, a full-time student, or incapable of self-care. Please note, however, that the earned income of the same-sex spouse will now count for the Dependent Care FSA maximum limit. Also, same-sex spouses caring for a dependent can no longer be paid for the care.

Health Care Reform and Health Care FSAs

The Patient Protection and Affordable Care Act (“Health Care Reform”) brought about changes that impact your Health Care FSA.

- The maximum amount you can elect to contribute to your Health Care FSA is \$2,500. If you are married, your spouse may also participate in an FSA and contribute up to \$2,500. This amount may increase in 2014 with the Cost-of-Living Adjustments. Your plan may have a limit lower than \$2,500. So please refer to your enrollment materials for details on what is available through your employer’s plan.
- Out-of-pocket health care expenses for your children up to age 26 are eligible for reimbursement without regard to student status, marital status, financial support or principal place of residence. Be sure to include these estimated costs in your annual election.
- Over-the-Counter (OTC) drugs and medicines are eligible FSA expenses only with a prescription. When seeking reimbursement, ask your doctor for a prescription, then scan and submit a copy of the prescription with your claim. To use the TRI-AD BenefitCard to purchase these items, your pharmacy must be willing to fill the OTC prescription behind the counter and issue an Rx number for it. Many “non-medicine/non-drug” OTC items are still eligible without prescription, such as bandages, blood sugar test kits and strips, insulin, contact lens solution, and many others. For a list of eligible expenses, see TRI-AD’s FSA Participant Toolkit at www.tri-ad.com/fsa. There you will also find a link to the FSA Store, which only stocks FSA-eligible items, and serves as a resource for spending down your current election as well as estimating your expenses during open enrollment.

Contact Information

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