The FSA Benny Card provides a convenient method to pay for out-of-pocket medical expenses for you, your spouse and/or any tax dependents. The IRS has stringent regulations regarding appropriate use of the Benny Card, as far as where the card can be used, and when follow-up documentation is required (use of the card DOES NOT eliminate all of the paperwork). The card is a great benefit, but it is important that you take a moment and understand how it works.

Where can the cards be used?
Per IRS regulations, the FSA Debit Card can only be used at Health Care Providers (based upon the Merchant Category Code) and at stores that have implemented an Inventory Control System.

1) **Health Care Merchant Category Codes (MCC):** Every merchant that accepts credit cards has an MCC, which is a general category that is assigned when the merchant applies for the right to accept credit cards. The FSA debit card will work to pay providers that have an MCC that indicates the merchant is a health care provider (hospital, doctor, dentist, optometrist, chiropractor, etc.).

2) **Inventory Control System Restriction:** The IRS also allows a card to be used at retail stores that have an FSA Inventory Control System in place that only allows FSA-eligible items to be paid for with your FSA debit card. Please note that if you have a medical condition that allows you to claim expenses that are not normally eligible, the card will not be able to pay for these expenses at these stores. You will have to pay with a separate form of payment and submit a claim. The card will work at these stores, even if the MCC does not indicate it is a health care provider. A list of stores with this system in place now (and some expected in the future) is available online, at www.asiflex.com/debitcards. **Purchases at these stores should never require follow-up documentation!!** Please note that as of January 1, 2011, you will not be able to use your Benny Card to pay for over-the-counter (OTC) drugs or medications, even if you have a prescription on file with ASIFlex.

When do I have to turn in paperwork?

Certain situations will allow FSA debit card transactions to be electronically substantiated, meaning that no follow-up documentation will be required. If a transaction cannot be electronically substantiated, you will receive a request for follow-up documentation from ASIFlex. Transactions are considered to be electronically substantiated if they:

- Match a co-payment, or any combination of co-payments up to five times the highest, for the health insurance plan(s) that you have elected through your employer (please note that if you use the card to pay for your spouse’s co-payment, you will be required to submit supporting documentation);

- Occur at a retail outlet that has implemented the Inventory Control System; or

- Are recurring expenses for the exact same amount at the same provider and have been substantiated once via a paper claim. An example of this is if you go see a chiropractor once a month and you are assessed a fee of $23.11 for each visit. This amount does not match a co-payment, so you will be prompted for documentation the first time. When you submit your documentation, please include a note stating that this is a recurring expense. Future transactions at the same provider, for the same amount, will not require follow-up documentation.

All other transactions will prompt a request for a detailed statement of services.

**Contact ASIFlex with Questions:**
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