



IBEW LOCAL 595 TRUST FUNDS



January 2023

IMPORTANT INFORMATION REGARDING YOUR BENNY CARD

In October 1, 2011, the Board of Trustees of the IBEW Local 595 Health & Welfare Plan implemented the Benny Card program in order to enhance your Health Reimbursement Account (HRA) and make it easier to utilize your HRA funds for eligible healthcare expenses.

Health Reimbursement Accounts allows for Participants to be reimbursed tax-free for qualified medical expenses. Qualified medical expenses are defined by the Internal Revenue Service (IRS) under IRC Section 213(d) and include co-payments, coinsurance, deductibles, and certain other services which are not reimbursed by any other source.

Because the funds provided through an HRA's debit card such as Benny Card are tax-free, IRS regulations require that every use of the Benny Card be "substantiated", or validated as an eligible, covered expense under the Plan. **This is required by the IRS- the Fund cannot make exceptions.**

While many of the Benny Card transactions, such as co-payments, can be automatically substantiated/verified, other services might not be allowable covered expenses. Expenses provided through a masseuse or services that might be cosmetic in nature will require that you provide substantiation that the service is an allowable covered expense. In these cases, you will receive a request from the Plan Office asking you to provide a copy of an **itemized** receipt or Explanation of Benefits (EOB) which includes:

- Name of the member for whom the charges relate
- Name of the provider
- Description of the service or items purchased
- Date the services were provided
- Amount of expense, service charge and/or out-of-pocket expense not paid by insurance

Please note that credit card or cash receipts, cancelled checks and balance forward billing statements (unless itemized with the above information) are not considered adequate substantiation. You might also be asked to provide substantiation for services that might appear to be similar in nature but every service is unique and as a result it might be necessary for you to provide substantiation on each charge.

If you are unable to provide substantiation that the Benny Card use was for an allowable covered expense, you will be asked to refund the amount of the Benny Card usage, which will be credited to your HRA. If you fail to repay the ineligible expense, your Benny Card will be suspended until repayment is received.

Additionally, if your card is in suspension and your repayment has not been received as of the end of the calendar year, you may receive an IRS Income Tax Form 1099 declaring as income the amount of the purchase(s) that resulted in suspension of your Benny Card.

You can access the current balance and the status of your Benny Card account through <https://my.wexhealthcard.com/Login>. You may also contact Member Services at the Plan Office at 1-888-512-5863.

We are also pleased to announce that the hours for the Plan Office's Member Service and Eligibility have been expanded to enhance the service to you. The new hours are now 8:00 AM to 5:00 PM.

*This document has been uploaded and is available on the participant website at
www.ibew595benefits.org.*



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Health Reimbursement Account (HRA) Benny Card Frequently Asked Questions

1. What is a Health Reimbursement Account?

A Health Reimbursement Account or HRA, is a type of health benefit plan established under IRS Section 105 that provide for reimbursement to employees of allowable covered healthcare expenses. The account is solely funded by contributions that employers are required to make on your behalf under your Collective Bargaining Agreement.

2. What is the Benny Card?

The Benny Card is a special-purpose pre-paid debit card that is linked to your individual HRA that allows participants and their eligible dependents to electronically access your account to pay for allowable covered healthcare expenses.

3. How does the Benny Card work?

The Benny Card works like a MasterCard or Visa debit card with the value linked to your individual account. When a participant or their eligible dependent has allowable eligible expenses at a business that accepts MasterCard or Visa debit cards, they simply use the card instead of cash. The amount of the qualified purchases will be automatically deducted from their account and the pre-tax dollars will be electronically transferred to the provider/merchant immediate payment. The Card eliminates **most** out-of-pocket cash outlays and paperwork, as well as the need to wait for reimbursement checks.

4. Do I just use the card and that's it?

In most cases yes, but because the funds provided through an HRA's debit card such as Benny Card are tax-free, IRS regulations require that every use of the Benny Card be "substantiated", or validated as an eligible, covered expense under the Plan. While many of the Benny Card transactions such as co-payments can be automatically substantiated/verified. Additionally, the Plan Office runs claim matches to attempt substantiate claims the Plan might have processed under the self-funded medical options. Please note that this process can only be used to substantiate charges when there is exact match on the patient, provider, date of service and amount. Often the card is used to pay for multiple services, in which

case it would still be necessary to submit the appropriate substantiation documentation. For other services that might not be allowable covered expenses so you might be asked to submit documentation to substantiate/verify the charges. **This is required by the IRS- the Fund cannot make exceptions.**

5. If my services are not automatically substantiated, what do I need to provide?

While many of the Benny Card transactions such as co-payments can be automatically substantiated/verified, other services that might not be allowable covered expenses. Expenses provided through a masseuse or services that might be cosmetic in nature will require that you provide substantiation that the service is an allowable covered expense. In these cases, you will receive a request from the Plan Office asking you to provide a copy of an **itemized** receipt or Explanation of Benefits (EOB) which includes:

- Name of the member for whom the charges relate
- Name of the provider
- Description of the service or items purchased
- Date the services were provided
- Amount of expense, service charge and/or out-of-pocket expense not paid by insurance

Please note that credit card or cash receipts, cancelled checks and balance forward billing statements (unless itemized with the above information) are not considered adequate substantiation. You might also be asked to provide substantiation for services that might appear to be similar in nature but every service is unique and as a result it might be necessary for you to provide substantiation on each charge.

6. Why do I have to provide substantiation?

HRA funds are tax-free if they are used for allowable covered expenses but if they are used for services that are not allowable covered expenses as defined by the IRS, then those funds are taxable. IRS regulation and enforcement requires that the Plan take a more active role in enforcing these regulations.

7. What happens if I can't substantiate or validate my Benny Card charges?

If you are unable to provide substantiation that the Benny Card use was for an allowable covered expense, you will be asked to refund the amount of the Benny Card usage, which will be credited to your HRA. If you fail to repay the ineligible expense, your Benny Card will be suspended until repayment is received.

Additionally, if your card is in suspension and your repayment has not been received as of the end of the calendar year, you may receive an IRS Income Tax Form 1099 declaring as income the amount of the purchase(s) that resulted in suspension of your Benny Card.

8. Who can use my Benny Card and who can I utilize my Benny Card on behalf of?

In addition to yourself, all eligible dependents that you have under the IBEW Local 595 Health & Welfare may use the card for allowable covered expenses incurred by you or your dependents.

9. How do I find out what the balance in my account is?

You can access the current balance and the status of your Benny Card account through <https://my.wexhealthcard.com/Login>. You can also contact the Member Services Department at the Plan Office.

10. What kind of notifications should I expect to receive?

If substantiation of charges is necessary, you might expect to see the following notices:

- First Receipt Request – This notice will identify the Claim Number, Transaction Date, Merchant (Provider of Service) and the Claim Amount. The notice will explain what you will need to do, where to submit the information and who to contact if you have any questions. If you return the required information and it is sufficient for substantiation, you will not receive any further notices. Due to the lag by reporting by the credit company, these notices will usually come 2-3 months after the Transaction Date.
- Second Receipt Request – If the Plan Office has not received your substantiation submission, you will receive this notice which will be similar to the First Receipt Request but will also advise you of the consequence of a non-response. If you have already submitted the documents requested, then please contact the Plan Office to make sure the documents have indeed been received.
- Final Substantiation Request – If after the Second Receipt Request the Plan Office has not received the requested documentation, you will receive a Final Substantiation Request. This notice will again ask for the necessary

documentation and notify you that if the required documentation is not received your card will be deactivated and you might be subject to income reporting to the IRS for the charges in question. It is very important to contact the Plan Office if you have already provided this information as your card will be deactivated if you have not provided this information within the next 30-days.

- Request for More Information (RMI) – If the documents you have submitted and were received by the Plan Office are not sufficient to substantiate the charges, you should receive a “Request for More Information (RMI)”. This request will identify the charge(s) in question and explain what documentation you need to provide in order to substantiate the claim.
- Ineligible Expense – Repayment Required – If the Plan Office has not received the documentation necessary to substantiate your charge(s) or if the charge(s) in question is determined not to be an Eligible Covered Expense under the Plan, you will receive this notice. This notice will identify the charge in question and request a repayment of the charge to the Plan. The notice will also confirm that your card has been deactivated and if the charge is not substantiated or a repayment is not received, you will be sent an IRS Form 1099-R at the end of the year.
- Form 1099-R – If by the end of calendar year, you have not provided sufficient documentation to substantiate the charge(s) or you have not repaid the Plan for the charge(s) in question, you will receive Form1099-R. This amount(s) will be reported to the IRS and you might have to include this as income to the IRS with your tax filings. If you receive a Form 1099-R, you should consult your tax advisor.