Good Morning,

Late November, the attached slides included information about the unsubstantiated FSA claims process. Since ETF and ConnectYourCare (CYC) are still finalizing this process, ETF has decided that the UW System will not be involved as in previous years (when TASC administered it). Here is a summary of how this process will differ this year:

- **Payroll Withholding 1/1/2021 – 3/31/2021 (slide 1):** ETF and CYC have yet to determine if payroll withholding will occur.
- **Communications (slide 3):** CYC will send all communications to affected employees (in previous years, ETF required UW System also send communications).
- **Affected Participant Reports (slide 4):** CYC has not sent the UW System a report reflecting affected employees. For this reason, institutions will not be responsible for contacting affected employees (in previous years, institutions were expected to contact employees with a balance greater than $250).

**Resources:** As previously communicated, employees with questions should contact CYC. Also, please pay attention to the [FSA Unsubstantiated Claims webpage](#). UW System HR will continue to update this page as ETF and CYC provide clarification surrounding the process.
2020 FSA Unsubstantiated Claims

Reminders regarding FSAs and the unsubstantiated claims process:

- FSA’s are **tax-free** accounts subject to IRS regulations which require all claims to be substantiated.
- Most payment card transactions are **auto-substantiated**.
- Claims **not** auto-substantiated go through a recovery process.
- **1/1/2020 – 12/31/2020**: The timeframe in which claims **should** be substantiated to avoid the payroll withholding process.
- **1/1/2021 – 3/31/2021**: The timeframe in which claims **may** still be substantiated; however, **may** also go through the payroll withholding process (refunds provided as necessary).

**Resources:**
- FSA Unsubstantiated Claims webpage
- Portal Article
2020 FSA Unsubstantiated Claims

CYC Communications:

• CYC sends multiple notices to participants reminding them to substantiate their claim, substitute with a different eligible expense or repay the amount of the unsubstantiated claim.

• Participants may resolve electronically by using the myCYC mobile app or CYC portal or by completing a paper CYC claim form.

• The timing of the CYC communications after the payment card transaction is as follows:
  • 10 days
  • 40 days
  • 70 days
  • 85 days

• If not resolved within 85 days, the claim is denied and the payment card is deactivated.
2020 FSA Unsubstantiated Claims

Additional notifications occur toward the end of the year:

- **From CYC (anticipated):** 12/1, 12/11 and 12/17*
- **From UW System HR:** week of 12/7 (reminder email) and week of 1/11 (notice that payroll withholding will occur)

*Communication sent mail and email; all others are only sent via email.

**12/03/2020 Update:** CYC will send all communications directly to affected participants; UW System HR will not send the communications as indicated above.

All communications will soon be added to: **FSA Unsubstantiated Claims webpage**
2020 FSA Unsubstantiated Claims

Unsubstantiated claim reports will contain three buckets. The bucket the employee falls into for their total unsubstantiated claims amount will determine if action is necessary for the institution:

• At or less than $100
• $100.01 – $250
• Greater than $250*

*Institutions should contact employees with balances greater than $250. Claims that remain unresolved after the payroll withholding process (3/31/21) will be converted to debt owed to ETF.

12/03/2020 Update: Reports of affected employees will not be sent to institutions; nor will institutions be expected to contact employees directly with balances greater than $250.

UW System HR will send the report institutions should use to determine if they need to contact employees the week of November 30th.
2020 FSA Unsubstantiated Claims

Employees with questions should contact CYC. Due to the complexities of the process, CYC is the most appropriate resource to answer questions regarding participant accounts.

CYC
833-881-8158
service@connectyourcare.com

Resource: A summary of the FSA unsubstantiated claims process, employee communications and tentative timeline may be found at FSA Unsubstantiated Claims webpage

Additional information regarding the payroll withholding process and affected employees will be provided the week of November 30th.

12/03/2020 Update: Reports of affected employees will not be sent to institutions per note on slide 4.