



Receipts May Still Be Required

Your Benefits Access Card will definitely improve your cash flow. However, be aware that the IRS requires the Card be used only for eligible expenses. Remember, the Card will not work at gas stations or restaurants – only at health care or dependent daycare related providers. Additionally, the IRS requires participants to save original store (or provider of service) itemized receipts for every expense transaction. In the event of an IRS audit, these documents will be needed to prove expense eligibility.

There are instances when you may receive a letter/notification from SHDR asking you to furnish an itemized receipt to verify the expense. When you receive such a request, make sure you submit the receipts as soon as possible to avoid having your Card suspended until receipts have been submitted and approved.

SHDR offers participants the option of receiving debit card receipt requests by Email. If you take advantage of this added convenience, please be aware that email requests will be sent from: *Benefit Access Card* (DoNotReply@shdr.lh1ondemand.com). Your spam filter may need to be edited to allow emails from this source.

What is an itemized receipt?

An itemized receipt must include: merchant or provider name, services received or item purchased, date of service, and amount of the expense. Cancelled checks, handwritten receipts, cash register receipts or previous balance invoices cannot be used to verify an expense. We suggest that you keep their itemized receipts in one place (perhaps using the “Save the Receipt” envelopes provided) so they’re readily available when you receive a request.

Auto-Substantiation

The IRS does allow auto-substantiation for transactions that can be substantiated electronically. Our card program’s technology uses all of the IRS-approved methods (e.g. Inventory Information Approval Systems [IIAS], copayment matching, reoccurring expense matching, etc.) to auto substantiate transactions and reduce paperwork for cardholders. However not all debit card expenses can be auto substantiated. This is especially true for dental, chiropractic, and medical expenses that do not match exactly to your Company’s health or dental plans.

Follow-up Letter Request

For transactions that cannot be auto-substantiated, you will receive a letter(s) or e-mail notification(s) asking you to furnish an itemized receipt or other proof that the Card was used for an eligible expense. Some of the more common instances in which you will receive a letter include:

- Medical expenses that do not match the co-pay amount of your employer’s health insurance.
- When the employee or dependents are not covered by your employer’s insurance plan
- When the transaction is for a charge not associated with a co-pay amount, such as dental or vision expenses.

If after the third follow up letter request, documentation is not received; your debit card will be suspended pending receipt of substantiation or repayment of the transaction. If a transaction is determined to be ineligible or if further documentation is required, additional notification will be sent.

Ineligible Items or Services

The IRS does not allow reimbursement of certain items or services please check the eligible / ineligible listing for guidance prior to purchasing. You also cannot use current plan year funds to pay for services incurred in the prior plan year.

Overpayment process

If the transaction was deemed ineligible or you are unable to supply the required documentation, the IRS requires that the cardholder pay the money back into the benefit account. This repayment process may be accomplished by one of several methods:

- You may submit documentation for eligible expenses that you have not previously been reimbursed via your FSA.
- Have merchant or provider credit the amount back directly to your FSA.
- Send repayment via a personal check in the amount of the ineligible expense to SHDR. Repayment amount will be credited back to your FSA.

After documentation is received, eligible transactions are substantiated, or repayments have been made, the debit card will be re-activated.