

SUBSTANTIATION PROCEDURE OPTIONS



Internal Revenue Service (IRS) rules require that all claims made against medical flexible spending accounts ("Medical FSAs") and health reimbursement arrangements ("HRAs") be substantiated with regard to their eligibility for tax-exempt status, including claims made with electronic payment cards.*

BBP Admin can customize its electronic card substantiation procedure to your specifications. Please check your selection below:

- I want BBPadmin to apply the strictest standards for electronic payment card substantiation (*Default*)
- I want BBPadmin to apply the strictest standards for electronic payment card substantiation, however, I do not want BBPadmin to deactivate any participant's debit card for the sole reason of the participant's failure to provide information necessary for the substantiation of claims unless and until Plan Sponsor directs such deactivation.
- I do not want BBPadmin to require the submission of receipts or other supporting materials where debit cards are used as of Plan
- I want BBPadmin to apply the strictest standards for electronic payment card substantiation, however, I do want BBPadmin to auto-approve Copays or other specific amounts listed here: _____
- Other (Explain in detail): _____

Completed by:

Employer Name	Name/Title	Date
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*See FSA Substantiation Terms of Service

Please refer to the following IRS rulings on substantiation for pre-tax accounts and debit cards:

- a. https://www.irs.gov/irb/2006-31_IRB#NOT-2006-69
- b. <https://www.irs.gov/pub/irs-drop/n-11-05.pdf>
- c. <https://www.irs.gov/newsroom/affordable-care-act-questions-and-answers-on-over-the-counter-medicines-and-drugs>
- d. <https://www.irs.gov/pub/irs-drop/rr-03-43.pdf>
- e. https://www.irs.gov/irb/2006-31_IRB#NOT-2006-69