

FSA Quiz

1. Only Owners of Regular Corporations (C Corp), Professional Corporations, their spouse and dependent children can participate in a Cafeteria Plan. However, their contributions are limited to 25% of the aggregate of the employees' contributions. Yes No
2. The Plan must offer the selected benefits to all employees who meet the eligibility requirements. Employees can waive participation in all or part of the Plan. Yes No
3. The limit for Medical Reimbursement is set by the Employer. However, the Employer accepts a "risk obligation" for this limit set. The Employer is obligated to "front the money" to the employee. Yes No
4. When an employee terminates mid-year, an Employer can deduct MRA amount owed by the Employee from the last paycheck(s). Yes No
5. Medical Reimbursement is a COBRA eligible benefit. Yes No
6. Employees can be reimbursed their cost of individual insurance premiums from the MRA. Yes No
7. An employee can be reimbursed up to \$5,000 for tuition from the Dependent Care Account. Yes No
8. If no employee contributes to the Dependent Care Account, an owner can still participate in this Account. Yes No
9. Under the IRS rule, "Use it or lose it", any money left in the Plan at the end of the plan year is forfeited by the FSA participants. Yes No
10. An employee can change their election any time during the Plan Year. Yes No
11. Personal financial hardship is considered a status change by the IRS. Yes No
12. An Employer can set up a FSA to co-exist with a HRA in order to permit the out of pocket medical expenses not covered under the HRA to be deducted tax-free from their employee's paychecks. Yes No
13. An Employer can offer the Health Reimbursement Arrangement and a Flexible Spending Account (FSA) during the same plan year. Yes No
14. An Employer can offer the Health Savings Account (HSA) and the Flexible Spending Account to their employees during the same plan year. Yes No