

December 12, 2011

MEMORANDUM NO: 088-11HR

**TO:** Agency Administrators

**FROM:** Bobbie Chappell, Director of Human Resources

**VIA:** Rip Colvin, Executive Director

**RE:** Outstanding *myMRA* Card 2010 Transactions

---

## IMPORTANT INFORMATION

### Background

Since January 1, 2011, employees enrolled in a Medical Reimbursement Account (MRA) or Limited Purpose MRA have used their *myMRA* card to pay for eligible expenses. Per the Internal Revenue Code (IRC) Section 125, some card transactions require documentation to prove they are eligible expenses. When this occurs the employee is notified of the requirement for supporting documentation via the People First Service Center. This notification is sent via email within a few days of the transaction.

Cardholders also receive subsequent email reminders and alerts that their card will be suspended if the documentation is not submitted to the People First Service Center.

If the employee fails to provide the required documentation, the state is required to take correction procedures set forth under IRC Section 125.

### Issue

Statewide, one hundred sixty-one current and former employees have not provided the required documentation for charges made against their 2010 MRA accounts. They owe the state a total of \$38,294.13, ranging from \$1.98 per transaction to \$2,775. These employees may face federal income tax implications. Per the IRC, they will forfeit these funds once they pay the state what is owed because their deadline to spend the money (March 15, 2011) has passed.

### Important – Next Steps

- The People First Service Center and the Division of State Group Insurance are mailing one final notice to current employees to require that they pay what is owed by

January 13, 2012; otherwise, the state will initiate wage deductions beginning with the February 2012 payroll.

- The People First Service Center and the Division of State Group Insurance are also mailing one final notice to former employees to request that they pay what is owed by January 13, 2012; otherwise, the state will initiate collection proceedings.

### **Looking Ahead**

As of November, 1,537 current and former employees have not complied with the request for documentation made against their 2011 myMRA account. They owe the state a total of \$387,764.53, ranging from \$1.02 per transaction to \$4,590.

Last week employees were emailed the following reminders on how to clear any outstanding 2011 myMRA account debt:

- If you have documentation from the provider to support that the claim is eligible, send it right away, along with a completed claim form. Place a check in box "A" of the form. Your outstanding transaction will be cleared within five to ten business days from the date received, and your myMRA card will be reactivated within three business days.
- If you have documentation for another eligible expense that you paid out of pocket, send it to People First, along with a completed claim form. Place a check in box "C" of the form to substitute the expense for the outstanding card transaction. Your outstanding transaction will be cleared and your myMRA card will be reactivated.
- If you don't have the documentation from the original card transaction, or documentation from another eligible expense to substitute, you must submit a personal payment to clear the outstanding transaction. Remember, per the IRS, your pretax MRA contributions may only be used for approved, eligible expenses.
  1. Make your check or money order payable to the Division of State Group Insurance.
  2. Write your People First identification number on your check and indicate that you are paying a 2011 card transaction.
  3. Then send it to: State of Florida DSGI, P.O. Box 864684, Orlando, Florida 32886-4684.

***Employees who pay back funds immediately still have the opportunity to use the money before March 15, 2012. Per the IRC, those who do not pay timely will forfeit these funds once they pay the state what is owed.***

If you have any employees with outstanding transactions that need to be cleared, you will receive a list of those employees from JAC this week. **Please work with your employees to clear these accounts as soon as possible.** Wage deductions and collection processes will begin in early 2012 for any employees that have outstanding 2011 transactions that have not complied with the requested actions noted above.

If you have questions or need additional information, please let me know.

Bobbie Chappell, Director of Human Resources  
Justice Administrative Commission  
227 North Bronough Street, Suite 2100  
Tallahassee, Florida 32302  
Phone - 850-488-2415 ext. 249  
Fax - 850-922-9445

People First ID: #

December 12, 2011

**Final Notice**

Address

Dear Name :

Our records show that you or your dependents used the myMRA card to purchase item(s) with money from your 2010 account. The State of Florida previously notified you of the outstanding card transaction(s) – either the expense was ineligible or you did not provide the required documentation by the April 15, 2011 deadline. To close the issue, the state requested that you send personal payment.

Records show that you still owe the State of Florida \$amount for the outstanding transaction(s) from 2010. **Starting with the February 2012 payroll, the State of Florida will deduct approximately \$amount from your paycheck** to last for approximately # pay period(s), until the debt is paid.

**To avoid these wage deductions, complete these steps by Friday, January 13, 2012:**

1. Make your check, money order or cashier's check payable to Division of State Group Insurance for the full amount owed.\*
2. Write your People First ID number on your payment and indicate that you are repaying 2010 outstanding card transaction(s).
3. Mail your payment to:

State of Florida DSGI  
PO Box 864684  
Orlando, FL 32886-4684

Your participation in this tax-favored flexible spending account benefit mandates compliance with the Internal Revenue Code to avoid potential tax implications. The State of Florida is required to protect the pretax status of this program. The state must take this action to ensure compliance with federal and state regulations.

If you feel an error has been made, you may file a Level I Appeal to have your issue reviewed by December 23, 2011. The appeal must be in writing and be sent to:

People First Service Center  
Attention: Appeals  
PO Box 6830  
Tallahassee, FL 32314

Please call us if you have any questions or concerns at (866) 663-4735 or TTY (866) 221-0268, Monday through Friday, from 8 a.m. to 6 p.m. Eastern Time.

Sincerely,  
People First Service Center

\*If you owe more than \$100, are unable to pay the amount in full and the amount to be deducted will be a financial hardship for you, call the Division of State Group Insurance at (850) 921-4600. You may be approved to set up an installment plan through payroll deduction following specific guidelines.

People First ID <<number>>

<<date>>

## Final Notice

<<name>>

<<address line 1>>

<<address line 2>>

### Second and Final Notice

Dear <<name>>:

Our records show that you or your dependents used the *myMRA* card to purchase item(s) with money from your 2010 Medical Reimbursement Account (MRA). The State of Florida previously notified you of the outstanding card transaction(s) – either the expense was ineligible or you did not provide the required documentation by the April 15, 2011 deadline. To close the issue, the state requested that you send personal payment.

Records show that you still owe the State of Florida <<\$ amount>> for the outstanding transaction(s) from 2010. **In February 2012, the State of Florida will start collection proceedings\* to recover these funds.**

#### To avoid collection proceedings, complete these steps by Friday, January 13, 2012:

1. Make your check, money order or cashier's check payable to Division of State Group Insurance for the full amount owed.
2. Write your People First ID number on your payment and indicate that you are repaying 2010 outstanding card transaction(s).
3. Mail your payment to:

State of Florida DSGI  
PO Box 864684  
Orlando, FL 32886-4684

Your participation in this tax-favored flexible spending account benefit mandates compliance with the Internal Revenue Code to avoid potential tax implications. The State of Florida is required to protect the pretax status of this program. The state must take this action to ensure compliance with federal and state regulations.

If you feel an error has been made, you may file a Level I Appeal by December 23, 2011 to have your issue reviewed. The appeal must be in writing and be sent to:

People First Service Center  
PO Box 6830  
Tallahassee, FL 32314

Please call us if you have any questions or concerns at (866) 663-4735 or TTY (866) 221-0268, Monday through Friday, from 8 a.m. to 6 p.m. Eastern Time.

Sincerely,  
People First Service Center

\*You will be required to pay any additional fees associated with the collections process.