

PAYLOCITY FAQ

What is a Health Reimbursement Account (HRA)?

An HRA is a tax-advantage, employer-funded health benefit plan that reimburses you for out-of-pocket medical expenses. It can be used to pay for a wide range of medical expenses considered to be qualified under IRS Section 213 of the Internal Revenue Code, including self-payment premiums to the Health and Benefit Plan.

What is a Paylocity debit card?

The Paylocity debit card is a debit card loaded with your Health Reimbursement Account balances. It is a convenient way to pay your pharmaceutical, medical and dental out of pocket expenses without the hassle of dealing with claim forms or waiting for reimbursement checks to arrive.

When do I use the Paylocity debit card?

Participants can use their Paylocity debit card at the point of service when picking up prescriptions at a pharmacy. This is permitted because your prescription claim is being adjudicated in real time and at the time of purchase.

There are several reasons why you do not want to use your Paylocity debit card for medical or dental expenses at the time of service. The most important two are as follows:

1. Within the Internal Revenue Tax Code, there is a rule that states that every expense or transaction from a Health Reimbursement Account (HRA) must be substantiated. This means there needs to be proof or evidence that those monies were only used for eligible medical expenses.

As evidenced by the pharmaceutical industry, certain systems will automatically prove these monies were used for only eligible medical expenses. However, and for the reasons that:

- Medical and dental providers do not utilize one unified billing system, and

- That these claims must be repriced to account for any discounts, They are not automated for adjudication at the time of service. Hence, in the eyes of the Internal Revenue Service, the expense is not substantiated. Meaning, the monies that were paid were used for eligible medical expenses as explained under section 216(d) of the Internal Revenue Code.

Without substantiation, payments from your Health Reimbursement Account for incurred expenses prior to the Plan adjudicating the claim can be and will be deemed by the Internal Revenue Service as a taxable event to the participant.

2. You may be paying too much. Remember, all other medical and dental claims are not processed by the Plan directly after services have been received. As you are aware, the Plan has negotiated discounts with several providers. For that reason, without the Plan processing your claim first, a participant will not know what, if anything, is owed until the claim is adjudicated.

Therefore, a good rule of thumb to use is to use your card only after you receive an explanation of benefits from the Plan for the services in question.

If I do not wish to use the mobile app or web portal, can I still file a paper claim? If so where do I get one and where do I send it?

Of course. A claim form can be found on the Health and Benefit Plans website: ibew697benefits.org. If you do not have a computer, just call the Fund Office and we will be more than happy to supply you with as many copies as you need. Upon obtaining the claim form, you just complete it, attach the supporting documentation and mail it into the address listed on the form.

Or you can upload a copy of that claim form and supporting documentation and e-mail it to batinfo@paylocity.com. If you are going to upload the claim form, make sure that you only list your last four digits of your Social Security Number.

I am having trouble creating my login for Paylocity. What should I try to do?

You should call the toll-free help-line at 1-833-423-8891. Their hours of operation are from 7:00 A.M. to 6:00 P.M. Central Standard Time (CST). Or you can call the Fund Office at 219-940-6181 and ask for assistance.