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Claims-based funding for Benefits plans

This article explains the claims-based funding method for flexible spending accounts (FSAs), health reimbursement arrangements (HRAs), and commuter benefits plans.

Watch this video to learn more. 

Important

- If your company has a health savings account (HSA), the claims-based funding method isn't an option. See [Funding for health savings accounts \(HSAs\)](#) for more information.
- If you selected contribution-based funding in your plan design, see [Contribution-based funding for Benefits plans](#) for more information.

With a claims-based funding arrangement, funds are debited from your company's general asset account as needed to pay for claims eligible under your plan. Funds are withdrawn as claims and benefits debit card transactions are processed. You keep participant contributions in the general asset account until funds are needed.

Note: We do not hold any advanced funds for this type of arrangement.

Manual/online claims

When participants' claims are processed, an Automated Clearing House (ACH) withdrawal is initiated from your company's bank account. This withdrawal occurs in one lump sum that equals the amount we require to issue reimbursements to participants. Withdrawals may occur daily, depending on claim activity.

We issue the reimbursements to participants by check or direct deposit from our custodial account.

Before withdrawals settle with your bank, we send your ACH contact an automated email reminder to log in to LEAP and review the Employer Funding Report. This report details all claim activity, including dollar amounts. The automated email is sent daily, regardless of claim activity. For more information on reporting, see [Reporting options for Benefits plans](#).

Debit card transactions

When participants' debit card transactions are settled, an ACH withdrawal is initiated from your company's bank account. This withdrawal occurs in one lump sum that equals the amount we need to settle debit card transactions for that particular day. Withdrawals may occur daily, depending on debit card activity, and they're separate from the manual/online claims withdrawal.

Before withdrawals settle with your bank, we send your ACH contact an automated email reminder to log in to LEAP and review the Employer Funding Report. This report details all claim activity, including dollar amounts. The automated email is sent daily, regardless of claim activity.

Scenario	Resolution
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<p>You have multiple company codes and names in our system, but use the same bank account when Bancorp, the debit card provider, pulls funds for debit card transactions. <u>Note:</u> Your company code is the unique five-digit number assigned to you.</p>	<p>Funds pull the aggregate amount for all companies/entities in our system with the same bank account. Use your reporting to validate the amounts for each company/entity.</p>
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For more information on reporting, see [Reporting options for Benefits plans](#).

Note: Debit card settlements for Friday, Saturday, and Sunday post the following Monday as three separate ACH transactions. BancorpSV will appear for debit card transactions.

Debit card settlement schedule

The following table summarizes when we will debit funds from (or credit funds to) the applicable bank account. These transactions are included in the Employer Funding Report.

There is a separate lump sum ACH for all debit card transactions that occurred on a given day. This amount does not include manual/online claims, which have a separate ACH pull.

Action	Day submitted						
Debit card transaction settlement	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.	Sun.
Employer Funding Report sent	Wed.	Thurs.	Fri.	Sat.	Sun.	Mon.	Tues.
Funds debited from bank account	Wed.	Thurs.	Fri.	Mon.	Tues.	Tues.	Tues.

Note: This schedule may vary due to bank holidays and bank processing times.

ACH rejections

If an ACH pull is rejected for any reason, claims processing, and debit card activity will be temporarily suspended, which may negatively impact participants.

Common reasons for an ACH rejection include (but are not limited to):

- ACH ID/filters that authorize WEX and Bancorp, the debit card provider, to initiate an ACH from your account weren't provided to your financial institution.
- A maximum ACH dollar limit was set on your bank account, and the ACH request exceeded this limit.

If an ACH rejection occurs, we will contact you immediately. You may need to contact your bank to ensure all account information is correct.

Note: After the ACH issue is resolved, it can take up to 24 hours for another ACH attempt to be initiated to avoid duplicate transactions. Allow three to four business days for claims processing and debit card functionality to be restored.

Claims-based funding reports

The following reports are available:

Report type	Descriptions	Generation schedule
Employer Funding Report	Summarizes debits to your bank account for participant claim reimbursements and debit card transactions as well as credits posted to your account	Daily (regardless of activity)
Account Balance Detail Report	Details each participant's election, claims paid, deposits, and available balance	First of each month (and on demand)
Enrollment Report	Includes data about participants' annual elections, payroll contribution amounts and employer contributions (if applicable)	First of each month (and on demand)
Payment History Report	Summarizes how much WEX has issued in checks, direct deposits, and debit card transactions (if applicable) for a specified time period.	On demand

You can view this article at:

<https://wexbenefitskb.egain.cloud/system/templates/selfservice/dbika/help/agent/locale/en-US/portal/308900000001002/content-version/PROD-3665/PROD-74186/Claims-based-funding-for-Benefits-plans?query=claims%20based%20funding>

