



DataPath Rolls Out Benefits Consumer Credit Card

October 8, 2003 (PLANSPONSOR.com) – Employee benefit software solutions provider DataPath has uncorked a new employee health benefits card platform designed to work like a consumer credit card.

The card, dubbed myResourceCard, takes advantage of the regulation changes contained in the Internal Revenue Service's (IRS) Revenue Ruling 2003-43 (See [Charge It!](#)), after originally being developed as a corporate credit card. In the ruling, the IRS stated that participants can use debit cards, credit cards, and other electronic media to pay for eligible medical expenses provided they follow proper claims substantiation procedures, according to a news release.

With the switch, plan participants will be able to alleviate the "spending" of money twice generally associated with Flexible Spending Account (FSA) and Health Reimbursement Account (HRA), as occurs with a salary reduction and then again as payment for the expense. Rather, employees can now have access to the qualified reimbursement plan's funds without waiting for reimbursements via checks or direct deposit.

This is done without any pre-funding of the employer account since the card member is given a credit line independent of annual election amounts of benefit plans. In this way, the participant is responsible for payment of all charges on the card, with employee plan reimbursements directed to pay down the card's balance and the participant paying any remaining balance due on the periodic bank statement. Credit availability is then restored upon receipt of payment by the sponsoring bank.

Administrators have control over the plan and ensure that 100% of the reimbursements are a result of a properly adjudicated claim. Additionally, DataPath has included some employer controls on myResourceCard:

- | pre-set limits for employee accounts independent of the employee's election within a reimbursement plan
- | any misuse of myResourceCard can result in a deactivated or suspended card
- | additional savings due to the increased participation in pre-tax benefits increasing their FICA savings by as much as 40% in some cases.

The myResourceCard is scheduled for beta implementation in Fall 2003 with full implementation after January 1, 2004. More information can be obtained through either John Robbins, Sr or Jason Lee at DataPath, (501) 296-9990, or at www.myresourcecard.com.

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