

Good news for debit benefit cards

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The Medicare bill passed by both the House and Senate the eliminates the 1099 reporting requirement for flexible spending accounts.

Originally announced in the IRS ruling allowing debit cards last May, the 1099 requirement has been a barrier to employers considering cards for their benefits programs since its surprise appearance in the ruling, according to Evolution Benefits, which produces the Benny card.

"This removes a major impediment to the adoption of debit cards for employers of all sizes," observes Robert E. Patricelli, founder and CEO of Evolution Benefits.

"Our company alone had about 150,000 individual debit card accounts that were held up by this provision. A number of large employers decided to adopt prescription-only debit-card solutions until the 1099 issue was resolved," he said.

Patricelli said those clients are planning to expand their cards to all benefit categories now that the 1099 requirement has been lifted. □