

TOPIC: HEALTH SAVINGS ACCOUNTS**DODD-FRANK ACT - DURBIN AMENDMENT**

This newsletter is intended to provide additional information relating to your health plan. Please distribute this newsletter to employees enrolled in the group health plan. Any questions regarding this information can be directed to Central Penn Benefits, at (717) 718-5687.

PINs and Healthcare Debit Cards

In 2010, President Obama signed into law the Dodd-Frank Act. A component of this legislation, referred to as the "Durbin Amendment," impacts debit card transactions - including FSA/HSA/HRA debit cards. Effective April 1, 2013, the Durbin Amendment requires merchants to accept personal identification number (PIN) transactions for purchases made using a healthcare debit card, in addition to the signature transactions that are currently used. In the past, participants haven't had this option - if prompted to enter a PIN at a payment terminal, they would simply select "credit," and sign off on the transaction. After 4/1, should participants opt to set up a PIN, they will be able to either sign off on their purchase, as they have in the past, or select "debit" at the payment terminal and enter a PIN. The PIN will be an option, but will not be required by most merchants.

Effective date

The effective date for the requirement for merchants to accept personal identification number transaction for purchases made using a healthcare debit card is April 1, 2013.

Who is affected?

All those who have a healthcare debit cards will be affected by the Durbin Amendment.

What must employers do?

Employers should confirm with their FSA, HSA or HRA debit card providers to confirm if they are allowing the PIN option and confirm communication with employees.

Where to get more information?

The following link provides the full text of the Federal Register: <http://www.gpo.gov/fdsys/pkg/FR-2011-07-20/pdf/2011-16861.pdf>