

# Annual Debit Card Substantiation Report

Each year Sentinel will review your plan for unsubstantiated debit card transactions that occurred during the prior plan year. Unsubstantiated transactions are ones for which Sentinel has requested additional documentation or repayment from the participant but have been unable to resolve. See [Debit Card Transaction Substantiation \(Receipt Requests\)](#) for additional details about attempts to obtain additional documentation.

Employers will receive an annual report listing all unsubstantiated transactions from the prior year. Since the participants listed have not complied with the debit card requirements and Sentinel has exhausted all recovery options, the transaction list is provided so that employers can take action.

The following options are available for resolution of outstanding claims:

- Participants can submit the requested documentation to Sentinel.
- Participants may repay the ineligible claim amount to their Sentinel account.
- Participants may offset with another claim. Speak with your account manager to determine eligibility and coordinate processing.
- If the previous procedures are unsuccessful, consistent with the employer's business practices, the employer may treat the amount as any other business indebtedness.

If all of the attempts to resolve listed above are unsuccessful, the IRS and Treasury officials have informally commented that you must report the improper payment on Form W-2. The ineligible payment is income in the year the debt is forgiven as opposed to the year in which the expense was incurred. This means that a corrected W-2 for the plan year in which the transaction occurred is not required. The transaction amount would be included on the next available W-2.

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