

What is a Flexible Spending Account (FSA)?



FSAs are accounts, funded with an employee's elected payroll deductions, to reimburse/pay for qualified personal or family health care (medical/dental/vision) not covered by your health care plans OR dependent care expenses during a benefit plan year.

THE VALUE

1-The FSA is funded with an employee's "pre-tax" income REDUCING your taxable income, meaning you don't pay taxes on this money.

2-The Health Care FSA entire annual election is available on day one of the plan year, while the deposits are divided over annual payroll deductions are collected evenly over the pay periods in the plan year.

3-An FSA allows for budgeting of expected health and dependent care expenses.

WHAT'S REQUIRED: START AN FSA FOLDER NOW!! Participants MUST maintain copies of FSA receipts submitted for reimbursement to demonstrate that all pre-tax expenses were valid, in the event of an IRS audit.

Health Care FSAs (HC-FSA)

The Health Care FSA can only be used for eligible health care expenses under IRS Code § 213(d) such as: medications, doctor office visits, medical equipment, eligible over-the-counter items, dental expenses like cavity fillings and checkups, prescription contact lenses and eyeglasses and sunglasses, and more.

Dependent Care FSA (DC-FSA)

Simply, this account pays for dependent care expenses to allow you and your spouse to work. Dependent care funds can be used to pay for qualified daycare, before and after-school care and other qualified dependent care expenses for your children under age 13 and/or custodial care for your physically or mentally disabled dependent spouse/elders residing with you during the plan year.

Plan Ahead for your FSA

Once enrolled, an employee CANNOT CHANGE their annual election unless they experience a qualified status change (see full IRS FSA Rules & Regulations at www.irs.gov).

In general, funds in FSAs can only be used throughout a plan year. Funds cannot be transferred from one FSA to another or rolled into the next plan year. Unused funds are forfeited to the employer.

However, some employers provide either a carryover up to \$500 or a 2-1/2 months grace period.

HEALTH CARE FSA	Annual Expense
Deductibles	\$ _____
Co-Payments	\$ _____
Prescription drugs	\$ _____
Eligible Over-the-Counter Items	\$ _____
Medical Mileage	\$ _____
Dental Expenses not covered by insurance	\$ _____
Orthodontia	\$ _____
Vision Expenses (Exams, Lens, Glasses)	\$ _____
Hearing Expenses (Exams, Hearing Aids)	\$ _____
Therapy (Physical, Speech, Chiropractor)	\$ _____
Other eligible health care expenses	\$ _____
Estimated Annual Health Care FSA Election	\$ _____

DEPENDENT CARE FSA	Annual Expense
Payments to Dependent Care Facility	\$ _____
Payments to Dependent Care Individual	\$ _____
Payments to Adult Care Provider	\$ _____
Estimated Annual Health Care Contribution	\$ _____