



Flex Spending Accounts

Health and Dependent Care



What is an FSA?

An account associated with an employer-sponsored health plan to which you can save money for out-of-pocket medical and dental expenses.

Your employer will contribute pre-taxed dollars to your FSA each pay period. You may select the amount of money you would like to contribute each year. Because contributed dollars are pre-tax, you can save more for health care costs!

Benefits of an FSA

- On average, people save an **additional 30%** for medical and dental expenses because contributions are made before taxes.
- The **entire** amount of your target FSA is accessible at the **beginning** of the year even if you haven't made all your contributions for the year.

Optimizing your FSA

It's important to be strategic about how much money you plan to contribute toward your FSA. Any money that is not used up at the end of the year will be lost.

Some employers will provide you with a 2.5 month grace period beyond the end of the year to allow you to use up the rest of your funds. Try to match your FSA funds to your expected out-of-pocket expenses.

Annual Limits on an FSA

Health Care

You are limited to contributing \$3,050 towards a health care FSA

Dependent Care

You are limited to contributing \$5,000 towards a dependent care FSA

Who can be covered?

Individuals who are covered may use their FSA funds for qualified medical or dental expenses. You, your spouse, and your child (under age 27 at the end of the tax year) can be covered by your FSA.

General Rules

You must use all the money in your FSA within a year of starting your plan. All funds contributed in future years must be used by the end of the tax year.

You cannot change the total amount contributed to your FSA mid-year, UNLESS you get married or give birth.

If you leave your job mid-year, the funds in your FSA account stay with your employer. You can't keep any unspent FSA money, so it's a good idea to plan your contributions and withdrawals accordingly.

What can be covered?

Health Care:

- *Deductibles*
- *Co-payments*
- *Prescription and over the counter medication*
- *Medical equipment*
- *Vision and dental expenses*
- *Physical Therapy, Chiropractors, and Acupuncture*

Dependent Care

FSA funds can be used for dependent care services for a child under the age of 13.

Additionally, funds may be used for the care of spouses or relatives who are mentally/physically disabled.

Qualifying Dependent Care:

- *Before/after school programs*
- *Daycare and Summer Camp*

What is not be covered?

Health Care:

- *Insurance Premiums*
- *Cosmetic Surgery*

Dependent Care

- *Child Support Payments*
- *Transportation*
- *Care for children over 13*