

Flexible Spending Accounts



Lively

Flexible Spending Accounts (FSA) offer you a tax-free way to set aside money for certain health care and/or dependent day care expenses. If you have eligible expenses, a flexible spending account may be a useful addition to your benefits package. Because FSA account contributions are taken out of your pay before Social Security taxes, federal and state income taxes, 100% of each dollar you contribute goes toward your eligible expenses. As a result, you save on taxes. You must make new elections each plan year for Flexible Spending Accounts.

Medical Flexible Spending Account

This tax-preferred account helps you pay for health care expenses that are not covered by your health plan. You can claim reimbursement for expenses incurred by you and your dependents through the convenience of a debit card or by filing a claim. The maximum annual contribution permitted by the IRS is **\$3,200**.

If you participate in our HSA plan, you will only be able to use a Limited Medical Flexible Spending Account. Ask for more details.

Examples of eligible expenses include, but not limited to:

- Medical copayments, deductibles and coinsurance
- Uninsured expenses such as hearing aids, eyeglasses, contact lenses, and certain eye surgeries
- Uninsured dental expenses, including orthodontia

Dependent Care Flexible Spending Account

This account lets you set aside tax-free dollars to pay the cost of child care that enables you and your spouse (if you are married) to work or attend school. You may claim eligible day care expenses for a child under age 13 whom you claim as a dependent of your federal tax return.

Examples of eligible expenses include

- Day care provided in your home or another person's home
- Licensed day care center expenses

The maximum annual contribution for the dependent care account is **\$5,000** per calendar year if you are married and file a joint tax return or if you are single. If you are married and you and your spouse file individual tax returns, your maximum annual contribution is **\$2,500** per calendar year.

Contributions are made weekly through payroll deduction. Reimbursement claims are processed Lively.

Remember, Flexible Spending Accounts are “use it or lose it”.

You should contribute the amount of money you expect to pay for eligible out of pocket expenses for the plan year. If you do not use the money you have contributed it will not be refunded to you or carried forward to a future plan year.

Medical FSA Carryover

(does not apply to the Dependent Care Flexible Spending Account)

Again this plan year is a Carryover provision. The Carryover provision allows some relief towards the “use it or lose it” rule. You are allowed to carry over up to \$500 into the next plan year for a Medical FSA. Funds carried over can be added to your current year election. Any amounts over \$500 remaining in your Medical FSA accounts must be used for services incurred by March 31st and any claims must be submitted by May 30th.