



# Instructions for using your Flexible Spending Accounts

Medical Care Flexible  
Spending Accounts

Dependent Care Flexible  
Spending Accounts

FAQs

Requesting Reimbursement

Account Access

## WHAT IS A FLEXIBLE SPENDING ACCOUNT (FSA)?

Under current IRS regulations, an FSA allows you to set aside pre-tax dollars to reimburse yourself for out-of-pocket medical and/or dependent care expenses. You elect an annual amount and the money is divided by the number of pay periods in a plan year and deducted from your paycheck pre-tax. **Pre-tax benefits can help you save 25% - 30%** on items and services you currently purchase!

	Without Account	With Both Accounts
Weekly Earnings	\$ 500.00	\$ 500.00
Account Deposits	\$ 0.00	\$ 20.00 (medical) \$ 96.15 (dependent care) <b>\$ 116.15 (Total)</b>
Taxable Wages	\$ 500.00	\$ 383.85
Taxes Federal 15% FICA 7.65% State 5%*  *Not all states permit pre-tax withholdings for FSA contributions.	\$ 138.25	\$106.13
Expense (after tax)	\$ 116.15	\$ 0.00
Net Take Home Pay	\$ 245.60	\$ 277.72
Weekly Savings		<b>\$ 32.12</b>
Annual Savings		<b>\$ 1,670.24</b>

*The tax savings above are for illustrative purposes only.*

## WHO CAN PARTICIPATE?

All employees who are eligible for the group health plan.

- You do not need to be enrolled in your organization's health plan to participate, but you must be eligible for coverage.
- You may also use the Medical FSA for expenses associated with your qualified dependents. Your dependents do not need to be enrolled in your health plan to participate in the FSA. See your Summary Plan Description for more information on qualified dependents.

## THERE ARE TWO TYPES OF ACCOUNTS

Your employer may offer one or both accounts, and you may elect to participate in either or both accounts. The two accounts work differently.

### • Medical Care FSA

- Your employer sets the minimum and maximum contribution amounts (limited by the federal maximum).
- You may be reimbursed up to your annual election any time during the plan year.
- Be sure to elect an amount that you are sure you'll use because any monies left over will be forfeited unless your plan includes a carryover provision.
- This account reimburses you for eligible out-of-pocket medical expenses for you, your IRS-defined spouse and qualified dependents.
- See the list of eligible expenses accompanying this brochure.

### • Dependent Care FSA

- You may use the Dependent Care Flexible Spending Account if you (or you and your spouse, if married) require dependent care so that you and your spouse can work, or so that you can work and your spouse can attend school full-time.
- If you or your spouse work part-time or attend school full-time, your maximum annual election may be limited. Please refer to your employer's Summary Plan Description for more information.

- You may request reimbursement of eligible expenses for a child who has not yet reached their 13th birthday and who is your qualified dependent.
  - You may also request reimbursement of eligible expenses for a spouse, older child or other individual who is a qualified dependent and is physically or mentally incapable of caring for him/herself. (For example, elder care is an eligible expense if provided for your qualified dependent so that you can work.)
  - Your pre-tax withholdings for this account will be shown in Box 10 of your W-2. You will need to complete IRS Form 2441 with your annual tax return.
  - The IRS sets the maximum (\$5,000 for a single parent or if you are married and file a joint tax return; \$2,500 if you are married and you and your spouse file separate tax returns).
  - You may request reimbursement for expenses up to the amount you have contributed to your account.
  - Be sure to elect an amount that you are sure you'll use because any monies left over will be forfeited.
- **Expenses Eligible for Reimbursement:**
    - Before and after-school care
    - Pre-school
    - Day camps
    - Wages paid to a childcare provider in your home, including employment taxes
    - Child care center
    - Fees charged by a child care provider working out of his or her home
    - Fees charged by your child care provider for transportation to/from place of care
  - **Ineligible Dependent Care Expenses:**
    - Kindergarten
    - Child support payments
    - Overnight camp
    - Deposits for services not incurred
    - Activity fees
    - Meals
    - Incidental babysitting

## FREQUENTLY ASKED QUESTIONS

**May I change my election mid-year?** The IRS prohibits election changes unless you have a qualifying event. A qualifying event is any one of the following life events:

1. You gain or lose a dependent through:
  - Birth, death, marriage, divorce, separation, adoption or a change in eligibility because of age or dependent status.
2. You gain or lose responsibility for a dependent's medical or daycare expense due to a court order.
3. You gain or lose eligibility for the plan during the plan year.
4. If your spouse loses employment, you may enroll in or increase your Medical FSA.

*\*This is a summary of current IRS regulations. Your employer's Summary Plan Description details when and if you may change your elections under the plan.*

**When can I make changes to my Dependent Care Account?** In addition to the qualifying events above, you may also make changes to your Dependent Care Account when there is a change in cost, a change in provider, or a change in the number of hours needed for care.

**What if I lose my check?** Call GDI's Accounting Team at 1-800-626-3539. We encourage participants to choose Direct Deposit as their primary reimbursement method if their employer has made this option available.

**May I transfer money from a Dependent Care FSA to a Medical FSA?** No. IRS regulations prohibit such transfers.

**What happens if my employment terminates?**

**1. Medical FSA**

- You are eligible to submit reimbursement requests through the end of the run-out period applicable to terminated employees for services incurred up to and including your last day of work. See your Summary Plan Description for more information.
- You may have the option to elect COBRA to extend the coverage period for your Medical FSA.

**2. Dependent Care**

- You may continue to submit reimbursement requests for services incurred after your employment terminates through the applicable run-out period. See your Summary Plan Description for more information.

**Do I need to report an FSA on my taxes?** If you participate in a Dependent Care FSA, you must file IRS Form 2441 with your annual tax return. There is no obligation to file any additional forms on behalf of your Medical FSA.

**What about the IRS Child Care Credit?**

Obtain a copy of IRS Form 2441 and review the amount of credit due to you in your income bracket, or consult with your tax advisor to determine which approach works best for your personal circumstances.

## REQUESTING REIMBURSEMENT

There are several ways to receive reimbursement from your FSA:

- 1. GDI Debit Card (if offered by your employer):** You can use the convenience of your GDI debit card. IRS regulations require that you save your receipts for these expenses in the event you are asked for a copy to substantiate a card transaction.
- 2. Online:** Login to your account. On the homepage find **"I Want To..."** and select **"File A Claim."**
- 3. Paper Claim:** Print an FSA Reimbursement Request Form from **www.gdynamic.com**. Complete the form, attach documentation and submit your request by one of the methods listed on the form.

## CHECKING YOUR ACCOUNT BALANCE

- **Go to [www.gdynamic.com](http://www.gdynamic.com)** and log into your account
- Your temporary **username** is: Your first name/state initials/last 5 digits of your SSN (e.g. bonnieme12345)
- Your temporary **password** is: Your first initial/state initials/zip code (e.g. bme04105)
- You may create a new username and password at any time after this initial temporary login.

**Our Reimbursement Team is available Monday through Friday, 8:00 AM - 5:00 PM Eastern Time, at 800-626-3539.**

You may leave a message during non-business hours and your call will be returned by 10 AM the following business day.



Scan the image to the left with your smart phone to connect instantly to our website.

# Medical FSA Eligible Expenses

The list below includes generally eligible IRS Code Section 213 expenses. **Items marked with a \*** require a copy of a current prescription (written on a prescription pad). The prescription must be submitted each time a request for reimbursement is submitted for these items.

## REMEMBER:

1. All services must be provided by a licensed practitioner.
2. Stockpiling of supplies is prohibited by the IRS.
3. Services must be rendered or items purchased during the plan year (or grace period, if applicable).
4. You will lose any money remaining in your account at the end of the plan year unless your plan includes a grace period or carryover provision.

Acupuncture  
Alcoholism treatment program fees  
Allergy medicine ★  
Ambulance service  
Antacids ★  
Anti-Diarrhea medicine ★  
Artificial limbs

Bandages  
Braille books and magazines  
*(above the cost of regular print)*

Car Modifications for equipment  
installed for the use of a person  
with a disability  
Childbirth classes  
*(mother's costs only)*  
Chiropractic care  
Christian Science practitioner fees  
Co-insurance charges  
Co-payments  
Cold medicine ★  
Cold/Hot packs for injuries  
Contact lenses  
*(including cleanser and saline solution)*  
Cough drops ★  
Crutches

Deductible expenses  
Dental expenses  
*(non-cosmetic services only)*  
Dentures  
Diabetic supplies  
Dietary Supplements ★  
Drug addiction treatment at a  
therapeutic center

Eye drops ★  
Eye exams  
Eyeglasses

First aid kit

Gauze pads  
Guide dog or other animal used by  
a person with a physical disability

Hearing aids/batteries  
Hemorrhoid medications ★  
Herbs ★  
Hospital fees

Immunizations  
Incontinence supplies  
Insulin

Lasik Surgery  
Laboratory fees  
Laxatives ★  
Learning disability *(fees paid to a  
special school or a specially trained  
tutor for a child with severe learning  
disabilities caused by mental or physical  
impairments, provided that the child's  
physician recommends that the child  
attend the school or be tutored)*

Massage therapy *(only if prescribed by  
a physician for a specific diagnosis and  
provided by a licensed massage therapist)*  
Medical services provided by physicians,  
surgeons, and specialists *(non-cosmetic  
services only)*  
Mileage related specifically to transportation  
to/from an eligible medical appointment  
Motion-sickness medications ★

Nasal Spray ★  
Nicotine gum or patches ★

Ointments for muscle or joint pain or  
for first aid purposes ★  
Operations  
Optical care provided by Optometrists,  
Ophthalmologists or Opticians  
Organ transplants  
Orthodontics  
Orthotic Inserts  
Osteopathic treatment  
Oxygen

Pain relief medications ★  
Physical exams  
*(unless employment related)*  
Physical therapy  
Prescription drugs  
Prosthesis  
Psychiatric care  
Psychoanalysis  
Psychological treatment  
Pre-natal vitamins ★  
Pregnancy test kits

Reading glasses  
Rubbing Alcohol ★

Sales tax payable for eligible services or items  
Sinus medicines ★  
Smoking cessation programs  
Special foods *(prescribed by a physician  
at costs in excess of the costs of commonly  
available products)*  
Special schools for a mentally impaired  
or physically disabled person if the  
primary reason for using the school is  
its resources for relieving the disability  
*(e.g. a school that teaches Braille to  
a visually impaired child or teaches  
American Sign Language to a hearing  
impaired child)*  
Suppositories ★

Thermometers

Vaccines  
Vitamins ★

Wheelchair costs

X-rays



THIRD PARTY ADMINISTRATION

# Medical FSA Expense Estimator

## ELIGIBLE OVER-THE-COUNTER ITEMS:

Allergy medicines ★	Laxatives ★
Antacids ★	Motion-sickness medicines ★
Anti-diarrhea medicines ★	Nasal Spray ★
Bandages	Ointments for muscle or joint pain or for first aid ★
Cold/flu medicines ★	Pain Relief medicines ★
Cold/hot packs	Pre-natal Vitamins ★
Cough Drops ★	Pregnancy Test Kit
Dietary Supplements ★	Reading Glasses
Eye Drops ★	Rubbing Alcohol ★
First Aid Kit	Sinus Medicines ★
Gauze Pads	Suppositories ★
Hemorrhoid medicines ★	Thermometers
Herbs ★	Vitamins ★
Incontinence Supplies	

★ Items marked with a ★ require a copy of a current prescription (written on a prescription pad). The prescription must be submitted each time a request for reimbursement is submitted for these items.

## Some Important Points...

- You can be reimbursed for out-of-pocket expenses incurred by you, your IRS-defined spouse and children, even if health insurance coverage is from another source.
- The money you elect in your FSA can only be used toward eligible expenses. You will lose any money remaining in your account at the end of the plan year unless your plan includes a grace period or carryover provision.
- Remember you save taxes on each dollar you set aside for the account!

**Questions? 1-800-626-3539**

Email: [clientservices@gdynamic.com](mailto:clientservices@gdynamic.com)

[www.gdynamic.com](http://www.gdynamic.com)



THIRD PARTY ADMINISTRATION

## GENERAL MEDICAL EXPENSES

Allergy Care	\$_____
Deductible or Coinsurance	\$_____
Diabetic Supplies	\$_____
Hearing Aids & Batteries	\$_____
Lab or X-ray	\$_____
Massage Therapy ★	\$_____
Office Visit co-pays	\$_____
Orthopedic Inserts	\$_____
Over-the-counter Items	\$_____
Pharmacy co-pays	\$_____
Preventive Care	\$_____
Psychotherapist	\$_____
<b>TOTAL GENERAL MEDICAL</b>	<b>\$_____</b>

★ Massage Therapy: A note of medical necessity is required.

## DENTAL EXPENSES

Bridges	\$_____
Crowns	\$_____
Dentures	\$_____
Fluoride Treatment	\$_____
Orthodontia ( <i>Adult or children</i> )	\$_____
Teeth Cleaning	\$_____
Fillings	\$_____
<b>TOTAL DENTAL</b>	<b>\$_____</b>

## VISION EXPENSES

Eye Glasses ( <i>Prescription or OTC Reading Glasses</i> )	\$_____
Contact Lenses	\$_____
Contact Lens Solution	\$_____
Vision Exam	\$_____
Lasik Surgery	\$_____
<b>TOTAL VISION</b>	<b>\$_____</b>

**GRAND TOTAL** \$\_\_\_\_\_

Multiply Grand Total by 27% for a rough estimate of payroll tax savings.