



Understanding Flexible Spending Accounts

A Flexible Spending Account (FSA) is a simple and convenient way for you to make the most out of your paychecks. When you enroll in an FSA you can pay for health care and dependent care expenses and save money at the same time.

Here's how it works:

You set aside a predetermined amount to be deducted from your paycheck, which is then deposited into your FSA(s). The amount that you designate is deposited before federal and state income tax withholding or Social Security is deducted.

This means the funds that you set aside to pay for your health care or dependent care expenses are tax-free ... saving you money. At the end of the year, your W-2 form will indicate your taxable income as your regular gross salary minus your FSA contributions.

Tax Savings Example

Here is an example of how you can reduce your taxes and increase your take-home pay by enrolling in an FSA

You Deposit	\$1,000 in your FSA
You Save	\$200 in federal income taxes*
You Save	\$76 in FICA taxes**
YOU TAKE HOME	\$276 in yearly savings

* Assumes federal income tax rate of 20%.

** Includes Social Security tax rate of 6.2% and Medicare tax rate of 1.45%.

Two Ways To Save!

There are two types of FSAs:

(1) Health Care (2) Dependent Care

They differ in the types of expenses they cover and how they provide reimbursement.

Health Care FSAs

Health Care FSAs are used to reimburse health care expenses, including any insurance deductibles, as well as medical and prescription copayments that are not covered by your medical plan. Some examples of eligible medical expenses include the following:

- > Deductibles, copayments and out-of-pocket expenses incurred for medical care
- > Vision and Dental care expenses

For a more detailed list of eligible/ineligible expenses refer to the inside of this brochure.

Dependent Care FSAs

Dependent Care Accounts are used to reimburse expenses associated with the care of a dependent child or adult while you continue working or searching for work. Child care costs are eligible for reimbursement if a child is younger than 13 and you claim the child as a dependent on your federal income tax return. Costs of care for an adult dependent, including a spouse or a parent, qualify if the adult is physically or mentally disabled.

Sign Me Up!

You can enroll in any FSA during Open Enrollment or after you experience a qualifying life event. Qualifying life events include (marriage, divorce, birth, adoption, etc.).

Flexible Spending Accounts

Eligible Health Care Expenses

Medical Treatments/Procedures

- Acupuncture
- Alcoholism (inpatient treatment)
- Exercise/fitness programs*
- Hearing exams
- Hospital services
- Infertility treatment
- In vitro fertilization
- Norplant insertion/removal
- Physical exam (not employment related)
- Reconstructive surgery (congenital defect/accident)
- Rolting
- Speech therapy
- Sterilization
- Transplants (including organs)
- Treatment for substance/drug abuse
- Vaccination/immunizations
- Vasectomy and vasectomy reversal
- Weight loss programs*
- Well-baby care

Medical Treatments/Procedures

- Abdominal/back support
- Ambulance services
- Arches/orthopedic shoes
- Contraceptives*
- Crutches
- Guide dog (for visually/hearing impaired)
- Hearing devices and batteries
- Hospital bed
- Learning disability support (special school/teacher)
- Medic alert bracelet or necklace
- Menstrual
- Oxygen equipment
- Prosthesis
- Splints/casts or support hose**
- Syringes
- Transportation expenses (for medical care)
- Tuition fee at special school (for disabled child)
- Weight loss drugs (to treat specific disease)
- Wheelchair
- Wigs (hair loss due to disease)

Practitioner

- Allergist
- Chiropractor
- Dermatologist
- Osteopath
- Physician
- Psychiatrist
- Psychologist

Medication

- Insulin
- Prescribed birth control and vitamins
- Prescription drugs
- Over-the-counter medications

Obstetric Services

- Lamaze classes
- Midwife expenses
- OB/GYN exams
- OB/GYN prepaid maternity fees***
- Prenatal and postnatal treatments

Vision Services

- Artificial eyes
- Contact lenses
- Eye exams
- Eyeglasses
- Laser eye surgeries
- Prescription sunglasses
- Radial keratotomy/lasik
- Reading glasses

Dental Services

- Dental x-rays
- Dentures
- Exam/teeth cleaning
- Extractions
- Fillings
- Gum treatment
- Oral surgery
- Orthodontia/braces
- Physical exam

Health Care Expenses Not Covered

- | | |
|------------------------------------|------------------------|
| ✗ Cosmetic surgery/procedures | ✗ Diaper service |
| ✗ Insurance premiums | ✗ Hair loss medication |
| ✗ Long-term care premiums | ✗ Hair transplants |
| ✗ Maternity clothes | ✗ Health club |
| ✗ Vitamins/nutritional supplements | ✗ Marriage counseling |
| ✗ Teeth whitening | |

*If prescribed by doctor.

**Requires medical necessity.

***Reimbursable after date of birth.

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Eligible Dependent Care Expenses

What Qualifies?

you are eligible for reimbursement through a Dependent Care FSA if their primary function is ensuring the qualifying individual's well-being and protection. **Examples of eligible Dependent Care expenses include, but are not limited to the following:**

Services provided: **(1)** inside or outside of your home by anyone other than your spouse, another one of your dependents, or one of your children under 19 years of age; **(2)** by a child care center; or **(3)** by a housekeeper whose services include dependent care.

Day Care Centers

Services provided by a dependent care center that meet local regulations, cares for more than six nonresidents and receives a fee for such services, whether or not-for-profit, but only if the care is for a dependent under age 13 or an eligible dependent who regularly spends at least eight hours a day in your home. Expenses for a dependent day care center must meet all state and local licensing requirements.

Day Programs

Services provided outside of your home, such as preschool tuition or other outside dependent/child care services, such as before- and after-school programs, but only if the care is for a dependent under age 13 or other eligible dependent who regularly spends at least eight hours a day in your home.

Care For Dependents With Mental And/Or Physical Disabilities

Care for dependents who live with you at least eight hours a day and who are mentally and physically incapable of caring for themselves and who depend on you to provide more than half of their support.

Educational Programs

Schooling costs for children in preschool/nursery school are eligible for reimbursement (kindergarten program costs are NOT reimbursable). If child attends kindergarten and participates in an after-school day care program at the same school, only the after-school program cost is reimbursable.

Day Camp

Summer day camp (when both parents work).

Dependent Care Expenses NOT Covered

- ✖ Transportation to and from the dependent day care location, unless transportation is offered through the provider's program.
- ✖ Amounts you pay for child and dependent day care while you or your spouse are out of work because of illness (including maternity leave), injury, vacation, or leave of absence
- ✖ Summer sleepover camps
- ✖ Separate charges for food, diapers, clothing, supplies
- ✖ Fees for extracurricular classes (e.g. gymnastics, swimming, dance)
- ✖ Boarding Schools
- ✖ Nursing Homes

Flexible Spending Accounts

myFlexDollars Makes Managing Your FSA Easy!

In addition to enjoying pre-tax savings and the convenience of the prepaid benefits card, FSA enrollees are granted access to online resources that allow for easy, anytime access to their account.

A few of the features available through myFlexDollars® are outlined below.



File a claim online

When you need to file an FSA claim, you can do so online rather than faxing a claim form and expense receipts (also an option). Once you enter your expense information, you can then upload your expense receipts (or fax them if uploading documents is not an option for you).

View “real-time” information

myFlexDollars® allows you to view current information about your account, including balances, claims history and payment history. You can also check the status of a claim and find out when a scheduled reimbursement will be paid.

Mobile App access

The myFlexDollars® mobile app provides you with on-the-go access to account information. Use the app to check your balance, file a health care claim, submit expense receipts (using your mobile device's camera), and sign up for text messages that alert you to new account activity.

Sign up for email and text alerts

Signing up for email and text alerts allows you to receive real-time information about your accounts. You can sign up for alerts through our mobile app or on the myFlexDollars® website.

Sign up for direct deposit

If you wish to have your non-card FSA reimbursements directly deposited into a bank account of your choosing, you can sign up for direct deposit through myFlexDollars®.

