

# FSA 101

Presented by:

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# Introduction

- Flexible Spending Account  
FSA
  - Through pre-tax payroll deductions, save taxes on common costs such as deductibles, co-pays, vision, dental, OTC and dependent care
  - Dependent on your tax bracket, you could save 30%!
  - Premium tax savings
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# Tax Savings Example

\$500 Contribution to FSA	W/O FSA	WITH FSA
Annual Pay	\$25,000	\$25,000
Less Out of Pocket Expenses	\$ 0	\$ 500
Taxable Income	\$25,000	\$24,500
Less Federal Taxes (based on 28%)	\$ 7,000	\$ 6,860
Less State Taxes (based on 5.3%)	\$ 1,325	\$ 1,299
Less FICA Taxes (based on 7.65%)	\$ 1,913	\$ 1,874
Less Out-of-Pocket Med Expenses	\$ 500	\$ 0
Income After Medical Expenses	\$14,262	\$14,467
Taxes Saved	\$ 0	\$ 205

# Premium Savings

- The employee portion of the premium paid with pre-tax dollars

Medical

Dental

Voluntary Products

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# Health FSA Eligible Expenses

- Medical expenses NOT covered by insurance
    - Deductibles
    - Co-Pays & Co-Insurance
    - Lasik Eye Surgery
    - Dental
    - Vision
    - Mileage to / from healthcare facilities
    - OTC
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# Health FSA Ineligible Expenses

- Teeth Bleaching
  - Non-Prescription Glasses
  - Cosmetic Services
  - Expenses NOT within the plan year
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# Things to Remember

- Most single participants set aside \$1500 - \$2000 per Plan Year
  - Most families set aside \$2000 - \$3000 per Plan Year
  - Uniform Coverage Rule
  - Use or Lose – where does it go?
  - Your HFSA Maximum is \$10,000
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# Dependent Care FSA

- For Children 13 and Under
  - May be used for adult care
  - \$5000 IRS max per calendar year
  - Can reimburse available balance
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# Dependent Care, cont.

- Summer Day Camps – ok
  - Overnight Camps – not ok
  - Must file with taxes, Form 2441
  - Recurring Claim Filing  
once each plan year!
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# IRS Rules

- Expenses must be incurred during the plan year
  - Submit claims at any time during the plan year, or 90 days after
  - Must have eligible status change to change election amount
  - Your plan year is calendar year.
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# Services

- Submit claims via fax, email, online claims function or mail
  - Direct Deposit
  - Provide email address and receive election confirmation; direct deposit confirmation; claims information
  - Online Account Look-Up
  - Online Forms
  - Online Tax Savings Calculator
  - Claims typically processed within 24-48 hrs of receipt
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# Claims Submission

- Remember, claims must include  
Date of Service  
Amount Incurred  
Description of Service  
Signed Claim Form  
(credit card or balance due  
statements not acceptable)
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# Debit Card

- Use to pay for claims up to your available balance
  - **KEEP YOUR RECEIPT**
  - Substantiation may be requested by the third party administrator
  - **MUST** submit substantiation if requested within 45 days or risk card being de-activated
  - Manual claims may be submitted if card is de-activated
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# Enrollment

- Estimate out-of-pocket expenses for you/spouse/dependent children
  - Total election divided by number of pay periods in the plan year & pre-taxed from each pay check
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# Questions

