

What is a Flexible Spending Account (FSA)?

An FSA allows you to use pre-tax dollars to pay for qualifying health care and dependent care expenses. Participating in an FSA increases your take home pay, as your taxable income is reduced by your pre-tax deductions and you are not taxed on your reimbursement. When you enroll in your employer sponsored Flexible Spending Account, your contributions are not subject to Federal, FICA and most state taxes. This means you bring more home more money in your paycheck!

	Employee A Without FSAs	Employee B With FSAs
Gross annual salary (before taxes)	\$32,000	\$32,000
Medical FSA contribution	0	-500
Dependent care FSA contribution	0	-1,500
Taxable salary*	32,000	30,000
Taxes withheld (Federal, State, FICA)	-4,930	-4,477
Employee A Pays for medical & day care expenses	-2000	0(net)
Remaining take home pay	\$25,070	\$25,523

*Figures above are for illustration purposes only. Actual Savings and tax rates may vary

How does an FSA work? Each year prior to the beginning of the plan year, you will need to make an annual election for medical and/or dependent care expenses during the specified Open Enrollment Period. Enrollment is required annually, FSA elections do not carry forward from year to year. The annual amount you elect to contribute will be divided by the number of pay periods remaining in the year. Every pay period, your Employer will deduct these equal amounts from your payroll check on a pre-tax basis. If you or your spouse is enrolled in an HSA program you are not eligible to participate in the health care reimbursement portion of the Flexible Spending Account unless it is a Limited Purpose Health FSA. **Unless you have a qualifying Change of Status during the year, you cannot make changes, such as increasing or decreasing your level of contributions.**

Are there limits I should be aware of? For the Health FSA each employer decides the maximum you can elect during open enrollment. The overall IRS limit for plan years starting January 1, 2019 or after is \$2,700. If spouse enrolled in FSA both can have up to maximum. Please consult your Summary Plan Description for plan limit information. For Dependent Care FSA the maximums are limited to the smaller of the following 1) \$5,000 per calendar year if your tax filing status is married filing jointly and or single head of household or \$2,500 per calendar year if your tax filing status is 'married filing separately' 2) your "earned income" for the year or 3) if you are married at the end of the taxable year, your spouse's earned income.

What if I don't use all the money in my Account? It is important to accurately determine your qualifying expenses for the year. After the Run-Out Period of a plan year, **if so stated in your enrollment material and Summary Plan Description**, you can carryover up to \$500 of unused funds to the new plan year. Any amount over \$500 will be forfeited. In addition, money in one account cannot be used for expenses incurred in another account. For instance, any unused amounts left in the Health FSA cannot be used to reimburse dependent care expenses.

What are eligible Health FSA expenses? A Health Flexible Spending Account allows you to receive reimbursements for medical expenses that are NOT reimbursed by insurance, qualifying out-of-pocket medical, dental and vision expenses as well as general health products and prescribed over-the-counter medicines. This list is intended to be used as a quick reference of potentially eligible medical expenses and does not guarantee that an expense will be eligible. Please see your plan documents to verify what expenses are reimbursable under your plan. In addition to the list below, there are over 150 additional items or expense types that are considered potentially eligible. These may require prescriptions or a letter of medical necessity when submitting a reimbursement request.

Eligible Medical Expenses

Acupuncture	Allergy Treatments (if prescribed)
Ambulance	Body Scans
Breast pumps	Chiropractors
Co-insurance amounts	Co-payments
Dental services & procedures	Diagnostic items/services
Diabetic supplies	Eye examinations, eyeglasses equipment and materials
Flu Shots	Immunizations
Hospital services	Lactation consultant
Lab Fees	Orthodontia
Obstetrical expenses	Physical Therapy
Physical exams	Prosthesis
Preventive care screenings	Screening tests
Radial keratotomy	Transplants
Speech Therapy	X-ray fees
Vaccines	

Eligible Over-the-Counter Medical Supplies

Arthritis gloves
 Adult incontinence products (e.g. Depends)
 Birth control products (e.g. prophylactics) (if allowed by your plan)
 Contact lens solution
 Denture adhesives
 First aid supplies (e.g. Band-Aids)
 Hearing aids and batteries
 Heating Pads
 Supports/braces (e.g. ankle, knee, wrist, therapeutic glove)

Eligible Over-the-Counter Drugs & Medicines

(requires a prescription)
 Anti-fungal medications
 Cold sore medication
 Diaper Rash ointments
 First Aid Creams
 Gastrointestinal aids (e.g. antacids, anti-diarrhea medicines, laxatives)
 Pain Relievers (e.g. aspirin, Tylenol, Advil, Motrin)
 Wart remover medications

For a more comprehensive list, please view Eligible & Ineligible Expense List on our website www.HRAdministrators.com

What are eligible Dependent Care FSA expenses? A Dependent Care FSA allows you to receive reimbursement for dependent care expenses (e.g. child care) for a qualified person. These expenses enable you and, if married, your spouse to be gainfully employed, look for work, or attend school full time.

Qualifying Dependents

Dependent child under the age of 13 and for whom you can claim a tax exemption

Spouse or dependent who is physically or mentally incapable of self-care, lives with you for more than half of the year, and for whom you can claim a tax exemption

The qualified person must spend at least 8 hours per day in your home

Eligible Dependent Care Expenses

Day care center expenses
 Day camps
 Nurse/preschool expenses
 Before/after school care
 Babysitting expenses inside or outside your home (provided the babysitter is not a relative under age 19 or a tax dependent of you or your spouse)
 Adult care
Overnight camps and educational schooling CANNOT be reimbursed

What if I contribute to a Health Savings Account (HSA)? If you or your spouse contribute to a Health Savings Account you can enroll in a Limited Purpose Medical FSA. A Limited Purpose Medical FSA can only reimburse Dental, Vision and Post Deductible Expenses (medical expenses incurred above \$1,350 for Single coverage and \$2,700 for Family coverage).

How should I estimate my expenses? You should think about how much you spend in qualifying health and dependent care expense each year. This can be your annual election amount that you can elect during Open Enrollment. If this is the first time enrolling in the plan, elect a little less than you have estimated to ensure you will use all of your funds.

How can I figure out how much money I'll save?

Estimated Medical Expenses	\$ _____
Estimated Dependent Care Expenses	\$ _____
Total Estimated Annual Expenses (Add 1+2)	\$ _____
Tax Bracket % (see table below)	_____ %
Annual Tax Savings (multiply line 3 by line 4)	\$ _____

<p><i>Tax Estimate Table*</i> <i>*Based on a combination of social security, federal, and state income taxes. These are estimates based on national averages and may not reflect your actual tax rate.</i></p>	If your annual household earnings are:	Estimated tax rate is:
	Less than \$30,000.....	25%
	\$30,000 to \$40,000.....	29%
	\$40,000 to \$70,000.....	31%
	Greater than \$70,000.....	33%

Can I view my Account information online? Visit www.HRAdministrators.com and click on either the MyRSC or Summit link depending on your plan. You will receive a welcome email or letter in order to establish a personal Login ID and password on the Participant Portal. Please contact Human Resource Administrators, Inc. if you don't receive the welcome notice. In addition, you can now view your account on your smart phone by visiting iTunes App Store or Google Playstore and search for *myRSC* or *DataPath Summit*, depending on your plan to download and install the free app.



How do I access my FSA? You can use your Summit Card (if offered) or submit a claim for reimbursement.

**mySourceCard
(Health FSA only)**

Use at qualified merchants providing medical products and services such as doctors, dentists, labs, hospitals, vision centers and certain drugstores.

Always save your itemized receipts, the IRS requires Human Resource Administrators, Inc to receive substantiation for certain transactions.

Submit a claim/substantiation

Online – log in to Summit, click on the “Transactions”, then Add Transactions and follow the on screen instructions

Summit Mobile App – download the Summit app from iTunes or Google Play, use Summit log in and follow on screen instructions

Mail/Fax/e-mail – complete a claim form, attach itemized receipts and submit to Human Resource Administrators, Inc.

What else do I need to know?

- ❖ For the Health FSA, you will receive the full amount claimed for qualifying expenses up to your annual election amount regardless of the level of contributions made to your account. You can be reimbursed only for eligible expenses incurred (date the services are rendered) during the coverage period in which your contributions are made. Expenses incurred during the Grace Period can be reimbursed if so stated in the Summary Plan Description.
- ❖ With regard to the Dependent Care FSA, the maximum amount you can be reimbursed during the time you are covered in the Plan Year cannot exceed the salary reduction amounts you have elected and made under the Dependent Care Assistance Plan less any previous reimbursements paid.
- ❖ All claims received by Friday (5:00 p.m. EST) will be processed by the following Friday. A check will be mailed to your home unless you choose to have the reimbursement go directly into your checking or saving account. To authorize direct deposit, please complete the Direct Deposit Form.
- ❖ If you terminate with your employer, you may submit claims with a date of service incurred prior to your end of coverage for a specified duration of time as stated in your Summary Plan Description

Questions?

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