

Flexible Spending Accounts

A flexible spending account (FSA) lets you set aside money from your paycheck (on a pretax basis) to use for eligible out-of-pocket expenses. The two most common types of FSAs are health care and dependent care.

Health care FSA

This account reimburses you for various eligible health care expenses. These include medical, dental, vision, hearing and prescription drug expenses. You can also use the FSA funds to pay for copays, coinsurance and over-the-counter (OTC) items.*

Dependent care FSA

This account reimburses you for eligible child and adult care expenses. Such expenses include day care, before and after school care, nursery school, preschool and summer day camp.

The benefits of having an FSA

An FSA can help reduce your taxes and increase your take-home pay. The money you contribute to an FSA is exempt from federal taxes, as well as most state and payroll taxes.

Learn more about FSAs

Visit payflexwallet.com and click on “Resources” from the top navigation and choose “FSA Resources” from the drop-down menu to access the following tools:

- **Video library:** View educational videos.
- **Tools and calculators:** Estimate your health care and dependent care expenses.
- **FAQs:** Review frequently asked questions about the health care and dependent care FSA.

*You will need a written prescription for OTC drugs and medicine.

**Some employers may set lower limits for their plans. Please check your plan for how much you can contribute to an FSA.

Getting started is easy

Decide if you want to enroll in a health care and/or dependent care FSA. Next, look at your expenses from last year. Then think about what you expect your expenses to be next year. Use this to help you decide how much to contribute to a health care and/or dependent care FSA. Your employer will deduct your pretax contributions from your paycheck. Your contributions are deducted in equal amounts during the year and deposited into your FSA.

FSA contribution limits

The current annual health care FSA pretax contribution limit is \$2,550.** If you and your spouse each have a health care FSA, you can each contribute \$2,550.

The dependent care FSA limit is \$5,000** per household/family. If you and your spouse each have a dependent care FSA, you are limited to \$5,000 between the two of you.

How to use your FSA funds

If you pay for eligible expenses with cash, check or a personal credit card, you can submit an online request for reimbursement. Or you can fill out a paper claims form and fax or mail it to PayFlex®.

If offered by your employer, you may also use the PayFlex Card®, your account debit card, to pay for your eligible expenses. When you use the card, the funds automatically come out of your FSA.

Note: Save all of your receipts. If you have an Explanation of Benefits (EOB) from your insurance plan, save that too. When you submit an eligible claim, you'll need to submit the EOB or receipt.

What you need to know about FSAs

- FSAs generally have a use-it-or-lose-it rule. This means that you might forfeit any unused funds at the end of the plan year.
 - If your plan has a grace period, you will have an additional 2 months and 15 days (after the plan year) to use your funds.
 - The run-out period provides you with additional days (after the end of your plan year) to submit claims for reimbursement. Please confirm the length of your run-out period with your employer.
- If allowed by your employer, you may be able to carry over unused funds of up to \$500 into the next plan year, for your health care FSA.
 - The carryover amount doesn't count toward your annual maximum. Refer to your plan details for your specific carryover provision.
- You cannot change your contribution unless you have a change in status.* This may include a change in one or more of the following:
 - Legal marital status (marriage, divorce, legal separation, annulment or death of a spouse)
 - Number of tax dependents (birth, adoption or death)
 - Employment status that affects eligibility
 - Dependent satisfying or ceasing to satisfy coverage requirements (reaching limiting age, gain or loss of student status, marriage)
- Specific to a dependent care FSA, you can change your contribution if:
 - There is a change in your provider
 - There is a change in the cost for a provider (unless this provider is a relative)

Questions?

Visit payflexwallet.com or contact your human resources representative.

Stay connected to your FSA

When you have an FSA, you can sign up for various alerts on your account. These will help you stay up to date on your account activity.

General information

Health care expense

- You can only receive reimbursement for expenses incurred during the current plan year or grace period, if applicable.
- Reimbursement is for eligible expenses incurred by you, your spouse and your dependents.
- You cannot receive reimbursement for an eligible expense more than once.

Dependent care expense

- Dependent care expenses must be for a qualifying person. This includes your dependent who is younger than age 13, or a spouse or dependent incapable of self-care.
- To receive reimbursement, you must be working. If you are married, your spouse must either be working, looking for work, be a full-time student or incapable of self-care.
- Expenses are reimbursed based on the amount available in your account.
- Expense reimbursement is for services already received.



It's a simple tap with the **PayFlex® Wallet app**

Managing your account has never been easier. Simply "tap" to:

- ✓ Check your balance
- ✓ View your account activity
- ✓ View PayFlex debit card transactions
- ✓ View account alerts

*You must apply for a change in your election through your employer. You must submit your request generally within 30 days of your status change date. See your employer's Summary Plan Description for specific details applicable to your plan.

PayFlex Systems USA, Inc.

This material is for informational purposes only. It does not contain legal or tax advice. You should contact your legal counsel or your tax adviser if you have any questions or if you need additional information. The information describes the Flexible Spending Account ("FSA") in general terms. FSA plans are governed by the rules of Section 125 of the Internal Revenue Code and will be administered in accordance with those rules. Estimate fund amounts carefully. Unused funds will be forfeited either after the last day of the plan year or at the end of the grace period if your plan offers one. Eligible expenses may vary from employer to employer. In case of a conflict between your plan documents and the information in this material, the plan documents will govern. Please refer to your employer's Summary Plan Description ("SPD") for more information about your covered benefits. Information is believed to be accurate as of the production date; however, it is subject to change. For more information about PayFlex, go to payflex.com.