Flexible Spending Accounts “FSA”
Incentive to plan ahead

Imagine a world where employees are happy, healthy and entirely devoted to your organization. FSA, Flexible Spending Accounts can help you make it happen. Boost morale and relieve financial stress for your employees by offering an incentive to plan ahead for those everyday — and not so everyday — healthcare and daycare expenses.

What are Flexible Spending Accounts (FSAs)?
A Flexible Spending Account or FSA is a tax-advantaged benefit program established by an employer for their employees. This consumer driven account allows employees to use pre-tax money for eligible Section 213d healthcare and dependent care expenses. Based on their needs, employees may elect up to $2,550 (per household) of their annual salary for healthcare and $5,000 (per household) for dependent care expenses to be placed into an FSA on a pre-tax basis.

How Does an FSA Work?
The total employee election for an FSA is divided by the number of pay periods and deducted on a pre-tax basis from the employee’s paycheck.

As a result, the employee’s taxable income is reduced by the election amount and therefore reduces the amount of taxes the employee will have to pay.

Employers also save in payroll taxes for every dollar an employee elects, which results in a mutually beneficial program.

As a trusted FSA administrator, we offer a first class experience for you and your employees, that puts you in control and includes:

- Faster reimbursement of FSA eligible expenses with daily and weekly frequency options
- Easier access to funds with FSA debit cards, simplified claims processing and direct deposit

What are the Benefits of Flexible Spending Accounts?
You and your employees both get to enjoy tax savings on recurring expenses with Healthcare Flexible Spending Accounts (FSAs), Dependent Care Spending Accounts (DFSAs). Plus, you get piece of mind knowing that we are here to guide you every step of the way — saving you precious time and energy.

You and your employees both get to enjoy tax savings on recurring expenses.
What is a Healthcare FSA?

Healthcare FSAs allow employees to pre-tax up to $2,550 (per household) of eligible expenses.

The FSA monies set aside by the employees are then reimbursed to the employee throughout the plan year as the eligible healthcare expenses are incurred, submitted and verified by the plan administrator.

FSA eligible expenses include doctor visit co-pays, prescription co-pays, vision care, dental expenses and more.

What is a Dependent Care Spending Account?

Dependent Care Spending Accounts allow employees to pre-tax up to $5,000 (per household) of eligible expenses. The expenses must be for the care of dependents claimed on the employee’s federal tax return, which live with the employee and incurred while the employee is at work.

Most commonly the account is used to reimburse daycare expenses for children under the age of 13. But, it can also apply for children of any age that are physically or mentally incapable of self-care.

In addition, adult daycare for senior citizen dependents is also eligible as long as they are claimed as a dependent on the employee’s federal tax return.

Dependent Care Spending Accounts are funded the same way as a Healthcare FSA, but are reimbursed slightly differently. In order to reimburse FSA eligible expenses, the employee must have the funds available in the account.

FSA limits, grace periods, and carry-overs

You can declare up to $2,550 into an FSA each year. You generally must use that money within the plan year. However your employer may offer one of two options for your FSA benefits.

- A $500 per year, roll over to use in the following FSA plan year.
  
  Or

- A “grace period” of up to 2½ extra months to use the balance in your FSA benefits.

The Health Plan is equipped to design a custom FSA plan that fits your needs.

The NEW

FSA

USE OR

Roll over $500

LOSE

The right plan for you