

FSA's Create BIG Savings for You!

What is an FSA?

An FSA is a tax-advantaged benefit plan whose funds are **exempt from taxes**. Your out-of-pocket health care expenses are eligible for reimbursement if the expenses are for medically necessary care or treatment incurred during the Plan Year. If you have dependents, your out-of-pocket expenses for their health care and treatments are eligible too! You may contribute up to **\$3,050** in your FSA.

Help Reduce Receipt Requirements

- As a participant of the Plan, you are required to substantiate certain debit card transactions to verify the expenses or services being paid for with the card are eligible under your Plan. Please submit receipts as requested.
- **IIAS – Sku-filtering technology:**
Over The Counter (OTC) items, medications, and prescriptions purchased at most major pharmacy, grocery, and discount stores with your card are automatically approved by their checkout technology. You will not be asked to submit a receipt.

FSA Store

Our partner, FSA Store, is a convenient source for Flexible Spending Account participants, as it is the only ecommerce site exclusively stocked with FSA eligible products. There is no guesswork about FSA reimbursement on the site, because products are clearly marked showing which ones require a prescription, and which ones do not. In addition to thousands of products, the site has various resources (including an FSA Learning Center, FSA Calculator, and a comprehensive listing of eligible expenses) to help participants better understand and use their FSA. FSA Store features 24/7 customer service via live chat, phone, and email. To visit FSA Store, please go to www.medcombenefts.com or <https://medcom.wealthcareportal.com> and click on the banner.

Employee	Without Flex	With Flex
Gross Salary	\$36,500	\$36,500
Health FSA	\$0	\$1,000
Day Care	\$0	\$1,200
Taxable Salary	\$36,500	\$34,300
Fed/State/FICA	(\$7,450)	(\$6,750)
Take Home	\$29,050	\$27,550
Your Out of Pocket	(\$2,200)	(\$0)
Net Take Home	\$26,850	\$27,550
SAVINGS	(\$0)	\$700

Grace Period

Any unused funds in your FSA account when the Plan Year ends may be used up to 2 ½ months following the end of the Plan Year. Any unused funds after the grace period and claims run-out period end will be forfeited.

Limited Flexible Spending Accounts

What is the difference between a "LIMITED" and a "GENERAL PURPOSE" Flexible Spending Account?

Under a General-Purpose FSA, you may not contribute to a "Health Savings Account (HSA)". However, you may participate in a Limited FSA.

Limited Purpose Health FSA (LPF)

- If you enroll in a Limited Purpose Health FSA, you may have and contribute to an HSA.
- Only the following "medical care" expenses incurred by you and your tax dependents are eligible for reimbursement under the Limited Purpose Health FSA:
 1. Dental care
 2. Vision care

You may contribute up to **\$3,050** in your LPF. **Note:** Health expenses that are payable by any health plan, accident insurance, or any other source cannot be reimbursed by an FSA. The expense must truly be your "out-of-pocket" responsibility.

Always calculate your pre-tax elections based on your anticipated vision and/or dental care needs!

Maintain HSA Eligibility with a Limited Purpose FSA

Examples of Ineligible Limited Purpose FSA Expenses:

- Medical expenses
- Cosmetic procedures
- Eligible services paid for but not yet received
- Prescriptions and over the counter medications
- Expenses that are not incurred during the Plan Year
- Expenses covered by any other health or accident insurance
- Insurance premiums
- Long Term Care services
- Transportation expenses of any type including transport to medical care

Grace Period

Any unused funds in your LPF account when the Plan Year ends may be used up to 2 ½ months following the end of the Plan Year. Any unused funds after the grace period and claims run-out period end will be forfeited.

Dependent Care Assistance

What is Dependent Care Assistance?

A Dependent Care Assistance Plan (DCAP) is a tax-exempt benefit you can use to pay your out-of-pocket expenses for the custodial care of dependents claimed on your federal income tax return. Your account in the Plan is funded by tax-free dollars that you set aside from your paycheck to use as payment for eligible day care type services.

Your MasterCard® Debit Card

Once enrolled, you will receive a MasterCard® directly linked to your DCAP account to conveniently pay for your eligible dependent day care expenses.

- You can use your debit card if the day care provider accepts MasterCard®. If not, you must pay the day care provider by other means and then submit a manual claim to get reimbursed.
- Manual claims are given priority and are paid within three (3) days of receipt.
- Your debit card cannot be used at ATM machines.
- You may not use your debit card when you are on a Leave of Absence or if you terminate employment.
- If you do not repay ineligible expenses, your debit card will be deactivated.
- Dependent care claim payment amounts are limited by your available account balance accumulated through payroll deductions.
- The funds available are not interchangeable between DCAP and Health FSA accounts.
- *Merchant credit card terminals may not be coded as a day care provider which will result in card failures. Should you experience this, please contact our Customer Care Center to perform an override.*

General Information

- The most you can set aside tax-free into your DCAP account is \$5,000 per calendar year (\$2,500 if married, filing a separate tax return).
- You cannot be reimbursed for day care expenses that exceed the available balance that has accumulated through payroll deductions.
- Day care expenses paid by you to any individual over 19 years old can be reimbursed. They must have a Social Security Number and make tax filings. For example, a nanny, relative, or neighbor is an eligible provider if that person is not someone you also claim as a dependent on your own tax filings.
- Always contact Medcom to confirm what expenses are eligible if you are uncertain.
- Your DCAP election amount may not be changed unless you have a qualified "family status change."
- Any unused funds in your DCAP account when the Plan Year ends may be used up to 2 ½ months following the end of the Plan Year. Any unused funds after the grace period and claims run-out period end will be forfeited

Eligible Tax Dependents

- Children ages 12 and under (including stepchildren, grandchildren, adopted or foster children, and children related to you who are eligible for a tax exemption on your federal tax return).
- Tax dependents residing with you and incapable of self-care (this could include your spouse, a child aged 13 and over, and elderly parents).

Eligible Expenses	Ineligible Expenses
<ul style="list-style-type: none"> • Before and after school custodial care • Day camps • Licensed daycare centers 	<ul style="list-style-type: none"> • Medical care • Food • Overnight camps • Day care or babysitting incurred after your work hours • Day care expenses that have not been actually incurred • Day care expenses for children 13 or older • Late fees assessed by the provider for making late payments