

FAQ: Healthcare FSA

What is a healthcare flexible spending account (FSA)?

A healthcare FSA offers the opportunity to set aside a portion of your paycheck pre-tax into a special account. That account can then be used to pay for qualified healthcare expenses.

Why should I participate in a healthcare FSA?

As contributions are made to the FSA account before income taxes are assessed, your taxable income is reduced. FSA participants may realize a 30% average tax savings on the total amount contributed to the account.

How do I contribute to the healthcare FSA?

Once you have made your election, your employer will deduct the designated amount from your paycheck before taxes are assessed across the appropriate number of pay periods.

What type of care is eligible?

Eligible healthcare expenses include plan co-pays, deductibles, co-insurance, laboratory fees, eye exams, eyeglasses, contact lenses, prescriptions, hearing aids, dental work/orthodontia, and more. All expenses must be qualified as defined in Section 213(d) of the Internal Revenue Code.

Are over-the-counter (OTC) medications eligible for reimbursement?

OTC medications are only eligible with a doctor's prescription. If you'd like to be reimbursed for an OTC prescription, you must submit a claim with a receipt for the medication in addition to the prescription that includes the diagnosis and course of treatment.

How do I determine the date my expenses were incurred?

Expenses are considered incurred at the time the medical care was provided, not when the services were invoiced or paid.

Who is eligible to use the healthcare FSA?

A healthcare FSA covers eligible healthcare expenses for you and all of your tax dependents, even if they are not covered under your primary health plan.

How do I use the funds in my account?

You may pay directly via the debit card connected to your FSA account, or may pay out-of-pocket and then file a reimbursement claim with expenses documented.

When can I start spending my FSA funds?

The entire healthcare FSA annual election amount is available on the first day of the plan year.

Can I change my election amount mid-year?

Healthcare FSA elections can only be changed if you experience an IRS-qualifying life event such as marriage, divorce, birth, or death in your immediate family.

What is the deadline for submitting claims?

Claims can be submitted for reimbursement any time during the plan year in which expenses are incurred (based on date of service, not invoice or payment). Your employer may also opt to provide a grace period. Check the summary plan description provided by your employer to see details.

What happens to my account if my employment is terminated?

In the event your employment is terminated, so is your participation in the dependent FSA plan. In addition, only expenses incurred prior to your termination will be eligible for reimbursement.

For more information, log into www.benefitsolver.com or call 855-883-8541.