

Flexible Spending Account (FSA)

A Flexible Spending Account allows employees to set aside money from each paycheck, before payroll taxes are calculated, to help pay for eligible medical expenses for themselves and their dependents.

FSA Contribution Limits

Per year, participants may elect to set aside a maximum of **\$2,700**

Tax Savings

The average FSA participant saves between 30-40% on the amount set aside pre-tax (including Federal, State, and Local income taxes, and Social Security/Medicare deductions).

FSA Plan Types

FSA rules vary by plan. Your employer may choose one of the following:

- **Use it or Lose it** – All FSA funds must be spent by the end of the plan year or they are lost
- **\$500 Carryover** – Any unused funds, up to a maximum of \$500, can be carried over from one plan year to the next
- **Grace Period** – Participants get up to an extra 2½ months after the end of the plan year to use any leftover funds

Uniform Coverage Rule

FSA participants can access the full amount of their annual contribution from the first day of the plan year. For example, if you elect \$1,300, and soon after the plan year begins you incur a \$1,300 medical bill, you can use all of your elected FSA funds to cover the expense, even though you haven't paid in all of the contributions yet. Throughout the rest of the plan year, deductions will still be taken at the same rate from each paycheck. However, your available FSA balance will be zero once all the funds are spent.

Eligible Expenses

Contact your Benefits Representative for a list of qualified medical expenses.



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