

WageWorks (formerly ADP) Flexible Spending Accounts

Health Care FSA Maximum: \$2,600

Dependent Care FSA Maximum: \$5,000

Grace Period: Any unused funds remaining in an FSA account as of the end of the plan year can be used to reimburse eligible expenses for services received between January 1 and March 15 following the end of the plan year.

Run-Out Period: Participants have until March 31 following the end of the plan year to submit claims for reimbursement.

WageWorks Group Number: 25412

What is a Flexible Spending Account (FSA)?

A Flexible Spending Account (FSA) is an employee benefit that can save you money on eligible health care and dependent care expenses for you and your family.

There are two types of FSAs:

- The **Health Care FSA** is used to pay for eligible out-of-pocket medical expenses not paid by insurance or other source.
- The **Dependent Care FSA** is used to pay for eligible child or elder care expenses including daycare, before-/after-school care and summer day camp.

How will an FSA save me money?

When you enroll in an FSA, your deductions are taken on a pre-tax basis. Therefore, you pay less in taxes. Here's an example:

Annual Savings*	With FSA	Without FSA
Annual pay	\$50,000	\$50,000
FSA pre-tax contribution	(\$2,600)	\$0
Taxable income	\$47,400	\$50,000
Federal income, Social Security and Medicare taxes	(\$11,376)	(\$12,097)
After-tax dollars spent on eligible expenses	\$0	(\$2,600)
Real spendable income	\$36,024	\$35,303
Savings with an FSA	\$721	\$0

* Sample tax savings for a single taxpayer with no exemptions. Actual savings will vary based on your individual tax situation. Please consult a tax professional for more information.

Should I enroll?

If any of the following apply to you or eligible family members, enrolling in an FSA can save you money on:

Health Care

- Copays, deductibles or coinsurance for medical, dental or vision plans
- Prescription medications

- Glasses, contacts or laser eye surgery
- Orthodontia treatments, such as braces

Dependent Care

You and your spouse (if married) are working, looking for work or attend school full-time, and

- have children under age 13 who attend daycare, before-/after-school care or summer day camp, or
- you provide care for any other person who is mentally or physically incapable of caring for himself or herself, and comply with other IRS requirements.

How much should I contribute to my FSA?

The amount you elect to contribute is unique to your healthcare and dependent care situation. Look at what you typically spend each year on out-of-pocket healthcare and child care. Visit www.SpendingAccounts.info and click "See Your Savings" to estimate the amount that's right for you. Annual contributions are subject to plan limits by your employer.

Note: Check with your human resources representative for the current FSA annual contribution limits.

What is Use-It-or-Lose-It?

Because FSAs have tax benefits, the IRS places guidelines on them. As a general rule, any funds left in your account at the end of the plan year are forfeited. Plan carefully when determining how much you want to contribute.

However, the IRS does allow employers to offer one of two options to help you avoid forfeiting funds:

- **2½-Month Extension** (also called a "grace period")
- **\$500 Carryover** (Health Care FSAs only)

Check with your employer to see if either option is available to you.

continue

Flexible Spending Accounts

How do I enroll?

Enroll in an FSA during your employer's benefits enrollment period. Once you have determined your annual FSA election, your employer deducts the amount from your pay in equal amounts throughout the year, before taxes.

What expenses are FSA-eligible?

Health Care FSA

- Copays, deductibles and coinsurance for medical, dental and vision plans
- Prescriptions
- Eyeglasses
- Contacts
- First aid supplies
- Smoking cessation products (prescription only)
- Braces
- Laser eye surgery
- Chiropractic care
- And more!

Dependent Care FSA

- Daycare and elder care
- Before-/after-school care
- Summer day camp

Note: Eligible expenses are subject to change based on IRS guidelines. Over-the-counter medications (except insulin) are NOT eligible for reimbursement from a Health Care FSA unless the medication is prescribed.

How do I use my FSA?

When you enroll in a Health Care FSA, you will automatically receive a Spending Account Card.

The Spending Account Card:

- Is used to pay for eligible healthcare expenses directly from your FSA
- Reduces the number of reimbursement claims to file
- Gives you immediate access to Health Care FSA funds



The card is not available for Dependent Care FSAs. For Dependent Care FSA claims, pay for an eligible expense out of your pocket, fax, mail or submit online a reimbursement request along with a receipt for the expense to WageWorks®. WageWorks then processes your request and promptly reimburses you through direct deposit or by check.

Can I manage my FSA online?

Yes, all participants will have access to a secure website to manage their FSA.

Where can I learn more?

Visit www.SpendingAccounts.info or call 1-800-228-5762 to speak with a spending account specialist.

This document provides a general overview of WageWorks' FSA program and is not inclusive, nor a guarantee of eligibility or payment. Please see your company's plan documents for specifics regarding your plan. If any conflict arises between this document and your plan documents, the terms of your company's plan will apply.



Flexible Spending Account (FSA) Eligible Expense Guide

Health Care

- Copays, deductibles, and coinsurance
- Acupuncture
- Blood pressure monitors
- Childbirth classes
- Chiropractic care
- Contact lenses (prescription), solutions, cleaners and cases
- Dental care (including crowns, endodontic services, fillings, implants, oral surgery, periodontal services and sealants, but not porcelain veneers)
- Diabetic supplies
- Fertility treatments
- First aid kits
- Flu shots
- Foot care (e.g., athlete's foot products, arch supports, callous removers, etc.)
- Hearing aids (including batteries)
- Home diagnostic tests and kits (e.g., cholesterol, colorectal screenings, etc.)
- Home medical equipment* (e.g., crutches, wheelchairs, canes, oxygen, respirators, etc.)
- Laser eye surgery*
- Learning disability therapies* (including speech therapy and remedial reading)
- Medical supplies
- Mental health counseling
- Occupational therapy
- Orthodontia
- Over-the-counter medicines (prescription only)
- Physical therapy
- Prescription drugs
- Preventive care screenings
- Prosthetics
- Psychiatric services and care
- Service animals
- Shipping and handling charges for medical needs, such as eligible over-the-counter items and mail-order prescriptions
- Smoking cessation products (prescription only)
- Specialized equipment and services for disabled
- Substance abuse treatment
- Sunscreen
- Transportation expenses related to medical care
- Vision care (including prescription eyeglasses, prescription sunglasses)

Dependent Care

- Child care (at a day care center, day camp, sports camp, nursery school or by a private sitter)
- Before and after-school care (must be billed separately from tuition)
- Adult day care expenses
- Expenses for a housekeeper whose duties include caring for an eligible dependent
- Placement fee expenses and stipend for an au pair

This is a sample list only. Eligible expenses are subject to change based on IRS guidance. Please review your employer's benefit plan documents for specifics regarding eligible expenses under your spending account plan. Your employer's plan documents have final authority on eligibility. This document provides a general overview and is not inclusive, nor a guarantee of eligibility or payment.

**Expenses that require a letter of medical necessity from your health care provider in order to be considered eligible for reimbursement*



Contribution Planning Worksheet

Decide How Much to Contribute

The key to getting the most from your Flexible Spending Account (FSA) is to maximize your contributions based on your anticipated eligible expenses. Follow the simple steps below to estimate your out-of-pocket expenses for the coming benefit plan year.

The more you contribute, the more you can save!

However, keep in mind that a Flexible Spending Account is not a savings account. You must use all of your contributions each year or risk losing any unused balance at the end of the benefit plan year.

- 1 Choose your tax rate** Represents the total of all Federal and state payroll and income taxes. The example below uses 34 percent.
- 2 Plan your expenses** Refer to the eligible expense list on the FSA website when building your own personal expense list.
- 3 List your expenses** List your anticipated expenses below and enter the expected total *annual* Cost for each expense.
- 4 Do the math** Then do the simple calculations shown in the example below for each expense and total your projected savings and reduced cost when using an FSA.

	Cost		Your Tax Rate		Savings (Cost * Tax Rate)	Cost using FSA ¹
Example: Annual Deductibles	\$1000.00	X	0.34	=	\$340.00	\$660.00
Totals:						

¹ The tax-exempt status for FSA contributions is the mechanism that allows you to save money on your essential health care purchases.



Dependent Care Flexible Spending Account (FSA)

What is a Dependent Care FSA?

A Dependent Care FSA is an employee benefit that can save you money on eligible child or elder expenses for you and your family.

How will an FSA save me money?

When you enroll in a Dependent Care FSA, the amount you contribute is deducted from your pay on a pre-tax basis. Therefore, you pay less in taxes. Here's an example:

Annual Savings*	With FSA	Without FSA
Annual pay	\$50,000	\$50,000
FSA pre-tax contribution	(\$5,000)	\$0
Taxable income	\$45,000	\$50,000
Federal income, Social Security and Medicare taxes	(\$10,465)	(\$12,097)
After-tax dollars spent on eligible expenses	\$0	(\$5,000)
Real spendable income	\$34,535	\$32,903
Savings with an FSA	\$1,632	\$0

* Sample tax savings for a single taxpayer with no exemptions. Actual savings will vary based on your individual tax situation. Please consult a tax professional for more information.

Should I enroll?

If you and your spouse (if married) work, are looking for work or attend school full-time, and

- have children under age 13 who attend daycare, before-/after-school care or summer day camp, or
- provide care for any other person who is mentally or physically incapable of caring for himself or herself, and comply with other IRS requirements

then you should consider enrolling in a Dependent Care FSA.

How much should I contribute to my FSA?

Look at what you typically spend each year on out-of-pocket child or elder care. Visit www.SpendingAccounts.info and click "See Your Savings" to estimate the amount that's right for you.

Note: \$5,000 is the annual regulatory maximum per household for Dependent Care FSA contributions. Your employer determines the minimum amount you may contribute.

What is Use-It-or-Lose-It?

Because FSAs have tax benefits, the IRS places guidelines on them. As a general rule, any funds left in your account at the end of the plan year are forfeited. Plan carefully when determining how much you want to contribute. However, the IRS does allow employers to offer a 2½-Month Extension (also called a "grace period") to give you extra time to use all of your funds. Check with your employer to see if this option is available to you.

How do I enroll?

Enroll in a Dependent Care FSA during your employer's benefits enrollment period. Determine the annual amount you want to contribute and your employer deducts the amount from your pay in equal amounts throughout the year, before taxes.

What expenses are FSA-eligible?

- Care at licensed nursery schools or child centers
- Care provided in or outside your home during your working hours
- Before and after-school care
- Day camps
- Eldercare

Visit www.SpendingAccounts.info and click "Eligible Expense Guide" for a detailed list. **Note:** Eligible expenses are subject to change based on IRS guidelines.

How do I use my FSA?

- Pay for an eligible expense out of your pocket
- Fax, mail or submit online a reimbursement request form along with a receipt for the eligible expense
- ADP processes your request and promptly reimburses you through direct deposit or by check.

Can I manage my FSA online?

All participants will have access to a secure website and a mobile app to manage their FSA.

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- 3 List your expenses** List your anticipated expenses below and enter the expected total *annual* cost for each expense.
- 4 Do the math** Then do the simple calculations shown in the example below for each expense and total your projected savings and reduced cost when using an FSA.

	Cost		Your Tax Rate		Savings (Cost * Tax Rate)	Cost using FSA ¹
Example: After School Care	\$1000.00	X	0.34	=	\$340.00	\$660.00
Totals:						

¹ The tax-exempt status for FSA contributions is the mechanism that allows you to save money on your essential child care and elder care purchases.