



## Flexible Spending Accounts.

### Real Savings for Employers.

Participants use pre-tax dollars in the FSA to pay for or reimburse themselves for eligible out-of-pocket medical and dependent care expenses.

#### What is an FSA?

With an FSA, participants elect an annual contribution amount, up to the IRS maximum, to be deducted from their paychecks each pay period in equal installments throughout the year. The amount of pay that goes into an FSA will not count as taxable income, so participants will have immediate tax savings. FSA dollars can be used during the plan year to pay for qualified expenses and services.



A Health FSA allows reimbursement of qualifying out-of-pocket medical expenses.



A Dependent Care FSA allows reimbursement of dependent care expenses, such as day care, incurred by eligible dependents.



A Limited Purpose Health FSA is compatible with a Health Savings Account (HSA). A limited purpose FSA only allows reimbursement for preventive care, vision and dental expenses, keeping the employee eligible to contribute to an HSA.

With all FSA account types, participants receive access to a secure, easy-to-use web portal and smartphone app where they can track their account balances and submit requests for reimbursements.

In addition, they'll receive a convenient debit card to make it easy to pay for eligible services and products. When participants use the card, payments are automatically withdrawn from the FSA account, so there are no out-of-pocket costs and many times they won't have to submit receipts to verify the purchase.

Employers that offer Flexible Spending Accounts may experience a reduction in employer and FICA taxes, while employees who participate reduce their taxable wages. The result is lowered taxes for you, with added benefits for your employees.

## Is an FSA right for my organization?

An FSA is a great way to allow your employees to pay for expenses with pre-tax dollars. A Health Care FSA could save employees a lot of money if they:

- Have out-of-pocket expenses like co-pays, coinsurance, or deductibles for health, prescription, dental or vision plans
- Have a health condition that requires the purchase of prescription medications on an ongoing basis
- Wear glasses or contact lenses or are planning LASIK surgery
- Need orthodontia care, such as braces, or eligible out-of-pocket expenses.

An FSA is a great way to allow your employees to pay for expenses with pre-tax dollars. A Health Care FSA could save employees a lot of money if they:

- Have **dependent children under the age of 13** who attend day care, after-school care or summer day camp
- **Provide care for a person of any age who is claimed as a dependent on the federal income tax return** and who is mentally or physically incapable of caring for himself or herself

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As of **October 31, 2013** the US Treasury Department modified its Health Flexible Spending Account (FSA) Use-or-Lose rule to allow up to a \$550 carryover of Health FSA funds. Your organization has the option to offer the carryover to employees. Some employer plans may establish a lower maximum limit than \$500, but it must be uniformly applied to all eligible participants.

## Benefits of an FSA for participants include:

Offering an FSA helps your organization offer a benefits package that is attractive, allowing you to attract and retain top talent.

- Significant tax savings with pre-tax contributions and tax-free distributions used for qualified plan expenses
- Quick and easy access to funds using the debit card at point of sale, or the option for direct deposit for reimbursement
- Elimination of filing hassles and paperwork by using the debit card
- Secure access to accounts using a convenient Consumer Portal available 24/7/365
- An easy-to-use FSA mobile app for access while on the go
- An online claims filing system that is easy to use, and the system will determine approval based on eligibility and availability of funds
- Up-to-date info on balances and action required with automated email alert and convenient portal and mobile home page messages
- One-click access to answers to benefits questions

For questions, contact us at: [FSA@isolvedhcm.com](mailto:FSA@isolvedhcm.com) or **800-300-3838**

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