

Flexible Spending Account



A Flexible Spending Account (FSA) is an account in an employee's name that reimburses the employee for qualified health care or dependent care expenses. It allows an employee to fund qualified expenses with pre-tax dollars deducted from the employee's paychecks.

Health Care Account

A health care FSA reimburses employees for eligible medical expenses, up to the amount contributed for the plan year.

For the 10/1/23 – 9/30/24 plan year, the health care FSA contribution limit is \$1,500.

The elected amount is deducted from payroll for the year in equal installments. The full amount is available to use on the first day of the plan, provided there are qualifying expenses.

A health care FSA only reimburses employees for money spent on medical care, as defined under Section 213(d) of the Tax Code. Section 213(d) of the Tax Code defines "medical care" to include amounts paid "for the diagnosis, cure, mitigation, treatment or prevention of disease, or for the purpose of affecting any structure or function of the body."

Examples of qualified medical expenses include deductibles and copayments for an individual's medical and pharmacy plan. Eye exams, eyeglasses, contact lenses, dental treatment, chiropractor, sunscreens with an SPF of 15 or higher and with broad spectrum (UAB, UAV) protection, feminine care products, etc. For a complete list of qualified medical expenses, visit the IRS website.

Dependent Care Account

A dependent care FSA can be used to pay for care of dependent children under the age of 13* by a babysitter, day care center, or before- or after-school program. Care for a disabled spouse, parent or child over the age of 12 is also eligible for reimbursement.

For the 10/1/23 – 9/30/24 plan year, the dependent care FSA contribution limit set by IRS is \$5,000.

The elected amount is deducted from payroll for the year in equal installments. The funds are not available until after the money has been deducted from payroll and can only be reimbursed after expenses have been occurred.

"Use-it-or-lose-it" Rule

As required by the Internal Revenue Service (IRS), an FSA has a "use-it-or-lose-it" provision stating that any unused funds at the end of the plan year (plus any applicable grace period) will be forfeited. When electing an FSA during open enrollment, the employee must specify how much he or she would like to contribute to the FSA for the year. The goal is to choose an amount that will cover medical or dependent care expenses, but that is not so high that the money will be forfeited at the end of the year. The set grace period will be 2.5 months.

Check out these short videos that explain the new FSA benefit.

<https://myameriflex.com/open-enrollment/videos/fsa-presentation-2/>

<https://myameriflex.com/open-enrollment/videos/dependent-care-account-presentation/>

[www.myameriflex.com](https://myameriflex.com)

Flexible Spending Account

Why You'll Love It

- Can be used to pay for thousands of eligible medical expenses.
- You can use your entire yearly contribution starting day one.
- A Grace Period or Rollover may be available to you. Check with your employer for more information.

► myameriflex.com/participants

An FSA can help you prepare for everyday healthcare needs

Use your FSA to pay for expenses such as:

- Deductibles
- Copays
- Prescriptions
- Teeth cleaning
- LASIK
- Glasses and contact lenses
- Band-aids
- Sunscreen
- Over-the-counter medicine
- Feminine menstrual care

2023 Contribution Limit: \$3,050

For a full list of eligible expenses, go to
► myameriflex.com/eligibleexpenses