

Lee County BoCC

Flexible Spending Accounts



Welcome to the Flexible Spending Accounts Information Session








You can view this information by either clicking on
the topic of your choice

Start Show

or

by clicking on the “Next Slide” button at the bottom
of the page which will take you through each
slide.

Navigation Help

-  Brings you to the Main Menu of topics
-  Brings you to the last slide viewed
-  Brings you to Navigation Help
-  Brings you to the first slide of the presentation
-  Brings you to the previous slide in the show
-  Brings you to the next slide in the show
-  Ends the show

FSA Main Menu

▶ FSA Overview

▶ How do I enroll?

▶ How do FSAs work?

▶ Customer Service

▶ Claim Submission

▶ Common Expenses

Questions & Answers

Lee County BoCC's FSA Plan Design

FSA Overview Menu

▶ What is a Flexible Spending Account?

▶ Types of FSAs

▶ Why join a FSA?

What is a Flexible Spending Account?

A benefits plan that allows you to direct a portion of your pay, on a pretax basis, into special separate accounts that can be used throughout the year to obtain reimbursement for certain out-of-pocket health care or dependent care expenses.

What types of FSAs are available?

- Health care account
- Dependent care account

Why join a FSA?

- Contributions made pretax.
- Reduces taxable income.
- For an estimate on how a FSA would benefit you, click on the FSA Advisor button.

 FSA Advisor

How do I enroll?

- Sign up for a health and/or dependent care FSA during annual open enrollment period.
- Estimate your health and/or dependent care expenses for the following year by reviewing last year's costs and considering any family status changes that might impact your expenses.
- Decide how much of your salary to put aside to fund your anticipated health and/or dependent care expenses.

Remember, the total amount will be automatically deducted from your paychecks throughout the year.

How do FSAs work?

- ▶ Health care FSAs

- ▶ Dependent care FSAs

How do health care FSAs work?

- Incur an eligible health care expense.
- Send in claims to the Aetna service center.
- Receive reimbursement.*

**In a health care FSA, you will be reimbursed up to the full amount of your annual election, regardless of the amount of money that has been deposited into your account.*

How do dependent care FSAs work?

- Incur an eligible dependent care expense.
- Send in claims to the Aetna service center.
- Receive reimbursement.*

**In a dependent care FSA, if you submit a claim and your contribution balance is less than the amount of the claim, you will only be reimbursed for the amount of money available in your account. The remainder will be reimbursed once the money is deposited into your account.*

Claim Submission

- ▶ What information is needed to submit a claim?
- ▶ Where do I send a claim?
- ▶ Health Care Reimbursement - Made Easy
- ▶ Eligible Dependents

What information do I need to include to submit a health care claim?

You should include a completed health care reimbursement form with the following information attached:

- Explanation of Benefits (EOB).
- Copy of co-payment receipt from the provider.
- Itemized bills/receipts from the provider or supplier for expenses not covered by your medical/dental plan(s).
- Documentation must include provider's name and address, patient's name, date(s) of service, description of service or supply and amount charged.

What information do I need to submit a dependent care claim?

A completed dependent care reimbursement form with the following information attached:

- Claims for dependent care must be submitted with a receipt or statement from the day care provider that substantiates the request for reimbursement.
- The ‘third party’ (day care provider) documentation must include name of the provider, address of the provider, dates of service, amount claimed, Social Security number/tax identification number of the provider.

Health care reimbursement made easy

How can I have my Health Care FSA claims paid without completing a claim form?

- All eligible health care expenses from your Aetna medical/dental/ pharmacy claims automatically applied to your health care FSA.
- The streamlined submission election should be made at the time you enroll in a health care FSA.

Who is an eligible dependent to have expenses reimbursed under a Dependent Care FSA?

Your expenses for dependent care are eligible for reimbursement only if the services are performed for the benefit of a qualifying individual. A qualifying individual is:

- A dependent of yours who is under the age of 13.
- Dependent person (parent, other relative) living with you 8 hours a day who is physically or mentally incapable of self-care.
- Disabled spouse.

Where do I mail my FSA claims?

You can mail your health care and dependent care
FSA claims to:

Aetna FSA

P.O.Box 843



Blue Bell, PA 19422-0843

What are the hours of operation for the service center?

- Our Middletown FSA Service Center is open from 8 a.m. to 9 p.m. ET.
- A voice response system is available Monday through Saturday from 7 a.m. to 12 midnight ET to obtain balance and payment information for health and dependent care spending accounts.

What telephone number do I call if I have a question?

You may call (888) 238-6226

-  To speak with a customer service professional Monday through Friday from 8 a.m. to 9 p.m.
-  To access the voice response system Monday through Saturday from 7 a.m. to 12 midnight ET for balance and payment information for health and dependent care spending accounts.

Common eligible health care expenses

Health care expenses that are not covered by any other medical or dental plan.

- Deductibles
- Eye exams/eyeglasses
- Contact lenses/saline solution
- Prescribed medicines
- Doctors' fees
- Dental work/orthodontia
- Lasik surgery
- Copayments/coinsurance
- Hearing exams/hearing aids
- Chiropractic treatment
- Routine physicals
- Laboratory fees
- Psychiatric treatment
- Smoking cessation

Common dependent care eligible expenses

- Wages paid to a baby-sitter or a companion in or outside your home, as long as the person providing care is not someone you also declare as a dependent
- Services of a day-care center and/or nursery school if the center complies with all state and local laws
- Cost for care at facilities away from home, such as family day-care centers, as long as your adult dependent spends at least eight hours a day at home
- Wages paid to a housekeeper for providing care for an eligible dependent

Common expenses not covered by a FSA

- Health Care FSA
 - Cosmetic surgery
 - Insurance premiums
 - Over-the-counter medicines
 - Maternity clothes
- Dependent Care FSA
 - Kindergarten
 - Overnight camp
 - Convalescent home
 - Au pair agency fees

Please refer to the IRS Publication 502/503 , Health and Dependent Care Expenses, for a more detailed listing of eligible/non eligible health care expenses.

Questions & Answers

- ▶ FSA commonly used terms

- ▶ Frequently Asked Questions (FAQs)

FSA commonly used terms

▶ Maximums/minimums

▶ Use it or lose it

▶ Extended plan year

▶ Minimum payment amount

Maximums/minimums

- Your employer determines maximums and minimums for the accounts. You are notified as to what they are each year at enrollment time
- You elect your health and/or dependent care maximum based on your expected expenses
- Maximum is also known as goal amount or elected maximum

Use it or lose it

- IRS regulations require that you forfeit any money you deposit in a spending account and do not use to cover eligible expenses incurred that same year.
- Careful planning can help reduce the risk of losing funds.
- Completing the savings worksheet in our FSA Advisor will provide your estimated tax savings, which represents the most you can save before adjusting for any forfeitures.

Extended plan year

- During this time period, you can continue to submit eligible expenses that were incurred during the prior plan year for reimbursement from their accounts.
- This is also known as the claim cut-off date or last claim received date.

Minimum payment amount

- If your FSA plan has a minimum payment amount (see Plan Design), it automatically accumulates payments for claims processed until they reach a selected minimum payment amount at which point payments will be issued on the next scheduled check run.

Frequently Asked Questions (FAQ)

? How do I estimate how much money to set aside in a health care and/or dependent care FSA?

? Can I change my election or stop contributing money to my FSA at any time throughout the year?

? Will I have to pay taxes on the money I use in the health care and/or dependent care FSA?

? Wouldn't I save more by taking the dependent care tax credit on my income tax?

? Wouldn't I save more by itemizing my medical/dental expenses on my income tax return?

? What is the difference between "tuition" and "child care" expenses?

How do I estimate how much money to set aside in a health care and/or dependent care FSA?

- Consider last year's health and/or dependent care expenses.
- Click on the FSA Advisor button to access the expense worksheets to help you determine how much money to set aside in your health and/or dependent care FSA.

 FSA Advisor

Can I change my election or stop contributing money to my FSA at any time throughout the year?

- Federal regulations state that once you have designated the contribution amount, you cannot change your decision throughout the plan year unless you have a qualifying status change.
- Please refer to Lee County BoCC's Summary Plan Description (SPD) for a list of qualifying status changes.

Will I have to pay taxes on the money I use in the health care and/or dependent care FSA?

- Contributions are taken out of your salary before federal income, Social Security, and most state and local taxes are applied.

Wouldn't I save more by taking the dependent care tax credit on my income tax?

- You need to determine whether taking the tax credit is more beneficial than using a dependent care FSA
- For work-related dependent care expenses, the tax credit amount is determined by applying a percentage to your total dependent care expenses.
- Generally, the tax credit is more beneficial than a dependent care FSA if your family income is under \$24,000.

Wouldn't I save more by itemizing my medical/dental expenses on my income tax return?

- You need to determine whether taking the tax deduction is more beneficial than using a health care FSA.
- According to the IRS, only medical and/or dental expenses that exceed 7.5 percent of your adjusted gross income can be deducted from your income taxes.

Can I use money from my health care FSA if I run out of money in my dependent care FSA?

- No. The health and dependent care flexible spending accounts are two separate benefits plans. You cannot transfer money between accounts.

What is the difference between “tuition” and “child care” expenses?

- Tuition expenses for the purpose of education or instruction are not eligible dependent care expenses.
- Child care expenses are incurred for the sole purpose of providing child care (all day, before school or after school).

Lee County BoCC's FSA Plan Design

- Plan maximums
 - Health care maximum: \$ 2600
 - Dependent care maximum: \$ 5000
- Minimum claim amount: \$ 10.00
- Checks will be produced weekly.
- Activity statements will be produced in June and October.

Thank you for viewing the FSA information session. If you would like to enroll in our FSA plan, please contact your benefits administrator.

If you are still unsure if a FSA would be beneficial, please contact your tax advisor for further guidance.