

Flexible Spending Account

A Flexible Spending Account (FSA) allows you to save money by using “before-tax” dollars to pay for certain health care and dependent care expenses. To enroll, you elect an amount to be deducted pre-tax from your paycheck over 24 pay periods, and deposited into your FSA. Then, you may request reimbursement from the account when eligible expenses are incurred.

Payroll Deduction

Medical Spending FSA

Elect up to \$2,500 tax-free

Dependent Care FSA (DCAP)

Elect up to \$5,000 tax-free

Medical Spending FSA

- Your Medical Spending FSA may be used to reimburse out-of-pocket medical expenses for you, your spouse, and your dependents.
- Eligible expenses include deductibles, co-insurance and prescriptions. Dental, vision and hearing expenses may also be reimbursed.
- The maximum annual Medical Spending FSA election is \$2,500. The entire annual amount you elect may be used at any time during the plan year and is available January 1.

Dependent Care FSA (DCAP)

- The annual maximum contribution to a Dependent Care FSA is \$5,000 or \$2,500 if you are married and filing taxes separately.
- The Dependent Care FSA is used to reimburse you for expenses for children under age 13, or individuals unable to care for themselves. Unlike Medical Spending FSAs, Dependent Care FSAs may only reimburse expenses up to the amount you have contributed at any time during the plan year.
- Funds are available one business day after payroll deduction. Dependent Care FSA is for dependent daycare only.

How to Use Your Funds

- When you enroll in a FSA, you will receive a debit card from Allegiance in the mail on or around the beginning of the plan year. The card will hold both Medical Spending and Dependent Care funds.
- If you use the card at an Inventory Information Approval System (IIAS) merchant, the transaction will be approved at the point of sale. Generally, large pharmacies, grocery stores and box stores (i.e.: Walgreens, Albertsons, Walmart) have IIAS capability.
- If the expense will be considered for insurance and/or HRA reimbursement, try to wait until you receive the Explanation of Benefits (EOB) to be sure that the debit card transaction is for the correct out-of-pocket amount
- If the merchant does not accept the card, submit the expense through the Allegiance website (www.askallegiance.com)
- For dependent care, if your provider does not accept Visa, submit the expense through the website, or complete a Day Care Contract if your monthly expenses are the same each month
- Reimbursement requests, as well as debit card transaction documentation, can be sent electronically, by fax or by mail to Allegiance. Claims are normally reimbursed within a week of Allegiance receiving the claim.

FSA Tips

- Visit www.askallegiance.com for a list of eligible expenses, and to set up direct deposit for expense reimbursement
- The Medical Spending FSA and Dependent Care FSA are separate. You cannot transfer funds between accounts or charge both accounts for the same expenditure.
- Keep your receipts and invoices. You may be required to submit documentation of your expenditures.
- You will receive a separate HRA debit card if you participate in the City of Dallas HRA. Remember, your FSA card says “Allegiance”.
- Dependent Care FSA funds must be used by December 31, 2017
- The “use it or lose it” rule still applies. However, there is a grace period ending March 15, 2018 to use your 2017 Medical Spending FSA dollars on eligible expenses. All claims must be submitted by March 31, 2018.