

# Flexible Spending Account (FSA)



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## What is a Flexible Spending Account?

A Flexible Spending Account (FSA) is a tax-free account that allows you to pay for eligible health care expenses that are not covered, or are partially covered, by your medical, dental and vision insurance plans; or pay for child/dependent care expenses. You save money to pay for your out-of-pocket healthcare expenses, including prescription drug costs, medical, dental, vision and hearing expenses and/or your child or dependent care expenses, including day care, and before- and after-school care expenses.

## How does it work?

- You decide how much you want to deduct from your paycheck before federal, state or Medicare taxes are calculated
- You reimburse yourself from the account as you pay for eligible health care or dependent care expenses

You save money by reducing your taxable income. It is that simple. City of Dallas employees have two FSA options: the **Employee Medical Spending FSA** and the **Dependent Care FSA**.

### Employee Medical Spending FSA

#### What you can pay for with an Employee Medical Spending FSA?

You can find a list of eligible expenses at [www.myuhc.com](http://www.myuhc.com)<sup>®</sup> or see your benefit plan information.

Some sample expenses are:

- Your share of health plan expenses, such as deductibles and copayments (insurance premiums do not qualify)
- Eyeglasses and contact lenses
- Dental work, orthodontia and dentures

You can no longer use your Employee Medical Spending FSA for over-the-counter (OTC) medicines or drugs without a prescription. This change was part of the Affordable Care Act passed in 2010.

**The maximum annual contribution to your Employee Medical Spending FSA is \$2,500.**

### Dependent Care FSA

#### You can use your Dependent Care FSA to pay for:

- Daycare services for children under age 13
- Care for other qualifying dependents who are unable to care for themselves

**Dependent Care FSA is for dependent daycare only.** It is not to be confused with dependents' health care expenses, which should be considered in your calculation of your Employee Medical Spending FSA contributions.

**The maximum annual contribution to your Dependent Care FSA is \$5,000.**

### Spending your FSA dollars

#### You have more time to spend your FSA dollars.

The federal government now allows a "grace period" to give you more time to use your FSA dollars. This grace period reduces any worry if you have FSA dollars remaining at the end of the plan year.

#### How long is the grace period?

Two and one-half months after your calendar year plan ends. You have until March 15, 2016, to use your 2015 FSA dollars on eligible expenses. **All claims must be submitted by March 31, 2016.**

#### What about the "use it or lose it" rule?

This rule still applies. However, having a grace period allows you to use the remaining funds until March 15, 2015.

**All claims must be submitted by March 31, 2016.**

## Accessing your FSA fund

**There are a few ways to access your FSA funds that can save time and paper; they can also reduce the wait time to receive reimbursements.**

1. When United Healthcare processes your claim (medical, dental or vision) or CVS Caremark processes your pharmacy claim, the patient responsibility on the claim will “roll over” to the FSA account. As long as there are available funds, you will receive a reimbursement from your FSA account. Please note, if you are also enrolled in the HRA Medical Plan, the medical claim will roll over to your HRA account first and then to your FSA account after your HRA funds have been used.
2. Your FSA will also come with a convenient Consumer Accounts MasterCard® that allows you to pay for eligible expenses anywhere that MasterCard® is accepted.
3. All other eligible expenses would require you to file claims for reimbursements. However, you can sign up for Direct Deposit using the “Account Settings” on [www.myuhc.com](http://www.myuhc.com). This allows your FSA reimbursements to be automatically deposited into your savings or checking account.