

# FSA Help Guide



## Health Care Flexible Spending Account (HCFSA)

### What expenses qualify for Health Care FSA reimbursement?

- Medical deductibles
- Co-pays
- Glasses
- Contact lenses
- Vision exams
- Dental expenses
- Prescription drugs
- Over-the-counter (OTC) drugs
- Office visits
- Diabetic supplies
- Chiropractic expenses
- ... and much more

### What is a Health Care Flexible Spending Account?

A Health Care FSA (HCFSA) is a program that saves you money by allowing you to pay for eligible medical, dental and vision expenses for you, your spouse and your dependents (including children to age 26) using **pre-tax dollars**. That means the money you set aside for your HCFSA is not subject to federal income tax, Social Security, Medicare and, in most cases, state and local taxes. Using a HCFSA can save you approximately 20-30% in taxes on your expenses!

### How does it work?

During your employer's open enrollment period, you calculate your annual expenses and determine an election amount that you are comfortable with. Your employer will take pre-tax deductions from your paychecks in equal amounts throughout the entire plan year. Ex: You elect \$1,300 and you are paid 26 times per year. Your employer will deduct \$50 pre-tax from each paycheck over the course of the plan year. The plan year is the timeframe in which services need to be rendered to qualify for reimbursement. Check your enrollment materials for the plan year your employer has chosen.

When you have an eligible expense to be reimbursed, you simply file a claim with DBS. Services must be incurred within the plan year to be eligible for reimbursement.

### How am I reimbursed for expenses?

Filing a claim is **easy!** Once you have incurred an eligible expense, file a claim with DBS online at [DBSbenefits.com](http://DBSbenefits.com) on your mobile phone or via mail or fax. You need to provide documentation showing the date of service, description of the expense incurred, name of the service provider and the amount of the expense. Dates of service need to be within the HCFSA plan year.

A great benefit of the plan is that you have access to your entire election amount on the first day of the plan year. This means that if you have an expense at the beginning of the plan year, you can be reimbursed up to your entire election amount, even though you have not yet contributed that amount, easing the financial burden on you.

### Why should I enroll?

- Improve your cash flow and increase your spendable income
- Save approximately 20-30% in taxes on your expenses

Need more information? Contact DBS at **(800) 234-1229** to speak with a representative. You can review plan balance, claims and reimbursement information online at [DBSbenefits.com](http://DBSbenefits.com)

## What if I don't use my entire election amount by the end of the plan year?

It is uncommon for participants to have money remaining in their account at the end of the plan year, but it is important to plan carefully. If you do have remaining funds, the unused funds may be forfeited and become the property of your employer, depending on the provisions of the plan. This is known as the use-or-lose provision.

Some employers offer a carryover provision, allowing you to carry over unused funds into the new plan year, while others offer a grace period that allows additional time to incur expenses. If you are unsure if your plan offers either option, please contact DBS at **(800) 234-1229**.

## What is a run-out period?

The run-out period is the period of time that you have after the end of the plan year to submit claims for expenses incurred during the plan year. Please check your enrollment materials for the run-out period your employer has chosen.

### Additional Health Care FSA Information

- If you are enrolled in a HCFSAs, you are not able to contribute to a Health Savings Account (HSA) during the plan year. This applies to you and your spouse's HSA.
- Participation in a Health Care FSA may slightly affect your Social Security retirement benefit because you are lowering your annual gross income. For most people, the effect is minimal.
- If you are a highly compensated employee, an owner of the company or a family member of an owner, federal law may impose limits on your eligibility to participate in the plan.
- Expenses reimbursed from the HCFSAs cannot be reimbursed through any other source. This includes any insurance company, insurance plan, other Flexible Benefit Plan, Medical Savings Account (MSA), Health Reimbursement Arrangement (HRA), Health Savings Account (HSA) or another reimbursement plan.

## Can I change my Health Care FSA election during the plan year?

In certain situations, you may modify your election amount upon a "change in status" such as those listed below. There are several conditions and/or limitations that apply. Contact your employer if you believe that you may qualify for an election change.

- **Change in marital status (marriage, divorce, death of spouse)**
- **Change in number of dependents (birth, adoption, death of dependent)**
- **Change in employment status**
- **Change that causes your dependent to no longer meet dependent eligibility**
- **You take leave under FMLA**



**DBSbenefits.com**

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