



**isolved** Benefit Services

Your Flexible Spending Account

How to Maximize Your Money

What is a

# Flexible Spending Account?

A **Flexible Spending Account** is a tax benefit that allows you to set aside part of your pay before taxes for eligible medical or dependent care expenses.

Account

# Choices



Health Care Flexible  
Spending Account



Dependent Care Flexible  
Spending Account

# What's the Benefit?

- Pay fewer taxes
- Increase spendable income
- Uniform Coverage Rule allows full access to your health care election
- Deductibles and co-pays (including prescriptions)\*
- Dental and orthodontia expenses\*
- Vision expenses (exams, eyeglasses, contact lenses and solution, Lasik)\*

\*After insurance has paid their portion



# Savings Example

With an FSA:

Salary	\$30,000.00
FSA election	-\$2,500.00
Taxable income	\$27,500.00
Taxes	-\$7,500.00
Take home pay	\$20,000.00
FSA funds	+\$2,500.00
Spendable income	\$22,500.00

Without an FSA:

Salary	\$30,000.00
FSA election	-\$0.00
Taxable income	\$30,000.00
Taxes	-\$9,000.00
Take home pay	\$21,000.00
FSA funds	+\$0.00
Spendable income	\$21,000.00



# Dependent Care

- **Childcare, preschool or adult dependent day care**
  - Children under age 13 or adult who is your IRS tax dependent
  - Dependent must live with you
  - Expense must happen while you are at work
  - Married? Your spouse must work or be a full-time student



Getting

# Reimbursed

- After expense has happened
- No proof of payment is required
- Submit claims and receipts online, mobile app or mail
- Claims are processed within two business days
- Receive a check in the mail or direct deposit



## Health Care

# Documentation

- **A receipt, statement or explanation of benefits showing:**
  - Name of patient
  - Date of service
  - Dollar amount
  - Service or drug provided
  - Name of physician or pharmacy
- **Your signature on the Reimbursement Request Form if submitting a manual claim**



Over-the-counter

# Documentation

- **A cash register receipt showing:**
  - Product name
  - Price
  - Date of purchase
- **Your signature and the name of the family member on the Reimbursement Request Form if submitting a manual claim**



OTC Expenses that

# Will be Approved

- Bandages
- Splints
- Contact lens solution
- Crutches, wheelchairs and walkers
- Insulin



# OTC Expenses that Can be covered

- Allergy and sinus medicines
- Anti-itch and insect bites
- Ointments/creams
- Cold sore remedies
- Cough, cold and flu
- Digestive aids
- Pain relief



## Dependent Care

# Documentation

- **If you have a statement or receipt:**
  - Dependent name
  - To and from dates (example: January 1 to January 31)
  - Provider name, Tax ID# and address
- **Your signature on the Reimbursement Request Form**
- **Without a statement, you may ask your provider to complete and sign the Reimbursement Request Form**



How the

# Debit Card Works

- Use your card at the place of service
- Save your itemized receipts



Why use the

# Debit Card

- No money paid out-of-pocket
- No waiting for reimbursement
- Immediate identification of eligible purchases
- Automatic approval of certain recurring expenses



What is an

# Eligible Expense?

- Dental, vision and medical expenses can be reimbursed through your FSA
- Service must have happened
- Must go through all eligible insurance first
- Use your debit card after insurance has paid their portion



# Plan Information

- Office call co-pays
- Co-pays for expenses through a spouse's plan may not auto-approve
- Plan year
  - January through December
- Run-out period in which to submit claims in the plan year
- Carryover of unused balance up to \$610



## Debit Card

# Follow-up

- **Request for your receipts by letter**
- **First letter**
  - Shortly after swipe
- **Second letter**
  - 15 days following the first letter
- **Third and final letter**
  - 30 days following the first letter
- **Card may be temporarily deactivated**



# No Substantiation?

- **Ineligible expenses or lost receipts**
  - Repay the expense
  - Send in claims to offset
  - Add to W-2 as taxable income
  - Withhold from pay



Not using your

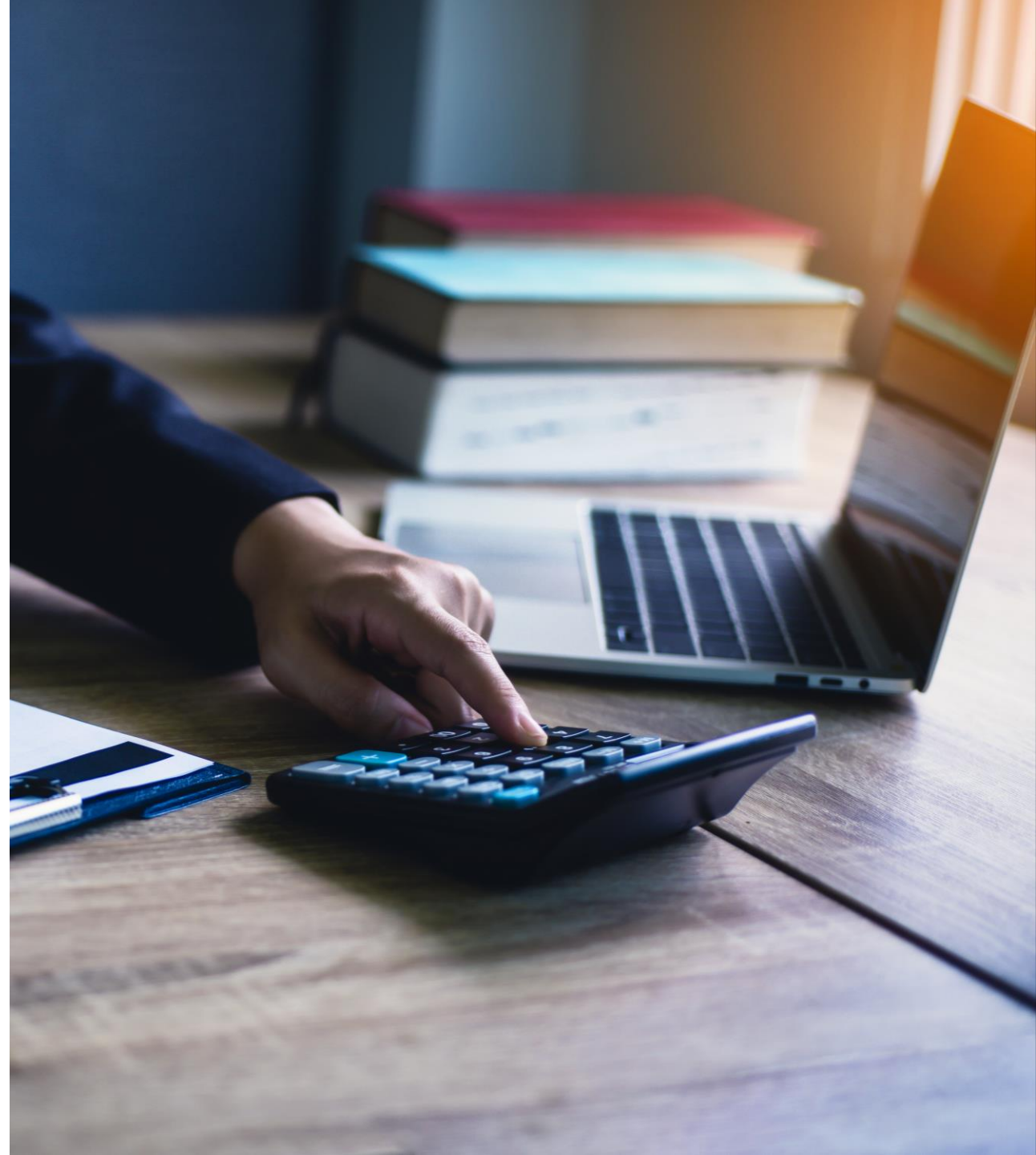
# Debit Card?

- After expense has happened
- No proof of payment is required
- Submit claims online, mobile app, mail or fax
- Your claim is processed within two business day
- Receive a check in the mail or direct deposit



# How Much Should I Set Aside

- Use the Flex Worksheet to help plan for your upcoming expenses
- Check list of eligible expenses for items and services you need
- When in doubt, underestimate!
- Annual health care maximum:
  - Set by employer
- Annual dependent care maximum:
  - Set by the IRS



Making an

# Annual Election

- **Annual election**
- **Changes allowed only for life events**
  - Marriage, birth or adoption – increase
  - Divorce or death – decrease
  - Must be made within 30 days
- **Forfeitures**



What Else do

# I Need to Know

- You have anytime, anywhere online access to your account
- Claims are sometimes pended or denied
  - Missing signature or information
  - Illegible fax
  - Ineligible expense
- You will receive a letter
- This protects the tax benefit status of the plan



# How Much Should I Set Aside

- Determine which benefit you will need
- Check the cost of the benefit
- Make your election
- Pay attention to cost changes and make appropriate election changes



# Monthly Election

- Monthly election
- Changes allowed for any reason
- Forfeitures
  - Must be eligible to receive benefit
  - No post-termination benefit



What Else do

# I need to Know?

- **You have anytime, anywhere online access to your account**
- **Claims are sometimes pended or denied**
  - Missing signature or information
  - Illegible fax
  - Ineligible expense
- **You will receive a letter**
- **This protects the tax benefit status of the plan**



What Else do

# I need to Know?

- **Self-employed individuals and former employees cannot participate**
- **isolated Benefit Services provides all required documents**
  - Plan Document
  - Participant Summary
  - Enrollment Form
  - Reimbursement Form
  - Readily Available Test

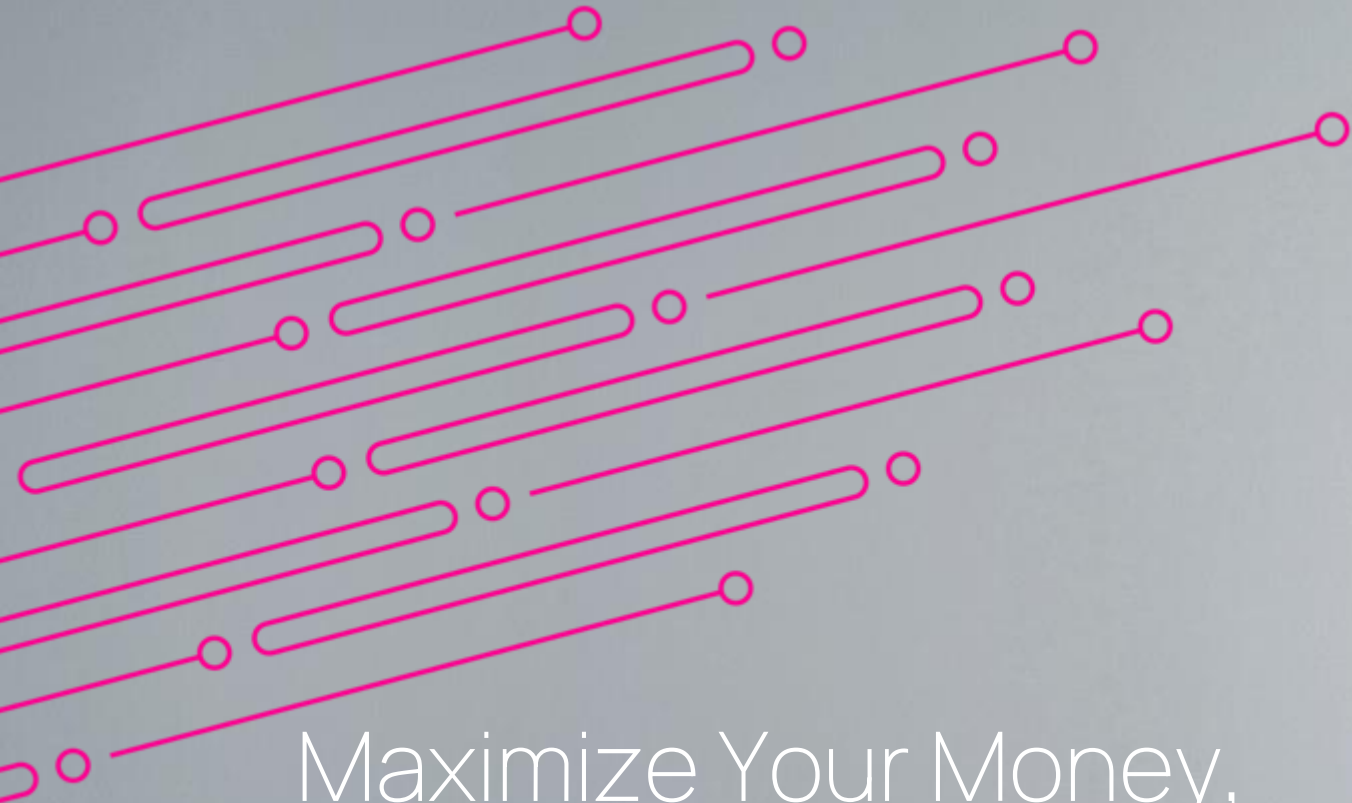




Questions?

**866-370-3040**

Monday through Thursday, 8 a.m. to 8 p.m., ET  
Friday, 8 a.m. to 6 p.m., ET



Maximize Your Money,  
Because it Matters

**Start saving money  
with an FSA today!**

