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# Flexible Spending Account Overview

*McGriff Flexible Benefit Solutions*



# What is a Flexible Spending Account (FSA)?

A flexible spending account (FSA) reimburses employees for qualified health care or dependent care expenses. They allow employees to fund qualified expenses with pre-tax dollars deducted from the employee's paychecks.

Employees are reimbursed up to the total value of the account for covered expenses incurred during the benefit plan year.

An employee can elect both an FSA and a DCA plan. Employees contribute **separate** pre-tax dollars to each account. These accounts must be kept separate; for instance, an employee could not be reimbursed for dependent care expenses from his or her Health FSA.

All FSA account types are employer owned and typically administered by a third-party administrator.

## FSA

Health Flexible Spending  
Account Plan

## DCA

Dependent Day Care  
Account Plan 

# Health FSA Plan Overview



Allows employees to set money aside, before taxes, for healthcare expenses. (Save up to 30% on eligible healthcare expenses!\*)

\*Based on a 30% tax bracket.



All funds available day 1 for participants to use on eligible expenses not covered by insurance or other medical reimbursement plans



Optimize FSA funds by planning ahead for known expenses – IRS sets benefit maximum limits each year. 2024 - \$3,200



COBRA Eligible – If the participant has a positive account balance at termination, the participant can continue coverage under COBRA for the remainder of the plan year



Expenses can only be incurred by the employee, the employee's spouse, the employee's child up to age 26 (within the tax year) and a tax dependent.





# Health FSA Eligible Expenses

## What can an FSA be used for?

There are thousands of eligible items including:

- Copays and coinsurance
- Doctor visits and surgeries
- Prescription drugs
- Over-the-counter medications (first-aid, allergy, asthma, cold/flu, heartburn, pain medication, etc.)
- Menstrual products
- COVID Related Personal Protective Equipment (PPE)
- Birthing and Lamaze classes
- Dental and orthodontia
- Frames, contacts, prescription sunglasses, etc.
- Massage therapy, vitamins and supplements
- \*Some items listed may need a letter of medical necessity



# FSA Annual Contribution Limit

- 2024 Health FSA maximum annual election: **\$3,200**
- Contribute and spend funds tax-free
- Pay for eligible out-of-pocket healthcare expenses

*Claims that cannot be auto substantiated are subject to additional documentation such as an explanation of benefits or Itemized statement*

## SAMPLE DENTIST

123 Main Street  
Salt Lake City, UT 84044  
(801) xxx-xxxx

### Responsible party:

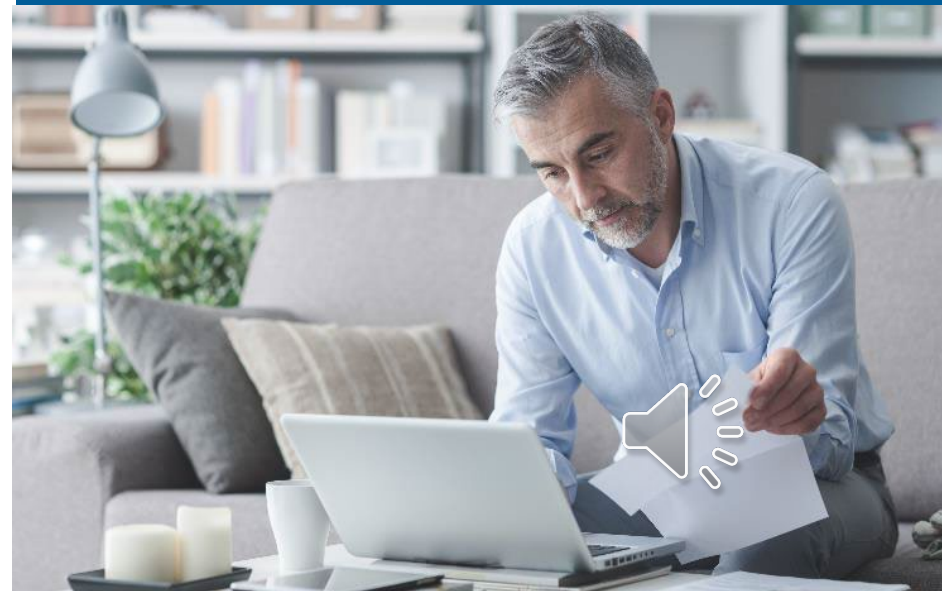
John Doe - 123 Any Street, Millcreek, UT 84106

Date	Patient	Service Provided	Provider	Reference	Amount
1/1/23	John Doe	Panoramic film	Dr. Smith	John_d	\$ 80.00
1/1/23	John Doe	Extraction K	Dr. Smith	John_d	\$ 75.00
2/1/23	John Doe	Cleaning	Dr. Smith	John_d	\$ 25.00
2/1/23	John Doe	Follow-up	Dr. Smith	John_d	\$ 20.00
2/5/23	John Doe	Payment posted	Dr. Smith	John_d	\$ [200.00]
<b>Balance Due</b>					<b>\$ 0.00</b>

PeopleKeep

## Use-or-lose

Don't forget to spend your FSA dollars. You will forfeit any money over \$640 left in your account at the end of the plan year.






## Changes to FSA Elections

### **Experience a Qualifying Life Event (QLE):**

- Change in marital status
- Change in the number of dependents
- Change in employment status
- Change in dependent status
- Judgement, decree or order

### **Change must be consistent with the QLE. Examples:**

- Decreasing the FSA contribution because of legal separation or divorce
- Increasing the FSA contribution because of marriage or adding a dependent 

# FSA Carryover and Claim Filing

Your plan year is: **January 1, 2025 to December 31, 2025.**

You have a carryover, which means you can roll over **up to \$640** into the next year.

Last day to file a claim: **March 31, 2026**

(Current plan year deadline is March 31, 2025)



# What is a Dependent Care FSA?



Set money aside, before taxes, for dependent care expenses.



Tax savings



To be eligible for a dependent care FSA, both you and your spouse (if applicable) must work, be looking for work or be full-time students.

## What does it cover?

The list includes, but is not limited to:

- Child-care center, babysitter, nanny (birth through age 12)
- Summer day camp
- Before- or after-school care
- Disabled dependent and/or spouse care
- Elder care





# Dependent Care FSA Annual Contribution Limit

## Use-it-or-lose-it Reminder

Any unspent funds will be forfeited any money left in participant's account at the end of the plan year.

*Check with your employer to confirm how long you have to submit claims for reimbursement after the plan year ends.*

- Dependent Care FSA maximum annual election:
- **\$5,000** per household
- **\$2,500** per person (if married or filing separately)
- Contribute and spend funds tax-free
- Pay for eligible out-of-pocket dependent care expenses



# Changes to Dependent Care FSA Elections

To make changes to elections after open enrollment, participants need to experience a qualifying life event.

## These events include:

- Change in marital status
- Change in the number of dependents
- Change in employee or spouse's employment status
- Change in daycare providers
- Dependent children turns age 13
- Cost of qualified daycare expenses increases or decreases
- Judgement, decree or order



If you experience a qualifying life event, your employer can help you change your election.



# Leveraging Your Account

## Once enrolled, you will have access to:



Online account:

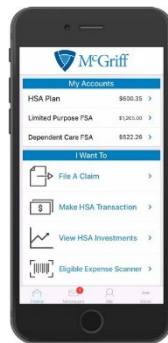
[www.mcgriff.com/flex](http://www.mcgriff.com/flex)



Payment debit card

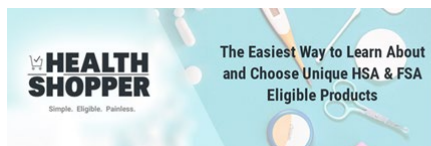


Mobile app



Use the payment debit card to pay for FSA eligible expenses or pay out of pocket and request a distribution from your account through your online account or mobile app.

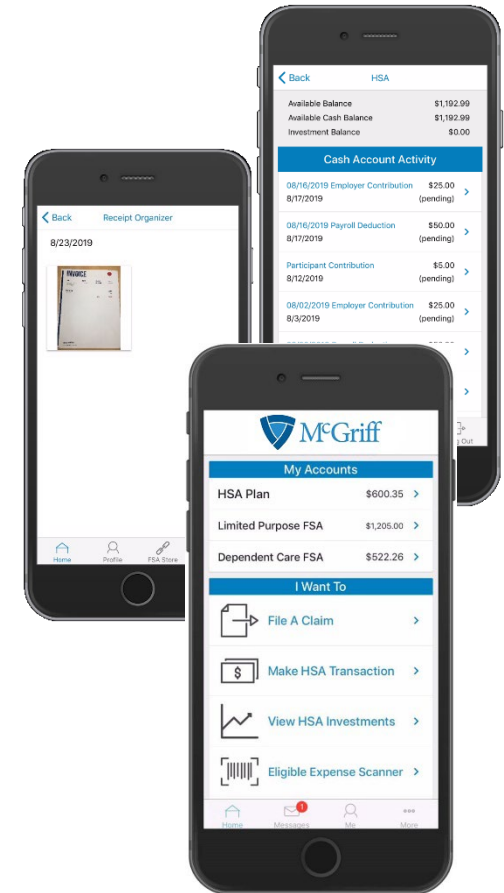
*Sign up for text alerts to stay up to date on your account.*



# Manage Your Benefits on the go

## The mobile app allows you to:

- Use fingerprint login to access account(s) with ease
- Check balances & account details
- View 'Account Snapshot' to obtain key account info
- Submit and check claims requiring receipts
- Snap a photo of a receipt and submit with a new or existing claim, or store in the device's camera roll for later use in claim filing
- Scan a product bar code to determine eligibility as a qualified medical expense
- Access account funds to pay yourself or someone else, such as a doctor
- View important messages about account(s) and get notifications via text alerts
- Click to call or email customer service to report a debit card as lost or stolen



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