

Flexible Spending Account Overview 2024

Flexible Spending Account

Paying for health care is now easier *and* less expensive with a Flexible Spending Account (FSA) from Optum Financial.

What is an FSA?

A Flexible Spending Account is a tax-advantaged account that allows you to use pre-tax dollars to pay for qualified medical or dependent care expenses. You choose how much money you want to contribute to an FSA at the beginning of each plan year and can access these funds throughout the year. This contribution is subject to certain legal limits.

Multiple uses. There are hundreds of eligible expenses for your FSA funds, including prescriptions, some over-the-counter items, doctor office copays, health insurance deductibles and coinsurance. FSA funds may even be used for eligible expenses for your spouse or federal tax dependents. See the list of [Eligible Expenses in this guide for more details.](#)

Easy to access. Funds in the account are easily accessed with the payment card. Your account balance is available at any time online or over the phone.

Tax advantages. Since FSA contributions are not taxed, you can reduce your taxable income by the amount you contribute to your FSA. You can then use those pre-tax dollars to pay for eligible health care expenses that would have otherwise been paid with post-tax dollars.

Rapid reimbursements. Paying for health care expenses is easy when you use your payment card. If you do not use your card, you can quickly and easily create your claim online. Once you submit your receipts, we will reimburse you via check or direct deposit.

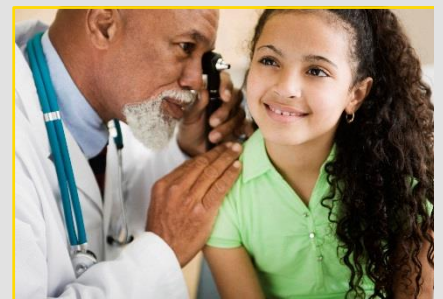


Enroll today
and save big
on health
care costs!

FSA Rules & Regulations

- The IRS requires that all FSA purchases be verified as eligible expenses. Sometimes, purchases are automatically verified when you use your card. Other times, we will request itemized receipts. **Always save your itemized receipts!**
- **2024 Health FSA contributions are limited by the IRS to \$3,200** for the year. The limit is per person; a husband and wife may each contribute up to the \$3,200 limit.
- The IRS also requires that employers make the full annual Health FSA election available to employees when an eligible expense occurs, regardless of whether you have deposited enough to cover the full amount at that point in time.

For example, you may designate \$1,200 per year, equal to a payroll deduction of \$100 a month. You are eligible for reimbursement up to the full \$1,200 in the first month, even though you have only deposited \$100 in your account. Remaining deductions will be taken from your pay during the rest of the plan year.



Dependent Care Account

You may also choose to enroll in a Dependent Care Account (DCAP), which is an alternative to the Dependent Care Tax Credit and covers dependent and certain elder care expenses while you are at work (special requirements apply). If you work and have children, a disabled spouse, or qualifying dependent parents, you know how important it is to have reliable and affordable care for them while you are at work.

A Dependent Care Account allows you to pay for these expenses and get a tax break at the same time. Expenses must be for qualifying dependents. See IRS Publication 503 child and dependent Care Expenses. Typical expenses under this account include charges for day care, nursery school, and certain elder care (unless it is for medical care) for your legal dependents. See the list of Eligible Expenses included in this guide for more details.

Eligibility Requirements

To be reimbursed through your Dependent Care Account for child and dependent care expenses, you must meet the following conditions:

- You must have incurred the expenses in order for you and your spouse, if married, to work or look for work, unless your spouse was either a full-time student or was physically or mentally incapable of self-care.
- You cannot have made the care payments to someone you can claim as your dependent on your federal tax return or to your child who is under age 19.
- Your filing status must be single, qualifying widow(er) with a dependent child, married filing jointly, or married filing separately.
- You and your spouse must maintain a home that you live in for more than half the year with the qualifying child or dependent.

Dependent Care Account Rules and Regulations

- Unlike the health FSA, you must use all of your Dependent Care Account funds by the end of your plan year, or remaining funds will be forfeited, according to IRS regulations.

The FSA calculator in this guide helps you estimate your dependent care expenses, so that you contribute the right amount.

- According to the IRS, you may contribute up to \$5,000 per year if you are married and filing a joint return, or if you are a single parent. If you are married and filing separately, you may contribute up to \$2,500 per year, per parent.
- Unlike the health FSA, you may only receive reimbursement from your DCAP account equal to the amount you have actually deposited.

A Dependent Care Account allows you to pay for qualifying child care expenses with pre-tax money!

Using Your Flexible Spending Account

We make it easy to access and use your account funds. There are two ways to pay for health care.

1. **Use Your Payment Card:** This is the simplest way to purchase health care! Provide your card to a qualified merchant or provider, and they will swipe your card like any other credit or debit card to pay for your purchase.
2. **Pay with Personal Funds and Request Reimbursement:** Pay using your own personal credit card, cash, or check and keep your itemized receipt as documentation. Then, log on to your online account to file for reimbursement and upload documentation. You can receive reimbursement funds via check or direct deposit.



Tip: Set up direct deposit online to receive quicker reimbursements.

How to Pay at...

- **The Doctor, Dentist, Eye Doctor, or Hospital.** When you pay for health care at the doctor, dentist, eye doctor, or hospital, be sure to always present your health insurance ID card first to ensure proper processing of your charges.

If you are asked to pay a copay, you may pay with your payment card, or you may pay using personal funds and request reimbursement online. Save your itemized receipt to submit as documentation.

If you're asked to pay for additional charges, do not pay your provider until the claim is processed by your health plan and you receive your Explanation of Benefits (EOB) in the mail. This helps avoid overpayment. Compare your EOB with the provider bill to verify the amount being charged by your provider is the same as the patient balance on the EOB. You may then pay using your payment card, or pay using personal funds and request reimbursement online using your EOB or itemized provider bill as documentation.

- **Dependent Care Locations.** If you have a Dependent Care Account, you should pay for your qualified dependent care expenses using personal funds and request reimbursement from your account. You will need to submit your itemized receipt as documentation. Remember, receipts for these expenses must include the name of the dependent and the tax identification number of the dependent care provider.

Learn more about FSAs!



Using Your Payment Card

We provide a convenient payment card to access account funds. You will receive this card in the mail.

Below are four tips to make using your payment card simple and easy.

- 1. Pay for Qualified Expenses with Your Card.**
Pay for qualified products and services directly at approved merchants (see sidebar). The money comes right out of your health care account. Provide your card to a qualified merchant or provider, and they will swipe your card like any other credit or debit card to pay for your purchase. If asked, select "credit," to use it without a personal identification number (PIN), or "debit" to use a PIN. There is a preset PIN associated with your card, which is the last 4 digits of your card number. To select a different PIN, call 888.999.0121.
- 2. Get Your Balance.** By frequently checking your account balance online or on the mobile app, you will have a good idea of the amount of funds available in your account. When you swipe your payment card, the system makes sure that your coverage is active and that you have sufficient funds in your account for the full amount. If not, the transaction will be denied. You can swipe the card for the amount left in your account and pay the difference with another form of payment.
- 3. Know What's Eligible.** Familiarize yourself with what expenses are eligible using the list of eligible expenses in this guide, your online account, or your employer's plan documents. Examples of eligible expenses are doctors' visits, prescription drugs and many over-the-counter medications (with a prescription). If you use the card for ineligible expenses, you may be asked to write a personal check to refund the plan.
- 4. Save Your Itemized Receipts.** Although your payment card eliminates the need to file paper claims, the IRS requires that your charges be verified. Always save your itemized receipts in case they are required to confirm a purchase or for tax purposes.

Use Your Card at Approved Merchants

Your card has been programmed to work only at merchant locations that are designated as health care merchants based on their Merchant Category Code (MCC).

Examples of qualified merchants include doctor's offices and hospitals. The card should only be used to pay for eligible medical expenses, and you should always save your receipts.

You will not be able to use your payment card at locations that are not approved health care merchants. Visit secure.optumfinancial.com for a list of approved merchants.

For qualified purchases at locations that are not approved health care merchants, you can pay with other means, then submit a request for reimbursement through your online account.



Using Your Online Account

Our online participant portal puts account information and health education tools at your fingertips.

Online Account Features

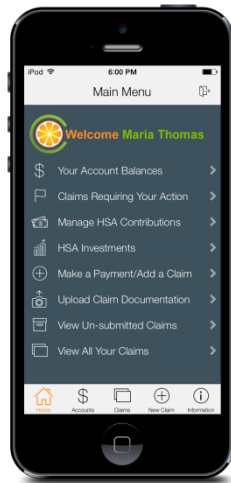
- Get account balance
- View payment card charges
- Enter a request for reimbursement
- View reimbursement requests
- Read important messages
- View reimbursement schedule
- Use health education tools
- Find answers to frequently asked questions

Mobile Solutions

Mobile App

We offer a secure, interactive mobile application for Android, iOS and Windows devices.

- View account balance, account alerts and transaction history
- View all claims, claims requiring action, and claims details
- Submit a new claim
- Make payments with Online Bill Pay and Click-to-Pay (if applicable)
- Receive important account alerts
- Tap to call Customer Service
- Upload claim documentation – quick and easy way to submit receipts using your device's camera.



Mobile Alerts and Two-Way Texting

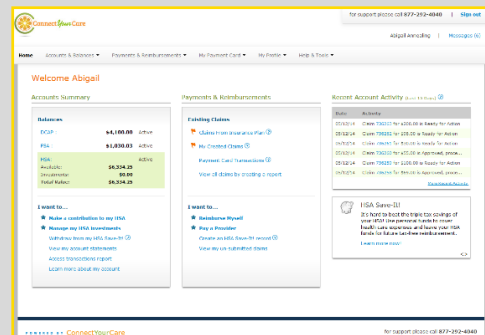
Our Mobile Alerts feature lets you access account information at any time using text messaging. Simply opt into the service online. You may also opt into a text alert service that lets you know immediately after you use your payment card if that purchase requires additional documentation. This way, you always know when to save your itemized receipts.

Mobile Browser

We also offer a streamlined version of your online account that allows you to access your most important account information including account balances, transaction history, claim summaries, claim details and FAQs, all on your smartphone without having to download our mobile app.

Where to Begin

- Go to secure.optumfinancial.com
- Select the Member Sign in icon from the upper right hand corner.
- Sign in with your user name and password.
- If it is your first time visiting the site, choose Register to select your name and password.



Enter a New Claim

If you pay for an expense using personal funds (not your payment card), you will need to enter a claim for reimbursement. Entering a new claim is easy.

- Log into your online account or mobile app.
- Click to add a new request for payment or reimbursement.
- Enter the required information about your expense.
- Follow the instructions to submit your documentation via upload, fax, or postal mail.

Flexible Spending Account Calculator

While there's no such thing as free money, an FSA can help your money go a lot further. Use this worksheet to see how much you can save.

Step 1: Estimate FSA Expenses

An FSA can cover medical, dental, or vision expenses that you would otherwise pay using personal funds. Enter the annual amounts you spend on each expense to see how much you should contribute to your FSA.

Office visit copays	
Chiropractic services	
Psychiatric services	
Medical supplies and equipment	
Laboratory or x-ray charges	
Surgical or outpatient procedures	
Hospitalization expenses	
Prescription drugs	
Eligible over-the-counter items	
Other medical expenses	
Dental deductible	
Dental preventative visits	
Orthodontia expenses	
Other dental expenses	
Vision exam	
Glasses, contact lenses, supplies	
Other vision expenses	
Other health care expenses	
Annual FSA Election*	

***Not to exceed IRS limits.**

Step 2: Estimate Dependent Care Expenses

A Dependent Care Account can cover costs for the care of your eligible dependents while you work. Enter the amounts you spend on each expense to see how much you should contribute to your Dependent Care Account.

Day care center	
Au pair or in home care	
Nursery school	
Before school care	
After school care	
Elder care (if qualifying)	
Other dependent care expenses	
Annual Dependent Care Election*	

Step 3: Calculate Tax Savings

Enter your total election amount and multiply it by your tax rate to estimate your tax savings.

Annual Elections (FSA + Dependent Care)	
x Tax Rate (from table below)	
= Annual Tax Savings (Annual Elections x Tax Rate)	

Tax Rate Table	
Annual Household Income	Estimated Tax Rate**
less than \$30,000	25%
\$30,000 - \$39,999	29%
\$40,000 - \$69,999	31%
\$70,000 or greater	33%

****Tax rates are estimated based on a combination of social security, federal, and state income taxes using national averages and may not reflect your actual tax rate.**

Eligible Flexible Spending Account Expense Examples

There are hundreds of eligible expenses for your FSA funds, including prescriptions, some over-the-counter items, health insurance deductibles, and coinsurance. FSA funds may even be used for eligible expenses for your spouse or tax dependents.

- Acupuncture
- Alcoholism treatment
- Ambulance
- Artificial limb
- Automobile modifications for a physically handicapped person
- Birth control pills
- Blood pressure monitoring device
- Braille books & magazines (above the cost of regular printed material)
- Chiropractic care
- Contact lenses & related materials
- Crutches
- Dental treatment

- Dentures
- Diagnostic services
- Drug addiction treatment
- Eye examination
- Eye glasses & related materials
- Fertility treatment
- Flu shot
- Guide dog or other animal aide
- Hearing aids
- Hospital services
- Immunization
- Insulin
- Laboratory fees
- Laser eye surgery
- Medical testing device
- Nursing services

- Obstetrical expenses
- Organ transplant
- Orthodontia (not for cosmetic reasons)
- Oxygen
- Physical exam
- Physical therapy
- Prescription drugs
- Psychiatric care
- Smoking cessation program
- Surgery
- Transportation for medical care
- Weight loss program to necessary to treat obesity
- Wheelchair

Use your Flexible Spending Account for hundreds of qualified expenses.

Ineligible FSA Expense Examples

These items are never eligible for tax-free purchase with FSA funds.

- Cobra premiums
- Concierge service fees (billed for future services; no treatment actually provided)
- Cosmetic surgery
- Exercise equipment
- Fitness programs
- Hair transplants
- Household help
- Illegal operations and treatments
- Insurance premiums
- Long-term care premiums
- Maternity clothes
- Retiree medical insurance premiums
- Teeth whitening



Eligible Over-the-Counter FSA Expense Examples

Many over-the-counter (OTC) items are eligible for purchase with your account funds.

Eligible without a Prescription – Insulin, testing, and other non-medicinal health items are available without a prescription, letter of medical necessity, or doctor’s directive.

Examples include:

- Band aids
- Birth control devices
- Braces & supports
- Catheters
- Contact lens supplies & solutions
- Denture adhesives
- Diagnostic tests & monitors
- First aid supplies
- Insulin & diabetic supplies
- Ostomy products
- Reading glasses
- Sunscreen & sun block (SPF 15+, broad spectrum)
- Wheelchairs, walkers, canes

Dual Purpose Items – Items that can be used for a medical purpose or for general health and well-being are considered “dual purpose” and are eligible only with a prescription, doctor’s directive or letter of medical necessity. Examples include:

- Dietary and weight loss supplements
- Fiber supplements
- Orthopedic shoes and inserts
- Snoring cessation aids
- Vitamins and herbal supplements

Eligible with a Prescription* – OTC items that contain a drug or medication require a prescription in order to be reimbursed.

Examples include:

- Acid controllers
- Allergy & sinus medicine
- Antibiotics
- Anti-diarrheals
- Anti-gas products
- Anti-itch & insect bite
- Anti-parasitic treatments
- Baby rash ointments/creams
- Cold sore remedies
- Cough, cold & flu treatments
- Digestive aids
- Feminine anti-fungal/anti-itch
- Hemorrhoidal preps
- Laxatives
- Motion sickness
- Pain relievers
- Respiratory treatments
- Sleep aids & sedatives
- Stomach remedies

Expenses that are NOT Eligible – OTC items merely beneficial to general health or for cosmetic reasons are not eligible. Examples include:

- Cosmetics
- Denture supplies
- Deodorant
- Moisturizers and wrinkle creams
- Toothpaste, toothbrushes and mouth wash
- Tooth whitening products

*A “prescription” means a written or electronic order for a medicine or drug that meets the legal requirements of a prescription in the state in which the medical expense is incurred and that is issued by an individual who is legally authorized to issue a prescription in that state.

Eligible Dependent Care Account Expense Examples

Dependent Care Account funds cover care costs for your eligible dependents to enable you to work.

- Before school or after school care (other than tuition)
- Qualifying custodial care for dependent adults
- Licensed day care centers
- Nursery schools or pre-schools
- Placement fees for a dependent care provider, such as an au pair
- Child care at a day camp, nursery school, or by a private sitter
- Late pick-up fees
- Summer or holiday day camps

Ineligible Dependent Care Account Expense Examples

These items are not eligible for tax-free purchase with Dependent Care Account funds.

- Expenses for non-disabled children 13 and older
- Educational expenses including kindergarten or private school tuition fees
- Amounts paid for food, clothing, sports lessons, field trips, and entertainment
- Overnight camp expenses
- Registration fees
- Transportation expenses
- Late payment fees
- Payment for services not yet provided (payment in advance)
- Medical care



Dependent Care Accounts reimburse for dependent care expenses incurred during working hours.

Frequently Asked Questions

How much can I contribute to my accounts? The IRS limits Health FSA contributions to \$3,200 per calendar year. This is a per person limit, and may be increased periodically by the IRS.

For a Dependent Care Account, the IRS limits contributions to \$5,000 per year if you are married and filing a joint return, or if you are a single parent. If you are married and filing separately, you may contribute up to \$2,500 per year per parent.

How can I find out my account balance and review transactions?

Account Balance and Claims Status information is available 24 hours a day, seven days a week:

- Visit secure.optumfinancial.com to log into your online account. If it is your first time visiting the site, click on the “Register” button to select your user name and password.
- Call the number on the back of your payment card for balance information.

How will I be able to access my funds?

You will receive a payment card to access your FSA funds. You can also pay for eligible expenses with any other form of payment and request a withdrawal from your account.

When can I request reimbursement from my FSA?

You will have access to the funds in your account on the first day of your plan effective date.

How will I receive my reimbursements?

You are eligible to receive funds by check or direct deposit. For quicker reimbursements, sign up for direct deposit in your online account.

How do I set up direct deposit?

- Log into your online account and select Direct Deposit under My Profile.
- Complete the short, secure form. Be sure to have your bank account and routing numbers on hand.
- Choose Direct Deposit as your preferred method of Claim Reimbursement and click the Confirm button.

Can I order a replacement or additional card for my spouse or dependent?

Yes. Simply log on to your online account or contact Customer Service to request an additional card.

What happens if I use my account for a non-eligible expense?

If you file a manual request for reimbursement, the request will be denied. If you used your payment card and the expense is deemed ineligible, you will be required to reimburse your account for that transaction.

How will I know if I need to submit a receipt?

You can review if your claim requires receipts online by logging into your account. You need to submit receipts if you see a notice. If a receipt is needed, you will also be notified by email or letter within a week of your payment card swipe. You should always save your receipts even if you have not received such a notice.

What if I don't submit my receipts?

You must provide the receipts within the time requested, or the transaction will be deemed ineligible, and you will be required to refund the amount of the transaction. If you fail to submit required receipts within 45 days, your payment card will be deactivated. If you fail to reimburse the account, the amount of the ineligible expenses may be added to your W-2 or withheld from your pay.

Is the payment card a debit card?

No, your payment card is a prepaid card. It is provided to give you quick access to the funds in your flexible spending account.

Where can I use my payment card?

Your payment card can be used nationwide at qualified merchants. Examples of qualified merchants may include pharmacies, doctors' offices, vision centers, and hospitals. Visit secure.optumfinancial.com for a list of approved merchants. Your card should only be used to pay for medical expenses eligible under your plan, and you should always save your receipts.

Do I need to keep my receipts when I use my card?

YES! We may request documentation any time you use your payment card. Therefore, always hold on to your receipts in case further documentation is requested. Receipts must contain the date of service, name and address of service provider/merchant, description of the service or expense provided, amount charged, and name of person receiving care or service.

Non-itemized cash register tapes, credit card receipts and cancelled checks alone do not provide proper substantiation.

This guide does not constitute tax advice. For more assistance, please contact your tax advisor. You can also find more information in IRS Publication 969 at <http://www.irs.gov/pub/irs-pdf/p969.pdf>. Please keep in mind that your state might have different tax rules. Always refer to your state's tax guidance regarding FSA taxation.