

## What is a Flexible Spending Account (FSA)?

Using a Flexible Spending Account (FSA) is a great way to stretch your benefit dollars. You use before-tax dollars in your FSA to reimburse yourself for eligible out-of-pocket medical and dependent care expenses. That means you can enjoy tax savings and increased take-home pay—all with the convenience of a prepaid benefits card.

### WHAT IS AN FSA?

With an FSA, you elect to have your annual contribution deducted from your check each pay period in equal installments throughout the year, until you reach the yearly maximum you have specified. The amount of your pay that goes into an FSA will not count as taxable income, so you will have immediate tax savings. FSA dollars can be used during the plan year to pay for qualified expenses and services.

- A Healthcare FSA allows reimbursement of qualifying out-of-pocket medical expense.
- A Dependent Care FSA allows reimbursement of dependent care expenses (such as daycare) incurred by eligible dependents.

With all types of FSAs, you'll receive access to a secure, easy-to-use web portal where you can track your account balance, view your claims history and submit requests for reimbursements.

An FSA is a great way to pay for expenses with pre-tax dollars.

### WITH AN FSA YOU CAN:

- **Enjoy significant tax savings** with pre-tax deductible contributions and tax-free reimbursements for qualified plan expenses
- **Quickly and easily access funds** using The HG Advantage card at point of sale, or request to have funds directly deposited to your bank account via online or mobile app
- **Reduce filing hassles and paperwork** by using The HG Advantage card
- **Enjoy secure access** to accounts using our convenient Consumer Portal available 24/7
- **Manage your FSA “on the go”** with our easy-to-use mobile app
- **File claims easily online** (when required) and let our system approve reimbursement (based on eligibility and availability of funds)
- **Stay up to date on balances** and action required with automated email alerts and convenient portal and mobile homepage messages
- **Get one-click answers** to benefits questions

In addition, you'll receive **The HG Advantage card** to make it easy to pay for eligible services and products not covered by your health insurance. When you use the card, payments are automatically withdrawn from your account. Just swipe the card and go. Most expenses can be validated through the card transaction but you may be prompted to provide a copy of the receipt for certain transactions (in accordance to IRS regulations). When required, receipts can be sent easily sent by uploading online to either the Consumer Portal or, through our mobile app.

## IS AN FSA RIGHT FOR ME?

**A Healthcare FSA** could save you money if you or your family members:

- Have out-of-pocket expenses like co-pays, coinsurance, or deductibles for medical, prescription, dental or vision plans
- Have a health condition that requires the purchase of prescription medications on an ongoing basis
- Wear glasses or contact lenses or are planning LASIK surgery
- Need orthodontia care, such as braces, or have dental expenses not covered by your insurance

**A Dependent Care FSA** provides pre-tax reimbursement of out-of-pocket expenses related to dependent care. This benefit may make sense if you (and your spouse, if married) are working or in school, and:

- Your dependent children under age 13 attend daycare, after-school care or summer day camp
- You provide care for a person of any age whom you claim as a dependent on your federal income tax return and who is mentally or physically incapable of caring for himself or herself

## PLAN AHEAD

Before you enroll, you must first decide how much you want to contribute to your account(s). This is called your annual election amount. You will want to spend some time estimating your anticipated eligible medical and dependent care expenses for the 2017 calendar year, but know that you don't have to worry about losing unused funds (up to \$500, if your Employer allows).

Throughout the year, you'll likely find yourself with expenses for yourself and your family that insurance won't cover. By taking advantage of an FSA, you can actually reduce your taxable income and save on your out-of-pocket expenses when you use your FSA to pay for items you'd purchase anyway.