



THE HARRISON GROUP, INC.

# YOUR GUIDE TO FLEXIBLE SPENDING ACCOUNTS



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# WHAT IS AN 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 expenses. That means you can enjoy tax savings and increased take-home pay -- all with the convenience of a prepaid benefits card.

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.

## FSA ELIGIBILITY

Anyone whose employer offers an FSA can participate, including employees not covered under the employer's health plan. Your employer may exclude certain types of employees such as part-time, seasonal or temporary. Ask your employer benefits team to verify eligibility. Self-employed individuals cannot participate in an FSA.

Did you know that Flexible Spending Accounts (FSAs) aren't just for healthcare expenses? In fact, there are two common variations to the FSA. Each has its own purpose, but they're all employer-sponsored benefit accounts designed to help people save on their taxes while setting aside money for necessary expenses.

## HEALTH CARE FSA

allows reimbursement of qualifying out-of-pocket medical expenses.

## DEPENDENT DAYCARE FSA

allows reimbursement of dependent day care expenses (such as daycare) incurred by eligible dependents.

With both 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.





# BENEFITS OF AN FSA

A Flexible Spending Account (FSA) lets you budget and manage your eligible expenses. Your FSA funds are put aside before taxes, which means more money in your pockets.

- ✓ Enjoy significant tax savings with pre-tax deductible contributions and tax-free reimbursements for eligible expenses.
- ✓ Quickly and easily access funds using our HG Advantage Card
- ✓ Request reimbursement for claims easily online or via Mobile App, and receive reimbursements to your bank account or via check.
- ✓ Enjoy secure access to your accounts using our convenient online Employee Participant Portal, available 24/7/365.
- ✓ Manage your FSA "on the go" with our easy to use Mobile App.
- ✓ Get one-click answers to benefits questions using the many resources available on [theharrisingrouponline.com](http://theharrisingrouponline.com) website

## DID YOU KNOW?? YOU CAN USE YOUR FSA FOR OVER-THE-COUNTER PRODUCTS!

FSAs now include **OVER THE COUNTER** medication as eligible expenses. So those regular purchases of pain relievers, allergy and sinus medications, heartburn relief, bandages, and more can now all now be purchased with your FSA funds. Also, menstrual care products and COVID-fighting items are included!



# IS AN FSA RIGHT FOR ME??

## HEALTH CARE FSA

COULD SAVE YOU MONEY IF YOU OR YOUR FAMILY MEMBERS:

- HAVE OUT-OF-POCKET EXPENSES LIKE CO-PAYS, COINSURANCE, OR DEDUCTIBLES FOR MEDICAL, DENTAL OR VISION PLANS, OR REQUIRE PRESCRIPTION MEDICATIONS ON AN ONGOING BASIS.
- MAKE REGULAR PURCHASES OF OVER-THE-COUNTER ITEMS LIKE PAIN RELIEVERS, ALLERGY AND COLD MEDICATIONS, OR FEMININE CARE PRODUCTS
- WEAR GLASSES OR CONTACT LENSES, OR ARE PLANNING LASIK SURGERY.
- NEED ORTHODONTIA CARE, SUCH AS BRACES, OR HAVE DENTAL EXPENSES NOT COVERED BY INSURANCE.

### HEALTHCARE FSA

2022 PLAN YEAR IRS LIMIT = \$2,850

*\*Employer determines employee maximum annual contribution limit.*

## DEPENDENT DAYCARE FSA

COULD SAVE YOU MONEY IF YOU (AND YOUR SPOUSE, IF MARRIED) ARE WORKING, OR IN SCHOOL, AND:

- YOUR DEPENDENT CHILDREN (UNDER AGE 13) ATTEND DAYCARE OR AFTER SCHOOL CARE
- YOUR DEPENDENT CHILDREN (UNDER AGE 13) ATTEND PRESCHOOL OR SUMMER DAY CAMP
- YOU PROVIDE CARE FOR A PERSON (ANY AGE) WHOM YOU CLAIM AS A DEPENDENT ON YOUR FEDERAL TAX RETURN AND WHO IS MENTALLY OR PHYSICALLY INCAPABLE OF CARING FOR HIMSELF OR HERSELF.

### DEPENDENT DAYCARE FSA

2022 CALENDAR YEAR IRS LIMIT = \$5,000

(\$5,250 FOR MARRIED FILING SEPARATE)



# PLANNING AHEAD



Before you enroll, you must first decide how much you want to contribute to your account(s). This amount is called your ANNUAL ELECTION AMOUNT. You will want to spend some time estimating your anticipated eligible medical and/or dependent daycare expenses for your plan year. We offer a handy FSA Tax Savings Calculator on our website in our Resource Library.

## WHAT IS A GRACE PERIOD?

A grace period essentially extends the Healthcare FSA's plan year for an additional 2 ½ months, allowing eligible expenses to be incurred over a 14 ½ month time period rather than a 12-month time period. This gives you 2 ½ additional months to incur expenses!

Throughout the year, you'll likely find yourself with expenses for yourself and/or your family members that insurance will not 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 would purchase anyway.

## QUESTIONS?

Our account managers are available to answer any questions you may have throughout the year. We strive to deliver flawless customer service to make your life easier. Whether you utilize our website, participant portal, mobile app, or call and email us, we will answer your questions promptly and with our best customer care.



## CONTACT US

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