

Flexible Spending Accounts

REAL SAVINGS. REAL SIMPLE.



Using a Flexible Spending Account (FSA) is a great way to stretch your benefit dollars. You use pre-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 with the convenience of a prepaid benefits card. And that makes real sense.

WHAT IS AN FSA?

With an FSA, you elect to have your annual contribution (up to the annual limit set by the IRS) deducted from your paycheck each pay period in equal installments throughout the year. 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. Please check with your employer to see what plans are offered.



A Health FSA allows reimbursement of qualifying out-of-pocket medical expenses.



A Dependent Care FSA allows reimbursement of dependent care expenses, such as day care, incurred by eligible dependents.

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



In addition, your plan offers a convenient prepaid benefits card to make it easy to pay for eligible medical services and products. When you use the card, payments are automatically withdrawn from your account, so there are no out-of-pocket costs and you likely won't have to submit receipts to verify the purchase. Just swipe the card and go. It's that easy!

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

Is an FSA right for me? An FSA is a great way to pay for expenses with pre-tax dollars. A Health Care FSA could save you money if you or your dependents:

- Have out-of-pocket expenses like **co-pays, coinsurance, or deductibles** for health, 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

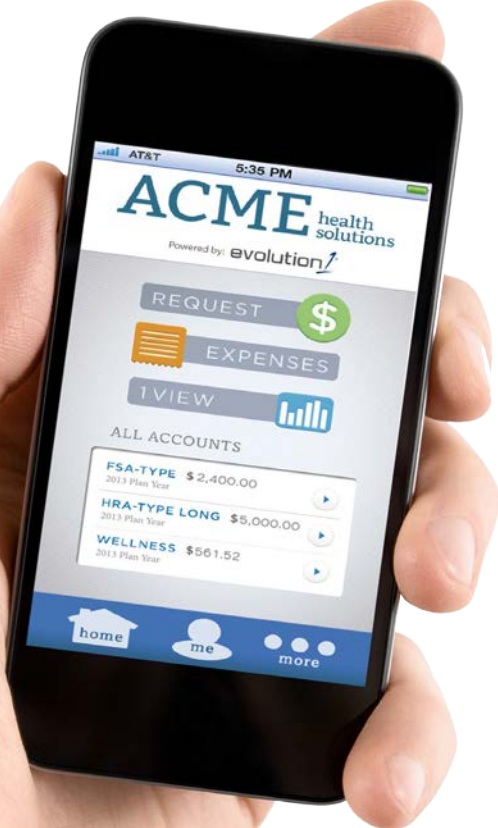
A Dependent Care FSA provides pre-tax reimbursement of out-of-pocket expenses related to dependent care. This benefit may make sense if you (and your spouse, if married) are working or in school, and:

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

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

- Enjoy significant tax savings with pre-tax contributions and tax-free distributions used for qualified plan expenses
- Quickly and easily access funds using the prepaid benefits 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 your prepaid benefits card
- Enjoy secure access to accounts using a convenient Consumer Portal available 24/7/365
- Manage your FSA "on the go" with an easy-to-use mobile app
- File claims easily online (when required) and let the system determine approval based on eligibility and availability of funds
- Stay up to date on balances and action required with automated email alert and convenient portal and mobile home page messages
- Get one-click answers to benefits questions

With the convenience of a mobile device, you can see your available balance anywhere, anytime as well as file claims and upload receipts.



PLAN AHEAD Before you enroll, you must first decide how much you want to contribute to your account(s). You will want to spend some time estimating your anticipated eligible medical and dependent care expenses for the calendar year.



As of October 31, 2013 the US Treasury Department modified its Health Flexible Spending Account (FSA) Use-or-Lose rule to allow up to a \$500 carryover of Health FSA funds. The carryover option is based solely on your employer's plan design. Not every company allows a carryover. Some employer plans may establish a lower maximum limit than \$500, but it must be uniformly applied to all eligible participants. The carryover is applicable only to Health FSAs (not to Dependent Care FSAs). Any unused amount above the carryover limit is subject to forfeiture and cannot be cashed out or transferred to other taxable or nontaxable benefits (e.g., HSAs).

For questions, contact us at: FSA@infinisource.com
or 800-300-3838

Know your Eligible and Ineligible Expenses

Maximize the Value of Your Reimbursement Account

Your Health Care Flexible Spending Account (FSA) dollars can be used for a variety of out-of-pocket health care expenses. The following list is based on eligible and ineligible expenses used by federal employees.

Eligible Expenses



Baby/Child to age 13

- ✓ Lactation consultant
- ✓ Lead-based paint removal*
- ✓ Special formula*
- ✓ Tuition: special school/teacher for disability or learning disability*
- ✓ Well baby/well child care



Dental

- ✓ Dental x-rays
- ✓ Dentures and bridges
- ✓ Exams and teeth cleaning
- ✓ Extractions and fillings
- ✓ Oral surgery
- ✓ Orthodontia
- ✓ Periodontal services



Eyes

- ✓ Eye exams
- ✓ Eyeglasses and contact lenses
- ✓ Laser eye surgeries
- ✓ Prescription sunglasses
- ✓ Radial keratotomy



Hearing

- ✓ Hearing Aids and Batteries
- ✓ Hearing exams



Lab Exams/Tests

- ✓ Blood Tests and Metabolism Tests
- ✓ Body Scans
- ✓ Cardiograms
- ✓ Laboratory Fees
- ✓ X-Rays



Medical Equipment/Supplies

- ✓ Air purification equipment*
- ✓ Arches and other orthotic inserts
- ✓ Contraceptive devices
- ✓ Crutches, walkers, wheel chairs
- ✓ Exercise equipment*
- ✓ Hospital beds*
- ✓ Mattresses*
- ✓ Medic alert bracelet or necklace
- ✓ Nebulizers
- ✓ Orthopedic shoes*
- ✓ Oxygen
- ✓ Post-mastectomy clothing
- ✓ Prosthetics
- ✓ Syringes
- ✓ Wigs*



Medical Procedures/Services

- ✓ Acupuncture
- ✓ Alcohol and drug/substance abuse (inpatient treatment and outpatient care)
- ✓ Ambulance
- ✓ Fertility enhancement and treatment
- ✓ Hair loss treatment*
- ✓ Hospital services
- ✓ Immunization
- ✓ In vitro fertilization
- ✓ Personal trainers*
- ✓ Physical examination (not employment-related)
- ✓ Reconstructive surgery (due to a congenital defect, accident or medical treatment.)
- ✓ Service animals
- ✓ Sterilization/sterilization reversal
- ✓ Transplants (including organ donor)
- ✓ Transportation*



Obstetrics

- ✓ Doulas*
- ✓ Lamaze class
- ✓ OB/GYN exams
- ✓ OB/GYN prepaid maternity fees (reimbursable after date of birth)
- ✓ Pre- and post-natal treatments



Practitioners

- ✓ Allergist
- ✓ Chiropractor
- ✓ Christian Science Practitioner
- ✓ Dermatologist
- ✓ Homeopath
- ✓ Naturopath*
- ✓ Optometrist
- ✓ Osteopath
- ✓ Physician
- ✓ Psychiatrist or Psychologist



Therapy

- ✓ Alcohol and Drug Addiction
- ✓ Counseling (must be treating a medical condition)
- ✓ Exercise Programs*
- ✓ Hypnosis*
- ✓ Massage*
- ✓ Occupational
- ✓ Physical
- ✓ Smoking Cessation Programs*
- ✓ Speech
- ✓ Weight Loss Programs*



Medications

- ✓ Insulin
- ✓ Prescription drugs

The IRS does not allow the following expenses to be reimbursed under Health Care FSAs, as they are not prescribed by a physician for a specific ailment.

Ineligible Expenses

- Contact lens or eyeglass insurance
- Cosmetic surgery/procedures
- Electrolysis
- Insurance premiums and interest
- Long-term care premiums
- Marriage or career counseling
- Sunscreen (SPF less than 15 needs RX)
- Swimming lessons

Note: This list is not meant to be all-inclusive

Please note: The IRS will not allow OTC medicines or drugs to be purchased with Health Care FSA funds unless accompanied by a prescription.

Eligible Over-the-Counter Items

Note: Product categories are listed in bold face; common examples of products are listed in regular face.

The following is a high level list of over-the-counter (OTC) items that clearly are not medicine or drugs and are eligible for purchase with Health Care FSA dollars. You can use your benefits card for these items

Antiseptics, wound cleaners

Alcohol, peroxide, Epsom salt

Baby electrolytes

Pedialyte, Enfalyte

Denture adhesives, repair and cleansers

PoliGrip, Benzodent, Efferdent

Diabetes testing and aids

Insulin, Ascencia, One Touch, Diabetic Tussin, insulin syringes, glucose products

Diagnostic products

Thermometers, blood pressure monitors, cholesterol testing

Elastics/athletic treatments

ACE, Futuro, elastic bandages, braces, hot/cold therapy, orthopedic supports, rib belts

Eye care

Contact lens care

Family planning

Pregnancy and ovulation kits

First aid dressings and supplies

Band Aid, 3M Nexcare, non-sport tapes

Hearing aid/medical batteries

Incontinence products

Attends, Depend, GoodNites for juvenile incontinence

Reading glasses and maintenance accessories

Sunscreen (SPF 15 and over)

For additional information, please contact:

Infinisource
 PO Box 488
 Coldwater, MI 49036-0488

PH: 866.370.3040
 Fax: 800.379.5670
 Email: fsa@infinisource.com

INFINISOURCE

BENEFIT SERVICES

DEPENDENT CARE FSA FAQ's

A Dependent Care FSA provides pre-tax reimbursement of out-of-pocket expenses related to dependent care. It's a great option for employees who have dependent children under the age of 13 who attend day care, after-school care or summer day camp, and/or provide care for a person of any age who is claimed as a dependent on the federal income tax return and who is mentally or physically incapable of caring for himself or herself.



Who is a qualified dependent under the Dependent Care FSA?

- Dependent under the age of 13
- Dependent or spouse of employee who is mentally or physically disabled and whom the employee claims as a dependent on their federal income tax return

Can an adult be a qualified dependent?

Yes, an adult may qualify as a dependent provided that the employee is providing more than half of that individual's support for the year and the dependent lives with the employee.



Do I have to use a day care facility?

No. You can be reimbursed for expenses of an individual providing care for your dependent in your home as long as the expenses are incurred for you and your spouse (if married), to work, look for work or attend school full time.

Does my day care provider have to be licensed?

No. However, you are required to submit their Tax Identification Number or Social Security Number when filing your federal income tax return.



My child attends camp during the summer. Is this eligible?

Generally, no. However, if the camp is a day camp and your dependent attends to allow you and your spouse (if married) to work, look for work or attend school full time, then yes, this would be an eligible expense. Overnight camps are specifically excluded.

Does my day care provider have to be 18?

No, but the individual must claim the money as income on their tax return.





When can I be reimbursed for dependent day care expenses?

Expenses are eligible for reimbursement when they have been incurred, not when you are billed or when you pay for the services.

Example: Your day care provider requires you to pay for the month of September on September 1. You can be reimbursed as the services are incurred, not when you paid for the services. You can submit claims after each week, every week or on October 1.

What support documentation must I file with each Dependent Care claim?

Complete the Dependent Care section of the Request for Reimbursement Form and have your day care provider sign and date. The receipt must include the following information:



- Name and address of provider
- From/through dates of service
- Amount of charge



Can I submit claims for dependent care expenses that are greater than the current balance of my Dependent Care FSA?

Yes. However, you will only receive reimbursement for the amount that you have contributed to your Dependent Care FSA. For example, if you contribute \$150 each month to your Dependent Care FSA, then you will only receive \$150 in reimbursement each month. The excess amount of expenses will be pended and automatically paid to you as contributions are posted to your account.

What happens if a claim exceeds the amount currently available in my Dependent Care FSA?

The claim will be processed and approved. The amount that is currently available will be disbursed and the remaining portion will be pended until you make another contribution.

