

## Flexible Spending Accounts (Active Employees Only)

### *What is a Flexible Spending Account?*

A Flexible Spending Account (FSA) is an account that allows you to set aside pre-tax dollars to pay for qualified healthcare or dependent day 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. All FSA contributions are pre-tax, which means you save money by not paying taxes on the amounts you set aside to pay for eligible healthcare and dependent care expenses. [ConnectYourCare](#) is the FSA Administrator.

There are hundreds of eligible expenses for your FSA funds, including prescriptions, doctor office copays, health insurance deductibles and coinsurance for you, your spouse or eligible dependents. Claims for Same Sex Spouses/Domestic partners and the dependent child(ren) of same sex spouses/domestic partners are not eligible for FSA (reimbursements of claims or services for them) unless they are your tax dependents as defined by the Internal Revenue Service (IRS). See [Eligible Healthcare FSA Expenses](#) and [Eligible Dependent Care FSA Expenses](#) for more information.

**NOTE:** *As of January 1, 2011, under healthcare reform, over the counter medications are no longer eligible for reimbursement under your healthcare FSA without a prescription. Insulin is still eligible for reimbursement.*

Effective July 1, 2011, in accordance with the Patient Protection and Affordable Care Act (PPACA), an employee may obtain FSA reimbursement for his/her children (as defined by the IRC§ 152, i.e., biological, stepchild, adopted), who have not obtained age 27 by the end of the tax year. This includes children that no longer live with their parents, are not listed as dependents on a parent's tax return, are no longer a student, or are married.

### *Important Note about Retirement and your FSA coverage:*

If you retire or terminate employment during a plan year, you may only seek reimbursement for claims incurred through your last day of employment. If you still have additional funds in your flexible spending account, they will be forfeited.

### *There are two types of FSAs available:*

- **Healthcare Account:** You may contribute between \$120 and \$2,550 a year to reimburse yourself for eligible out-of-pocket healthcare expenses, including deductibles, copays or coinsurance not reimbursed by any medical, dental, vision or prescription plans for you, your spouse or your tax dependents.
- **Dependent Care Account:** You may contribute between \$120 and \$5,000 a year, or up to \$2,500 a year if married and filing separately, to reimburse yourself for eligible dependent care expenses incurred so you and your spouse, if married, can

work, look for work, or your spouse can attend school full-time. In addition to day care, the account may also cover some before- and after-school care expenses, summer day camp and pre-school tuition costs.