

Flexible Spending Accounts are IRS-approved, tax-exempt accounts that saves you valuable tax dollars on eligible medical expenses. Each pay period, an amount of money that you have specified is deducted from your gross pay before taxes are calculated.

Wage Works is the FSA administrator for the County's flexible spending accounts.

How a Flexible Spending Account Works

When you enroll, you estimate your family's annual health expenses and choose the amount of money you want to set aside pre-tax for the plan year. The amount you choose is deducted evenly from your paychecks throughout the year.

Note: The Internal Revenue Service (IRS) sets Flexible Spending Account limits each year, and raised the maximum allowable deduction to \$2,550 in 2015.

When you enroll, you will receive a debit card to use for the applicable expenses. You also can request withdrawals from your account to reimburse yourself for out-of-pocket expenses incurred by submitting a claim form with your bills to Wage Works. Reimbursement will be issued in the form of a check or direct deposit reimbursement, whichever you elect.

FSA funds not used during the plan year, up to \$500 will be allowed to carry over into the next plan year, anything beyond the \$500 will be forfeited.

Eligibility

If you are eligible for County benefits, you can enroll in a the FSA as long as you are not already enrolled in a Health Savings Account (HSA) through the High Deductible Health Plan. Eligible FSA expenses will be reimbursed to you, and can include charges to:

- your spouse or your tax-qualified domestic partner (QDP), and/or
- Internal Revenue Code (IRC)-eligible dependents

These individuals do not need to be covered under your medical plan for their expenses to be reimbursed from your FSA.

Enrollment Requirements

Current plan participants must re-enroll in the plan each year in order to continue their participation. Open enrollment is held during the month of May each year, with the FSA going into effect on July 1st of that same year.

New hires who wish to enroll in an FSA must do so within 31 days from date of hire. Participation becomes effective the first day of the month following receipt of the properly completed enrollment form. Funds are available for those claims incurred **after** the account is set up.

Before You Enroll

Before enrolling in an FSA, consider the following:

- **Exclusion:** If you are enrolled in a consumer-driven health plan with a Health Savings Account (CDHP-HSA), you and your spouse **cannot** participate in an FSA. You may enroll in one or the other but not both.
- **Be conservative** with your estimates.
- **Anticipated expenses:** Determine whether some of your anticipated expenses are FSA eligible.
- **Over-the-counter (OTC) medicines** will not be reimbursable through FSA without a doctor's prescription.
- **Changing deductions:** You cannot change the amount of money deducted from your pay during the plan year unless you have a qualifying life event that allows a medical plan change like marriage, birth or adoption, divorce, death, or change in residence.
- **Filing claims:** All claims must be submitted to the plan administrator at Wage Works who determines whether these qualify for reimbursement.
- **Income Tax Deductions:** Expenses reimbursed from an FSA cannot be deducted on your federal tax return because the money from the FSA is tax exempt.
- **No Advance Reimbursement:** You may only be reimbursed for services you have received.