

2023 Open Enrollment

HSA Bank Flexible Spending Accounts

October 31, 2022



University System
of Georgia **Benefits**
Centered on You.



Types of FSAs

- Healthcare FSA
- Limited-Purpose FSA
- Dependent Care FSA



Flexible Spending Accounts (FSAs)

- A Flexible Spending Account, or FSA, is an account with tax perks you use to stretch benefit dollars for healthcare expenses.
- Decide what you want to contribute to your FSA for the year. Money is then deducted pre-tax from your paycheck in equal installments.
- Pay for qualified medical expenses for yourself, your spouse, and your dependents.
- Healthcare FSAs must be elected during your new hire eligibility period and reelected each year during annual open enrollment for the next year. You are not automatically re-enrolled each year.
- Healthcare FSAs can't be used in conjunction with HSA
- Use of your entire 2023 Election will be available to you on 1/1/2023



Healthcare FSA

- Reimbursement for Medical, Dental, Vision
- Offered alongside any health plan



The Benefits

Average tax savings per \$100

Federal income tax	25%	\$25.00
.....		
State income tax	5%	\$5.00
.....		
FICA	7.65%	\$7.65

This example is for illustrative purposes only.

\$37.65
in savings per paycheck

How it Works

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⋮

*Money goes into
your FSA*

⋮

FSA ...

*Use your FSA dollars
to pay for eligible
healthcare expenses*

... \$\$\$

“

*There are no health
plan deductible or
out-of-pocket
requirements to
enroll in an FSA.”*

Healthcare FSA: IRS-Qualified Medical Expenses

As specified by your plan, you can use your FSA to pay for a wide range of IRS-qualified medical expenses for yourself, your spouse, or tax dependents. Funds used to pay for IRS-qualified medical expenses are always tax-free.

- Doctor and hospital fees
- Medical equipment
- Dental care, braces, dentures
- Vision care, glasses, contacts
- Prescription medications
- Chiropractor fees
- Laboratory fees
- Ambulance services
- Therapy or counseling
- Nursing services

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This list is not comprehensive. For more detailed information, please refer to IRS Publication 502 titled, “Medical and Dental Expenses”, which is available at www.irs.gov or by calling 1-800-TAXFORM. HSA Bank does not provide tax or legal advice. Please consult with a qualified tax or legal professional if advice is needed regarding your specific situation.

Limited Purpose FSAs: IRS-qualified medical expenses

With a Limited Purpose FSA (LP-FSA) funds are available for certain IRS-qualified medical expenses, as described in your employees' plan document. Such expenses may include:

- Eye exams
- Prescription eyewear
- Prescription contact lenses
- Contact lens solution
- Vision correction surgery
- Cleanings
- Fillings
- Crowns
- Braces
- Dentures

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When Substantiation is Not Required

HSA Bank's Visa® Health Benefits Debit Card Charges

Pharmacies with Inventory Information Approval System (IIAS)

- 95%+ of pharmacies utilize IIAS, including all major drug store chains.
- Those without IIAS are typically smaller pharmacies.

Pre-approved copayment amount

- Outlined during plan design and set during implementation

Recurring charge

- Same amount and same merchant/provider previously substantiated via Recurring Reimbursement Request form

Claim Financial Data Received from Anthem

- HSA Bank receives a claim file daily from Anthem, if your debit card transaction amount and date matches a claim processed by Anthem.



Dependent Care Flexible Spending Accounts (DC-FSAs)



- An employer-sponsored account allowing employees to set aside pre-tax dollars for eligible dependent care expenses through a Section 125 (cafeteria) plan.
- Employees don't pay federal or FICA taxes on money they put into the account; many state taxes are also exempt.
- Pre-tax funds are deducted from each paycheck and automatically deposited into the DC-FSA.
- Associated with a specific plan year (2023) and requires annual election and enrollment.

Did you know?

- Under IRS guidelines, employees can only be reimbursed for dependent care that has already taken place.
- Employees can only be reimbursed for the amount they have already contributed to their Dependent Care FSA.
- Unlike the Healthcare FSA, the full amount of the dependent care election is not available January 1st.

Dependent Care FSA: IRS-Qualified Medical Expenses

If permitted by your plan, the following are examples of expenses that may be covered by a Dependent Care FSA:

After-School Care

The cost of after-school care (i.e., following the end of the school day) is reimbursable. The primary purpose must be for care of the child and not for education.

Adult Daycare

The person must be a qualifying person for the employee; expenses cannot be attributable to medical care; and the qualifying person must regularly spend at least eight hours each day in the employee's home.

Au Pair

Amounts paid to an au pair are reimbursable. This includes contract fees, background fees, and up-front fees as long as the agency requires them and the au pair has been hired. Note: pre-paid fees are pro-rated throughout the period.

Dependent Care limit is \$5,000 if you are married and filing a joint return, or if you are a single parent. \$2,500 per year, if you are married and filing separately. For additional information, refer to Publication 503 on the IRS website at www.irs.gov.

2023 Flexible Spending Account (FSA)

Grace Period – USG provides a grace period of 2 ½ months after the end of the calendar year. This means you can continue to incur eligible healthcare expenses against your 2023 FSA election through **March 15, 2024**, giving you a little more time to use up your Healthcare FSA balance. All USG FSAs have a grace period.

Runout Period – Expenses incurred with a date of service during the plan year (2023) or the above-mentioned Grace Period) would need to be submitted by **March 31, 2024 to be eligible for reimbursement.**

Election limits:

Medical FSA / Limited Purpose FSA: \$2,850.00 (2022 limits, 2023 not yet released by IRS)

Dependent Care: \$2,500 if married filing separately or \$5,000 if married filing jointly

Minimum election amount: \$20.00



How to pay



What to expect – First time enrolling

HSA Bank Health
Benefits Debit Card will
arrive shortly after

- Welcome kit within
7–10 business days
-
- Log in to your
account online

Thank you

