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# 2015 FSA Overview

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# Flexible Spending Account (FSA) Webinar Agenda

1. FSA Basics
2. Election Maximums
3. Eligible Expenses
4. Using FSA Funds
5. IRS Regulations
6. Online & Mobile App Experience
7. Questions/Answers



# Flexible Spending Account Basics

An FSA is an IRS regulated tax savings plan. Eligible healthcare and dependent care expenses can be paid for on a pre-tax basis when you contribute to an FSA.

- Full Purpose FSA** – used for eligible medical expenses, including dental and vision. This option is “tied” to the PPO plan.
- Limited Purpose FSA** – used for eligible dental and vision expenses only; can be used in conjunction with a Health Savings Account (HSA).
- Dependent Care FSA** – used for eligible dependent day care expenses.



# 2015 Maximum Election Amounts

FSA elections are made at the beginning of the plan year; during open enrollment. The amount elected is deducted each paycheck on a pre-tax basis.

- ❑ Full Purpose FSA – \$2,550 maximum annual plan year election
- ❑ Limited Purpose FSA – \$2,550 maximum annual plan year election
- ❑ Dependent Care FSA – \$5,000 maximum annual plan year election (this maximum is in addition to the limited or full election amounts)



# Eligible Expenses

The IRS regulates what expenses are considered eligible. A full list of eligible items can be found on the IRS website (<http://www.irs.gov/publications/p969/ar02.html>), but some of the most common are:

## Full Purpose:

- ✓ Dental Services
- ✓ Vision Services (including eye glasses, Lasik, contact lenses)
- ✓ Orthodontia
- ✓ Co-pays
- ✓ Deductibles
- ✓ Prescription drugs

Over-the-counter items are ineligible without a prescription.

## Limited Purpose:

- ✓ Dental
- ✓ Vision



# Dependent Care FSA (DCRA)

The Dependent Care FSA can be used to pay for eligible dependent day care expenses. The amount elected at the beginning of the plan year is deducted from each paycheck pre-tax.

- An eligible dependent is any person who can be claimed as a dependent for federal tax purposes and who:
  - Is under 13 years
  - Is over 13 years and is physically or mentally incapable of caring for themselves
  - A spouse who is physically or mentally unable to care for themselves
  - An elderly parent residing in the member's home and who is physically or mentally incapable of caring for themselves
  
- Dependent care providers must have a valid tax ID number and cannot be a spouse or dependent under 19.



# Using FSA Funds

- ❑ A debit card is issued to any member who elects a Limited or Full Purpose FSA.
- ❑ Members can pay out of pocket and file a claim for reimbursement.
- ❑ FSA funds can be used in their entirety at the beginning of the plan year.
- ❑ The IRS requires substantiation on FSA expenses to ensure they are eligible. Members should always keep their receipts.

# Using Dependent Care Funds

- ❑ As eligible expenses are incurred, members should complete a claim form and attach proof of payment from the day care for reimbursement.
- ❑ Reimbursement is made as funds are contributed; therefore, if a claim is submitted for more than is currently available, a portion of the claim will remain pending for reimbursement until additional funds are received through the next payroll deduction.



# IRS Regulations

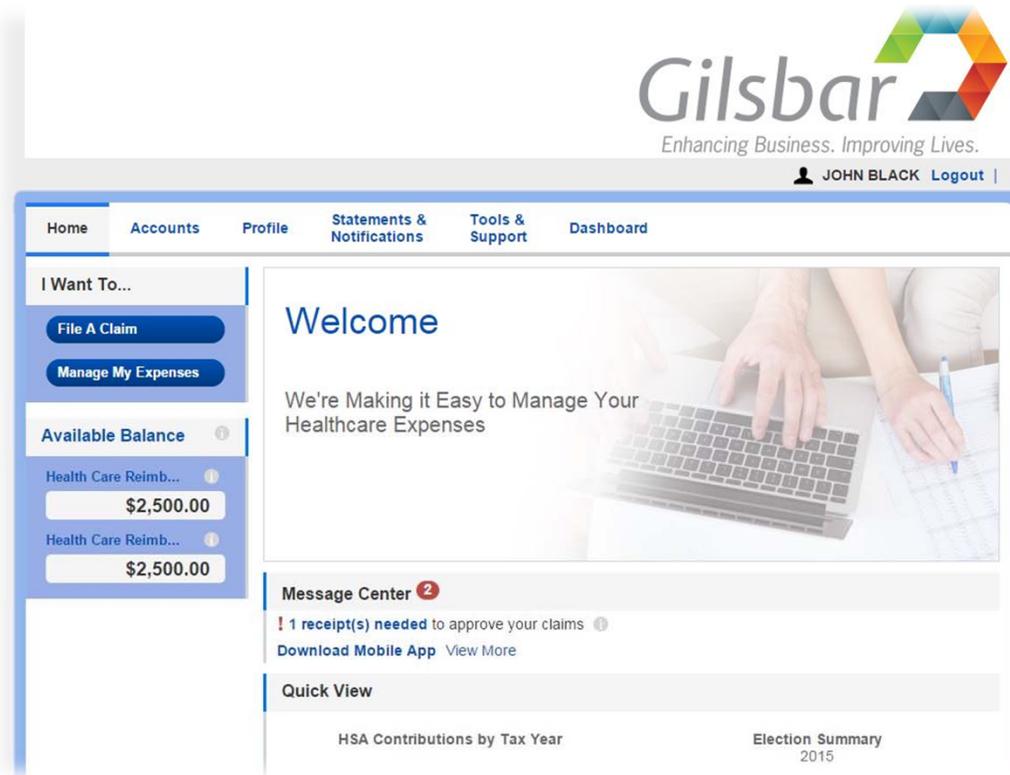
- Expenses must be eligible in order to use funds. Penalties could be applied by the IRS if funds are used inappropriately.
- Receipts should always be kept in the event substantiation is required.
- “Affidavits” for Dependent Care are not acceptable. A signed claim form and proof of payment must be presented for each DCRA reimbursement.
- Changes can only be made in conjunction with a qualifying event.
- Any funds that are NOT used by the end of the plan year (June 30) are forfeited. There is a 90 day filing limit for claims once the plan year ends.



# Member Experience

## the member portal

- o Manage your account through [www.myGilsbar.com](http://www.myGilsbar.com)



Check FSA balances



File new claims with receipt images



View all account activity and receive alerts via text message

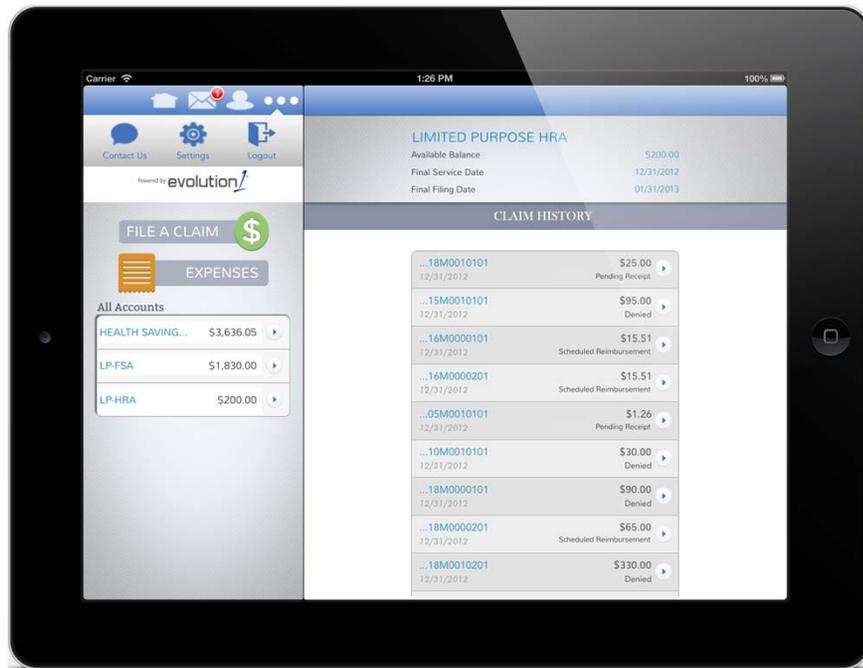


Questions, contact Gilsbar @ 888.472.4352 or [flex@gilsbar.com](mailto:flex@gilsbar.com)



# Member Experience

## the mobile app



Check FSA balances on the go



File new claims with receipt images using the mobile device's camera



View all account activity and receive alerts via text message



Questions, contact Gilsbar @ 888.472.4352 or [flex@gilsbar.com](mailto:flex@gilsbar.com)



# Open Enrollment & Reminders

- ✓ Elections must be made during open enrollment in SmartBen.
- ✓ Changes in elections during the plan year can only be made in connection with a qualifying event.
- ✓ FSA elections must be made every plan year.
- ✓ “Use It or Lose It” program.



# Questions?

