

Flexible Spending Accounts Employee Enrollment Information and FAQ's

WHAT IS AN FSA?

A Flexible Spending Account (FSA) is a great way to stretch your benefit dollars. You use before-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 and increased take-home pay. With an FSA, you elect to have your annual contribution deducted from your paycheck each pay period, in equal installments throughout the year, until you reach the yearly maximum you have specified.



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.

Types of FSA's your employer may offer:

- **Healthcare FSA** covers medical, prescription, dental and vision expenses.
- **Limited Purpose Medical FSA** covers vision and dental expenses only (for compliance with an HSA account).
- **A Dependent Care FSA** covers dependent care expenses including daycare, nursery school and day camp for children, and services for adult dependents who cannot care for themselves.

Note: The 2020 IRS maximum annual employee contribution for a Healthcare FSA is \$2,750 and for a Dependent Care FSA \$5,000 (per household). Please refer to the Summary Plan Description (SPD) for your plan's maximum contribution as it may be different.

HOW DO I PARTICIPATE IN AN FSA?

To participate, you must enroll within 30 days of your date of hire or elect to participate during annual Open Enrollment. If you have a life event change (for example, birth or adoption of a child), then you may be able to enroll without waiting for annual Open Enrollment, if you enroll within 30 days of the change.

WHY SHOULD I PARTICIPATE IN AN FSA?

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

- **Enjoy significant tax savings** with pre-tax deductible contributions and tax-free reimbursements 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 our online or mobile app
- **Enjoy secure access and manage your FSA "on the go"** with an easy-to-use mobile app or using a convenient Consumer Portal available 24/7/365
- **Stay up to date on balances and action required** items with automated email alerts and convenient portal and mobile home page messages

HOW DO I PAY FOR OR GET REIMBURSED FOR EXPENSES?

If offered by your employer, you'll receive a convenient Streamline HR MasterCard to make it easy to pay for eligible services and products not covered by your health insurance. When you use the card, payments are automatically withdrawn from your account. Just swipe the card and go. Most expenses can be validated through the card transaction, *but* you may be prompted to provide a copy of the receipt for certain transactions in accordance to **IRS regulations**. When required, receipts can be easily uploaded to either the consumer portal online or through the mobile app. Other payment methods of expense reimbursements are check or direct deposit to your bank account.



IS AN FSA RIGHT FOR ME?

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

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

IS THERE A LIST OF ELIGIBLE EXPENSES?

You can visit our "*Health Shopper*" site by to purchase eligible items and find a comprehensive list of FSA eligible expenses listed from A-Z, <https://my-healthshopper.com/?id=10528>

(Please note, FSAs aren't all the same - be sure to check with your administrator to confirm if something's eligible before making a purchase.)

PLAN AHEAD - HOW MUCH SHOULD I ELECT?

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 2020 calendar year.

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

Use the FSA Election Worksheet on the next page or use the online calculator to calculate your eligible expenses and determine the per-pay-period FSA deduction amount. Following is the link to use the online calculator:



<https://www.wexinc.com/wh/calculator/Payroll125.html>

Be sure to consider the maximum amount your employer allows for unreimbursed medical expenses (refer to the SPD). You should also consider any amount your employer may contribute toward the plan. The maximum household deduction allowed for dependent care expenses, per federal guidelines, is \$5,000.

(**NOTE:** The amount you save in taxes with a Flexible Spending Account will vary depending on the amount you set aside in the account; your annual earnings; whether or not you pay Social Security taxes; the number of exemptions and deductions you claim on your tax return; your tax bracket and your state and local tax regulations. Check with your tax advisor for information on how participation will affect your tax savings.)

CAN I CHANGE MY FSA ELECTION?

Your FSA election cannot be changed during the plan year unless you experience a qualifying event as defined by law:

- Marriage or divorce
- Death of spouse or dependent
- Birth or adoption of a child
- Termination or start of spouse's employment
- Change in employment status from part-time to fulltime or full-time to part-time for you or your spouse*
- Unpaid leave of absence by you or your spouse
- Eligibility or ineligibility of Medicare/Medicaid
- Cost-motivated dependent care changes (for example, relative becomes available to watch child)

*Please note, if a qualifying event has occurred, you must submit supporting documentation and enrollment modifications to your employer within 30 days of the event.

Flexible Spending Accounts (FSA) Election Worksheet

A Flexible Spending Account (FSA), sometimes referred to as a “Cafeteria Plan” or “Section 125 Cafeteria Plan”, helps you keep more of your paycheck by reducing your Federal and State taxes. It allows you to pay certain expenses using funds that are deducted from your paycheck before taxes are taken. How much you save depends on how much you spend on health and dependent care, and on your tax situation. To estimate your expenses and see for yourself how your savings can add up, use the savings calculators at: <https://www.wexinc.com/wh/calculator/Payroll125.html>.

In addition to this calculator, below is a worksheet that you can use to determine how much to contribute to your account(s). Calculate the amount you expect to pay during the plan year for eligible out-of-pocket medical and/or dependent care expenses. This calculated amount cannot exceed established IRS and plan limits.

Health FSA Worksheet

Estimate your eligible, uninsured out-of-pocket medical expenses for the plan year. IRS contribution limits for the health FSA are based on the plan year, not the calendar year.

UNINSURED MEDICAL EXPENSES	
Health Insurance deductibles	\$ _____
Coinsurance or co-payments	\$ _____
Vision care	\$ _____
Dental care	\$ _____
Prescription drugs	\$ _____
Travel costs for medical care	\$ _____
Other eligible expenses	\$ _____
TOTAL (IRS contribution limit: Up to \$2,750)	\$ _____
DIVIDE by the number of paychecks you will receive during your coverage period	÷ _____
This is your pay period contribution (whole dollar amounts only)	\$ _____

Dependent Care Worksheet

Estimate your eligible dependent care expenses for the plan year. Remember that your calculated amount cannot exceed the calendar year limits established by the IRS.

CHILD CARE EXPENSES

Day care services	\$ _____
In-home care/au pair services	\$ _____
Nursery and preschool	\$ _____
After-school care	\$ _____
Summer day camps	\$ _____

ELDER CARE SERVICES

Day care center	\$ _____
In-home care	\$ _____

TOTAL (IRS contribution limit: Up to \$5,000, depending on how your taxes are filed)	\$ _____
DIVIDE by the number of paychecks you will receive during your coverage period	÷ _____
This is your pay period contribution (whole dollar amounts only)	\$ _____

WHAT HAPPENS IF I HAVE MONEY REMAINING IN MY ACCOUNT AT THE END OF THE YEAR?

Your plan *may* have one of the following options:



- Your employer may offer a grace period. The FSA Grace Period allows you to have 2 ½ months after the plan year ends to spend down money that is left in your FSA healthcare account. This extension of time to incur expenses reduces the chance for any forfeitures, as every 12 month plan year is, in essence, 14 ½ months.
- Your employer may offer a carry-over of up to \$500 of unreimbursed medical expense funds from the current plan year to the following year. The rollover means enrollment in an FSA is much less risky. This gives you more flexibility to spend your FSA money when you need it. You can use it for necessary out-of-pocket healthcare expenses, rather than feeling pressured to engage in last minute and potentially unnecessary spending at the end of the year or grace period.

WHAT HAPPENS IF MY EMPLOYMENT IS TERMINATED?

If your employment is terminated, you will have **90 days** to submit receipts for expenses incurred **on or prior to your termination date**, or to submit documentation for claims that were placed on hold or required substantiation prior to your termination date. *(Please Note: Your 90-day window could be less depending on how your plan is designed, you should refer to your plan documents for this information.)*

HOW DO I SUBMIT A CLAIM?

- On our on-line portal by visiting our website at www.mystreamlinehr.com

Paper claim, by downloading a form from our website:

- By email:
spendingaccounts@mystreamlinehr.com

- Via a fax to 877-385-7926

- By Mail:

Streamline HR

Attn: Spending Account Claims Processing

5920 Hamilton Boulevard

Suite 201

Allentown, PA 18106

NEED HELP WITH YOUR ACCOUNT, LOGGING IN OR CHECKING YOUR BALANCE?

You can call one of our team members for assistance at 877-262-7291 - Option 3 -Monday through Friday 8:30 a.m. – 5:00 p.m. EST.

*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 claims history and submit requests for reimbursements.