Flexible Spending Account

Why should I choose a flexible spending account (FSA)?

A flexible spending account (FSA) lets you save money by setting aside pre-tax dollars to pay for eligible medical, dental, vision and dependent care expenses incurred by you, your spouse or your eligible dependents.

Take home more money
Putting money into an FSA decreases your taxable income, which means you'll take home more money.

Plan better for health expenses
Spend your funds on the eligible health expenses you incur throughout the year. The IRS has a "use it or lose it" rule for FSAs, which means funds must be spent by the end of the plan year unless your employer offers a grace period or carryover.

Flexibility
You can use your funds for eligible expenses incurred by you, your spouse, or your eligible dependents. Thousands of products and services are FSA eligible. (Eligible expenses are determined by the IRS.)

Funds on Day 1
All of your FSA dollars are available on the very first day of the plan year. For example, if you choose to contribute $1,200 to your FSA, your contributions will be deducted evenly across all of your paychecks for the year, but you have access to all $1,200 on Day 1.

Can I enroll?
Yes, as long as you or your spouse aren't actively enrolled and contributing to a Health Savings Account (HSA).

Grace Period

A grace period extends the period of time in which you can use your FSA funds on eligible expenses, such as going to the doctor or purchasing prescriptions or over-the-counter medications.

If you end up spending less than you anticipated when you made your elections during open enrollment, you can tap into those funds for up to an additional 2½ months.

- The grace period does not impact the amount of time you have to file claims or submit documentation for expenses.
- This extension does not impact the next plan year. You can still elect up to the full maximum annual election.
- If you have the payment card, it will continue to work as normal, using the funds remaining in your prior plan year first.

Contribution limits + IRS regulations

The IRS sets the maximum dollar amount you can elect to contribute to a medical FSA. Ask your Plan Administrator for your annual contribution limit for 2024.

Tip: Review how much you spend on eligible healthcare expenses every year to determine how much to elect.

Changing your election

In order to make changes to your election after open enrollment, you need to experience a qualifying life event. These events include:

- Change in marital status or in the number of dependents
- Increase due to birth, adoption, or marriage
- Decrease due to death, divorce, or loss of eligibility
- Gain or loss of eligibility due to a change in participant, spouse, or dependent employment status

If you experience a qualifying life event, contact your employer to make changes to your election.

Eagles Benefits by Design
913 Gulf Breeze Pkwy, Suite 34
Gulf Breeze, FL 32561
Phone: 1-800-726-5603
Fax: 772-334-7059
www.cps125.com

Dependent Care FSA

Contribution Limits & IRS Regulations

The IRS sets the maximum dollar amount you can elect and contribute to a dependent care eligible spending account (dependent care FSA). The annual contribution limit for is:

- **Per household: $5,000.00**
- **Per person (if married and filing separately): $2,500.00**

Although most people incur more than the limit per year, we recommend reviewing how much you spend on eligible dependent care expenses every year to determine your election.

Funds available as you contribute

Funds will be available to you as they're deducted from your paycheck and contributed to the plan. This means when payroll is processed and your paycheck is available to you, your dependent care FSA contributions will be applied to your account and available for reimbursement.

Use-or-lose

Don't forget to spend your FSA dollars. If you have not used all of your FSA dollars before the end of the plan year, you will forfeit any money left in your account. (Check with your employer to confirm how many days you have to submit claims for reimbursement after the plan year ends.)

Fast Fact

The Dependent Care FSA lets you pay for eligible dependent care expenses while you reap the benefits of additional tax savings.

Changing your dependent care FSA election

In order to make changes to your election after open enrollment, you need to experience a qualifying life event. (If you experience a qualifying life event, contact your employer to make changes to your election.) These events include:

- Change in marital status
- Change in the number of dependents
- Increase due to birth, adoption or marriage
- Decrease due to death, divorce or loss of eligibility
- Gain or loss of eligibility due to a change in participant, spouse or dependent employment status
- Change in daycare providers
- Child turning age 13
- Increase or decrease in the cost of qualifying daycare expenses
- Judgement, decree or order requiring a change in coverage

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