

Federal Benefits

FastFacts

The Federal Flexible Spending Account Program (FSAFEDS)

* What is FSAFEDS?

FSAFEDS is a way to save money on your taxes. It reimburses you for eligible health care and day care expenses using tax-free money you set aside from your salary.

By not paying taxes for what you spend out-of-pocket on health care and day care, most employees save an average of 30%.

* How much can I save?

Let's say you make \$1,000 per pay date – that means you pay taxes on \$1,000 per pay date. If you put \$50 per pay date in FSAFEDS, then you would only pay taxes on \$950. You pay less tax so you save money. The more eligible health care and day care expenses you have, the more you'll save.

* Who is eligible to enroll?

Health Care (HCFSA) and Limited Expense Health Care (LEX HCFSA): Employees of participating agencies who are eligible for the Federal Employees Health Benefits Program (FEHB) (whether you're enrolled in FEHB or not).

Dependent Care (DCFSA): All employees of participating Federal agencies (except for intermittent employees who are expected to work fewer than six months).

By law, retirees and survivor annuitants are not eligible.

* What types of accounts are available?

There are three types of FSAs.

1. *Dependent Care Flexible Spending Account (DCFSA):*

– Reimburses eligible non-medical day care and elder care for your children under age 13 and any dependents on your Federal tax return who are incapable of self-care and live with you for at least half of the year.

2. *Health Care Flexible Spending Account (HCFSA):*

– Reimburses eligible health care expenses incurred by you, your spouse, and your children through the calendar year they turn 26. Reimburses the part of the expense NOT covered or reimbursed by FEHB, FEDVIP, or any other insurance coverage.

3. *Limited Expense HCFSA (LEX HCFSA)* (only for those enrolled in or covered by a High Deductible Health Plan with a Health Savings Account):

– Reimburses only eligible dental and vision expenses incurred by you, your spouse, and your children through the calendar year they turn 26. Reimburses the part of the expense NOT covered or reimbursed by FEHB, FEDVIP, or any other insurance coverage.

* **Dependent Care (DCFSA) – examples of eligible expenses**

- Day care
- Summer day camp
- Babysitters
- Before and after school care
- Adult day care expenses

*** Health Care (HCFSA) – examples of eligible expenses**

What you pay out of pocket for:

- Prescriptions
- Doctor's office visits
- Hospital coinsurance
- Ambulance services
- Physical therapy
- Eye exams
- Prescription glasses
- Prescription sunglasses
- Contact lenses
- Vision correction surgery
- Dental exams and cleanings
- Orthodontia and braces
- Fertility treatments
- Massage therapy
- Sunblock
- First aid supplies
- Hand sanitizer

*** Limited Expense (LEX HCFSA) – examples of eligible expenses**

- Contact lenses, solutions, cleaners, and cases
- Eyeglasses, refractions and vision correction procedures
- Crowns, fillings, dental cleanings, and orthodontics

*** How much can I contribute?**

You may contribute a minimum annual election of \$100. For a health care or limited expense account, you can contribute up to \$3,400 per year. For a dependent care account, you can contribute up to \$7,500 for households filing jointly and \$3,750 for those married and filing separately.

*** How much can I carry over from year to year?**

For participants enrolled in a health care or limited expense health care account in 2015 or later, you can bring up to \$680 of unspent funds into another health care account in the next year. You must make all of your payroll deductions, stay employed by an FSAFEDS participating agency, and re-enroll to be eligible for carryover.

By law, dependent care FSAs cannot use carryover. Instead they have a grace period through March 15 of the following year to continue to incur expenses against the previous year's balance.

*** When can I enroll?**

Newly hired and newly eligible employees, including those who experience an FSAFEDS qualifying life event (QLE), can enroll within 60 days of becoming eligible, but no later than October 1.

Other eligible employees can enroll during the annual Federal Benefits Open Season held from mid-November to mid-December

*** How do I enroll?**

Go to www.FSAFEDS.gov or call 1-877-FSAFEDS (372-3337), TTY: 1-866-353-8058

IMPORTANT Things to Remember:

- You must enroll each year even if you are currently participating.
- You must submit claims and receipts for all eligible expenses by April 30th of the following plan year.
- Plan wisely. The IRS requires that you **forfeit** any money in your account for which you do not incur eligible expenses and file claims by the deadlines. Keep in mind carryover and the grace period.

*** Where can I get more info?**

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