

FSA Overview

What is a Health Flexible Spending Account (FSA)?

An FSA is an employer-sponsored savings account for health care expenses. You are not taxed on the money you put into an FSA. You use the account to pay for qualified out-of-pocket health care costs, such as your deductible and copays, but not your weekly premium.

If you had an FSA during the 2022/2023 plan year and have a remaining FSA balance at the end of the plan year, then you are permitted to carryover \$570 of unused FSA money into the 2023/2024 plan year.

If you elect an FSA for the 2023/2024 plan year, you will be able to carryover up to \$610 of unused funds.

Opening your new FSA

At the beginning of the Plan Year, you will elect how much you want to contribute to your FSA. The amount you elect will be for the entire plan year, and Gray & Son will deduct the weekly amount from your paycheck each week.

Contributions and Making Changes

Your elected contribution amount can only be changed if you experience a qualifying life event, such as a change in family status and your FSA permits you to change your election.

The amount you choose to set aside in your FSA should be based on the amount of qualifying medical expenses you anticipate your family incurring during the plan year. Remember that it is typically best to underestimate your expenses by a little than to overestimate and lose money at the end of the year.

Contribution Limits

For year 2023 the maximum amount you can contribute to your FSA is \$3,050.

Using Your Health FSA

An employee's entire annual FSA election amount, less any amount already used, must be available at any time of the plan year—even if that full amount has yet to be contributed to the account. When you are paying for a qualified medical expense, you typically have two choices: using a health payment card or requesting reimbursement.

Reimbursement

You can pay out-of-pocket for FSA expenses and then submit receipts for reimbursement. Go online to submit a reimbursement or contact Human Resources. When submitting for reimbursement, you will need your receipts and proof that what you paid for was an eligible medical expense.

Qualified Expenses

Employees may use their health FSAs to pay for or reimburse themselves for their own eligible medical expenses, as well as their spouses' and dependents' eligible medical expenses. Eligible medical expenses are unreimbursed medical care expenses. Health FSAs cannot be used to pay for non-medical expenses.

Life Events

Certain life events may affect your FSA.

Employment status changes - Your employer owns the FSA. Typically, if you leave your job before you've used the FSA funds, the employer will keep the amount left in the account. However, you may be eligible to elect COBRA and continue your FSA until the end of the year.

Death - If you die, the contributions to your FSA will stop, but your survivors can file claims until the filing deadline for any remaining eligible expenses that you or your family members incurred.

FSA Debit Card

The Benefits Debit Card

You will receive one card when you enroll, and you can request additional cards for your spouse and dependents who are 18 years of older.

How It Works

WEX will provide you with a debit card that you can use for eligible medical services or products. The money will then be deducted from your FSA account. Where you swipe the card will determine whether any steps are needed after that. In addition to using your benefits debit card to pay for services at your healthcare provider's office, you can also use it at the following types of merchants:

IIAS

Many merchants provide IRS-required information for documentation right at the point of sale through an Inventory Information Approval System (IIAS). An IIAS merchant auto-substantiates the claim, so you will not need to provide additional documentation on qualifying expenses.

Pharmacies

The debit card also works at pharmacies or drug stores that meet the IRS' 90 percent rule. At least 90 percent of the gross sales at these merchants come from eligible medical expenses. For a full list of IIAS and 90 percent rule merchants, visit www.wexinc.com.

Spending

Common eligible expenses for a Medical FSA are prescription drugs, hearing aids, orthopedic goods, and doctor and dentist visits. If you need to spend down your balance but are not sure what to use your funds on, you can discover thousands of eligible FSA expenses at www.wexinc.com/insights/benefits-toolkit/eligible-expenses/

Health Payment Card

Health care payment cards may be used only on eligible medical expenses that are not reimbursed or covered by another source. Eligible expenses do include over-the-counter medications and menstrual products. Health care payment cards may not be used to cover more than the maximum dollar amount of coverage available in your FSA. Every claim paid with a health care payment card must be reviewed and substantiated. At times receipts do not need to be submitted for verification of expenses. This applies in three situations, at a medical providers office and at 90-percent pharmacies (drug stores and pharmacies where at least 90 percent of the store's gross receipts during the prior taxable year consisted of medical expenses):

- When the total cost of the transaction is equal to the standard copayment for the service(s) received
- When the transaction is for recurring expenses that have previously been approved
- When the merchant provides expense verification to the employer when the transaction takes place