



Healthcare Flexible Spending Account (FSA)

FREQUENTLY ASKED QUESTIONS BY EMPLOYEES

Good news! The annual contribution limit for Healthcare FSA has increased to **\$2,600 per year** (formerly \$2,550).

What does the Medical FSA offer?

The Healthcare FSA offers you a choice to pay for certain qualified benefits on a pre-tax basis. Paying for certain benefits with pre-tax dollars reduces the amount you pay in taxes and increases your take-home pay. Every dollar paid on a pre-tax basis results in a savings to you.

Is there any cost or fee to me (employee)?

No. This is an employer-sponsored benefit.

Must I participate in my employer's health insurance?

The Healthcare FSA is not tied to any insurance plan or company. You may participate in the FSA regardless of your particular insurance provider.

How does the FSA Plan work?

The FSA is offered through your employer and is administered by TASC. When you choose to enroll in a FlexSystem **Healthcare FSA**, you determine the dollar amount you want to contribute to the account based on your estimated medical expenses for the upcoming Plan Year. Your elected contributions are deducted from your payroll on a pre-tax basis throughout the Plan Year in equal amounts and deposited into your FlexSystem account(s). This is done on your authorization by enrolling in the FlexSystem Plan.

How should I know how much to contribute?

Estimate your total out-of-pocket expenses for the Plan Year to determine your contributions. Use our savings calculator for help: www.tasconline.com/tasc-flexsystem-calculator/

Plan ahead: take a minute before enrollment to look over your medical expenses for the past year.

- Did you use all of your funds before the end of the Plan Year?
- Did you need "more" in your account, but were worried you wouldn't use it?

If you answered "yes" to either of these questions, consider putting more tax-free funds in your Healthcare FSA.

What is the maximum contribution amount I can elect per year?

Annual FSA contributions are set by your employer, but are limited to the IRS maximums per Plan Year. The current IRS limit is **\$2600**.

When can I start using my FSA funds?

Your total annual election for Healthcare FSA is available for reimbursement at the start of the Plan Year. Eligible healthcare expenses will be reimbursed up to your total Plan Year election, less prior reimbursements.

What are qualified medical expenses?

These expenses include dental care, prescriptions, eyeglasses, and out-of-pocket medical expenses not covered by insurance. However, vitamins and other dietary supplements taken for general health purposes are not eligible. Purchases of over-the-counter (OTC) medicines and drugs (with the exception of insulin) are only reimbursable if accompanied by a prescription or Prescription Order Form from your medical practitioner. Below are some **examples** of eligible OTC health related expenses:

- Examples of OTC items that require a prescription or Prescription Order Form:** Acid Controllers, Allergy and Sinus, Antibiotic Products, Cough, Cold and Flu, Digestive Aids, Pain Relief, Respiratory Treatments, Sedatives, and Stomach Remedies.
- Examples of OTC items that are eligible and need no physician authorization:** Bandages, Blood Pressure Kits, Contact Lenses, Contact Lens Solution, Diabetes Testing Supplies, Durable Medical Equipment, Hearing Aid Batteries, Heating Pads, Insulin, Nebulizers, Thermometers, and Walkers and Wheelchairs.

Review the list of Eligible Expenses for each FlexSystem benefit (visit the participant resources page at:

www.tasconline.com/eligible-expenses/

Do FSA funds rollover?

No, leftover FSA funds do not rollover. This is commonly known as the “use it or lose it” rule. It is important to be conservative in making elections because any unused funds left in your FSA at the close of the Plan Year are forfeited and not refundable to you. You are urged to take precautionary steps, such as tracking account balances on the FlexSystem website to avoid having funds remaining in your account at year-end. FlexSystem provides tools to make it easy for you to monitor/check your account balances in order to avoid having a leftover balance at the end of a Plan Year:

- MyTASC Web Portal
- MyTASC Mobile App and Text Message
- FlexSystem Interactive Voice Response (IVR) Phone System (608-241-1900 or 800-422-4661)

What is a Grace Period?

A Grace Period is the period of time added to the end of your Plan Year in which you may incur and submit eligible expenses against the just-ended Plan Year. Because you have more time to use your funds, the risk of forfeiting unused funds at the Plan year-end is reduced.

While the maximum Grace Period is two months and 15 days, your employer may have chosen a shorter Grace Period. Please refer to your Summary Plan Description for details or log in to your MyTASC account (www.tasconline.com) and click "View Account Overview" to view your Grace Period end date.

How long do I have to submit claims/requests for reimbursement?

Active FSA Participants can spend their available funds through March 15, 2018 and may submit requests for reimbursement until April 15, 2018.

Under what circumstances can the annual election be changed?

The laws governing FSA plans generally do not allow changes to benefit elections during a Plan Year. Your elections are irrevocable and any balance remaining in your account at the close of the Plan Year is forfeited (refer to your Plan-specific details if a Grace Period or Carryover is included).

You may only change your FSA elections during the Plan Year if you experience a change of status such as:

- a marriage or divorce
- birth or adoption of a child, or
- a change in employment status

Please refer to the *Change of Election Form* (available from your employer) for a complete list of circumstances acceptable for changing elections mid-year. A request to change your election must be submitted in writing within 30 days of any applicable qualifying event.