

Flexible Spending Accounts

Flexible Spending Accounts (FSAs) allow employees to use pretax dollars for healthcare or child/dependent care expenses not covered by insurance plans. Employees contribute a portion of each paycheck to an FSA and save significantly on taxes. Money in an FSA can be used to pay for out-of-pocket medical, dental and vision expenses or dependent care expenses.



Employees do not need to be enrolled in the Employer's Health Plan to have an FSA. Adams 14 offers you a Healthcare Flexible Spending Account and a Dependent Care Flexible Spending Account.

Plan ahead, don't fund your FSA with more money than you can spend!

Healthcare FSA

A Healthcare FSA is a pre-tax benefit account used to pay for eligible medical, dental, and vision care expenses that aren't covered by your insurance plan or elsewhere. It's a smart, simple way to save money while keeping you and your family healthy and protected. The IRS sets a limit on how much you can contribute to this account each year. **For 2024, the spending limit is \$3,200.**

Dependent Care FSA

A Dependent care FSA is a pre-tax benefit account used to pay for dependent care services, such as preschool, summer day camp, before or after school programs, and child or elder daycare. A Dependent Care FSA is a smart, simple way to save money while taking care of your loved ones so that you can continue to work. The IRS sets a limit on how much you can contribute to this account each year. **For 2024, the spending limit is \$5,000 if married and filing jointly or head of household or \$2,500 if married and filing separately.**

Here's How an FSA Works

- You decide the annual amount (up to the set limit for each account) you want to contribute to either or both FSAs based on your expected healthcare and/or dependent childcare/elder care expenses.
- Your contributions are deducted from each paycheck before income and Social Security taxes, and deposited into your FSA.
- You can pay with the Healthcare FSA debit card for eligible healthcare expenses. For dependent care, you pay for eligible expenses when incurred, and then submit a reimbursement claim form or file the claim online.
- You are reimbursed from your FSA. So, you pay your expenses with tax-free dollars.
- At the end of the plan year, any unused amount in your Healthcare FSA will be forfeited with the exception of a \$640 rollover to be used for the next plan year. **The \$640 rollover does not apply to the Dependent Care FSA.**
- **For the Dependent Care FSA, there is a 2 1/2 month grace period** after the end of the plan year during which you may use remaining funds. Any funds remaining after the grace period will be forfeited.

Learn more by visiting: www.wexinc.com/resources/benefits-toolkit/