

Plan Today for Tomorrow's Costs

With medical costs continuing to rise, you may be looking for options to help manage out-of-pocket medical expenses.

One option is a Healthcare Flexible Spending Account (HCFSAs). HCFSAs allow you to set aside money, tax free, for eligible medical costs like doctor visits, prescription drugs, prescription contact lenses, and dental procedures. Additionally, the entire amount you choose to contribute will be available to you at the beginning of your plan year.

Savings Example

In the example to the right, Jane makes \$4,000 per month. By participating in an HCFSAs, she would save \$82.96 a month.

That's a savings of \$995.52 a year.

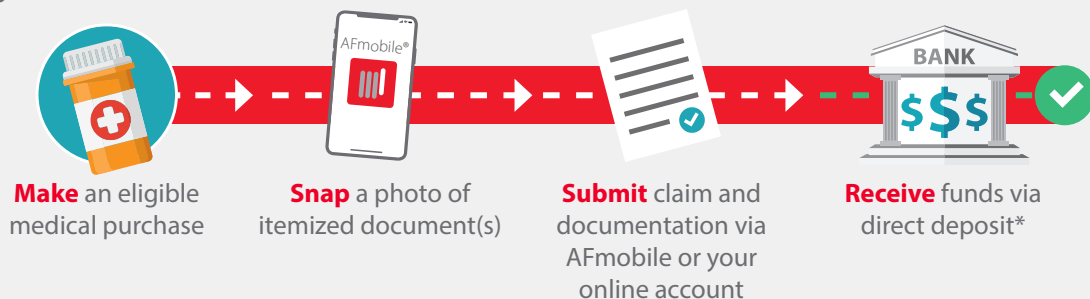
To calculate your possible savings, visit: americanfidelity.com/s125-calculator

Earnings & Taxes	Without FSA	With FSA
Gross Pay	\$4,000	\$4,000
Health Insurance	-\$300	-\$300
HCFSAs Contribution	N/A	-\$300
Taxable Income	\$3,700	\$3,400
Estimated Taxes (Federal & State @ 20%)	-\$740	-\$680
Estimated FICA (7.65%)	-\$283.05	-\$260.10
Out-of-Pocket Medical Expenses	-\$300	N/A
Take Home Pay	\$2,376.95	\$2,459.90

Example is for illustrative purposes only. Please consult your tax advisor for actual tax savings.

How It Works

Paying Out of Pocket



Paying with your Benefits Debit Card**



americanfidelity.com/fileclaim

* Funds deposit within 3-5 business days after claim approval.

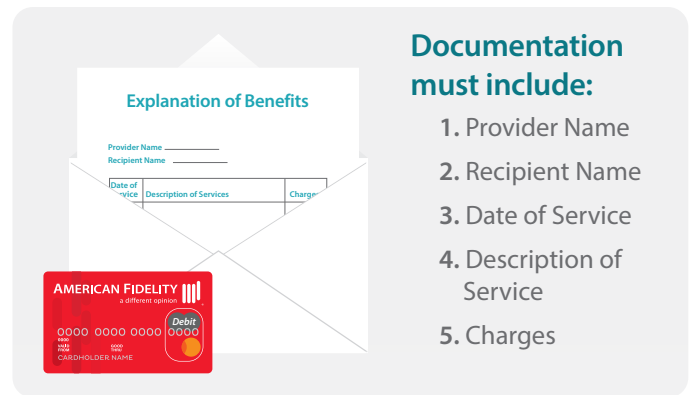
** If your employer has elected to provide a Benefits Debit Card, you may use this card to pay for eligible medical expenses or pay out of pocket and file a claim for reimbursement.

Using Your Benefits Debit Card

A Benefits Debit Card allows you to pay for eligible medical expenses using the funds in your HCFSAs. The card may be used at locations that accept Mastercard® and have been identified as authorized medical merchants.

If you receive a documentation request letter, submit a picture of your itemized document or Explanation of Benefits (EOB) through your online account at americanfidelity.com/submit-fsa or through our mobile app, AFmobile®.

Learn more about your debit card at:
americanfidelity.com/debit-card



Documentation must include:

1. Provider Name
2. Recipient Name
3. Date of Service
4. Description of Service
5. Charges

Internal Revenue Code (IRC) Requirements: What You Need to Know

IRC guidelines are strict when tax breaks are provided. As your plan provider, we are required to follow IRC rules.

! First, the money you set aside operates under a “use or lose” system.

That means you'll want to use all of your funds prior to the next plan year or you will lose whatever amount is left.

Ask if your employer's plan includes a Runoff Period and Carryover Provision or Grace Period.

- **Runoff Period**
A period typically up to 90 days after the plan year ends when you can submit claims incurred during the previous plan year that have not already been submitted for reimbursement.
- **Carryover Provision**
For 2024, this provision allows you to carry over up to \$640 of unused contributions from one plan year to the next.
- **Grace Period**
An additional two and a half months following the end of the plan year in which you can incur and submit claims to receive reimbursement.

! Second, the IRC requires proof for eligible expenses.

An itemized document or EOB must be submitted to prove eligibility for medical expenses when they aren't verified when filing a claim or at the time of debit card swipe. Submitting documentation through AFmobile is the easiest way to validate a claim.

Spend Smart & Save on Eligible Medical Expenses

Copays/Co-insurance

Physical exams

Prenatal care

Prescription contacts

Asthma treatments

Laser eye surgery

Chiropractic care

Eye exams/eyeglasses

Physical therapy

Deductibles

Over-the-counter medicine

Menstrual products

Discover more ways to spend at americanfidelity.com/eligible-expenses



American Fidelity Assurance Company
americanfidelity.com