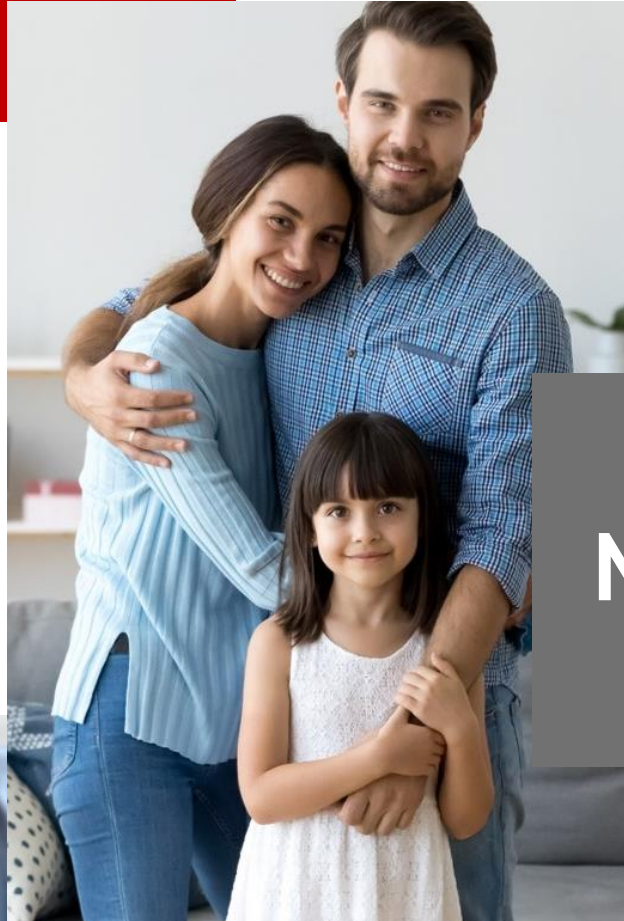


**GRAND BLANC  
COMMUNITY SCHOOLS**



**MAKING THE  
MOST OF YOUR  
FSA BENEFIT**

**FSA INFORMATION  
MEETINGS**



# What are Flexible Spending Accounts?

## Health Care Flexible Spending Account (FSA)

A Health Care FSA is a pre-tax benefit that enables you to set aside money to pay for your out-of-pocket health care expenses. Medical, Dental and Vision expenses you already pay every day. Think of it like using a coupon each time you use your FSA debit card (or submit for reimbursement) to pay for eligible medical, dental and vision expenses.

**Please note:** If members are enrolled in a High-Deductible Health Plan and participating in a Health Savings Saving (HSA), they are not eligible to contribute into a Full Purpose FSA. However, Grand Blanc does offer a Limited Purpose FSA, which allows members to contribute into an FSA, but only for dental and vision services. The plans operate the same way, just differs in what is considered eligible.

## Dependent Care Flexible Spending account (FSA)

A Dependent Care FSA is a pretax benefit that allows reimbursement for qualified dependent care (such as day care) expenses. Qualified expenses for a dependent child under the age of 13. Dependent care expenses will require members to pay for the service up-front and submit for reimbursement.

Dependent Care is already expensive enough – why not save money now by using tax free dollars to pay for the dependent care expenses.

Not only does a flexible spending account save you money at the time of service (by using tax free dollars) BUT it will also reduce your taxable income at the end of the year when you file your taxes.

**That's a win-win situation!**

# How Does an FSA Work?

Under both the Health Care and the Dependent Care FSA accounts, members need to evaluate how much potential need they will have for the upcoming plan year for Medical, Dental, Vision (Health Care) or Childcare needs (Dependent Care).

Ask yourself if you or any of your applicable family members need:

- Any medical, dental, vision procedures in the 2027 plan year
- Glasses or Lasik eye surgery
- Prescriptions they take enroll,
- Over-the-counter items (such as medications, band-aids, contact solution, feminine products)
- Personal Protection Equipment (PPE) such as masks and hand sanitizer
- Braces (orthodontia)
- Daycare, before and after school care, day camps, etc (for children under 13)

If this is your first year, you may want to consider being a little conservative with your annual election amount. Then, after you understand how the plan works, you can more accurately estimate your expenses. Once you have an annual dollar amount you feel comfortable with, you will complete the necessary paperwork to enroll, and that annual election will be divided by how many paychecks you have remaining for that calendar year.

# How Does an FSA Work...continued

Let's use \$1,000 as an example.

I elect \$1,000 towards my Health Care FSA and I am paid based on 20 pays per year.

| Annual Health Care Election | Per Pay Deduction<br>(Annual election divided by 20 – the number of pays I have in 2027) |
|-----------------------------|------------------------------------------------------------------------------------------|
| \$1,000                     | \$50.00                                                                                  |

\$50.00 will be taken out of my paycheck every pay for the entire year.

However, it will not feel like \$50.00 is taken out because that amount (just like a 401(k)) is taken out before taxes! This means before all the federal, state, local taxes are taken out, my \$50.00 will be taken out. Now my taxable income is reduced, and I have less taxes taken out – but I still have \$50.00 deposited into my FSA account.

## Health Care & Dependent Care Funding Differences

- On the Health Care FSA, the amount you elect on an annual basis is automatically loaded onto your FSA debit card, as well as in your account directly on DAY 1. That means you have immediate access to the funds even if you haven't contributed the full amount.
- On the Dependent Care FSA, these accounts are pay-as-you-go accounts, meaning funds are not automatically pre-loaded. You will only have access to the funds that have been deducted out of your paycheck and deposited into your FSA account.

# Maximums Contributions on an FSA

The Flexible Spending Account is governed by the IRS, which is what allows your FSA contributions are taken out on a pre-tax basis.

Because of this, the IRS sets the maximum amount that an employee can contribute into the Flexible Spending Account each year

## **The 2027\* maximum contributions are:**

- Health Care FSA - \$3,400
- Dependent Care FSA - \$7,500 (**per household**)

\*As of the publication date of this document, the IRS had not yet released the 2027 contribution limits. Once the 2027 limits are announced, Grand Blanc Community Schools will review the updated guidance and determine whether employees will be permitted to modify their FSA elections or whether the current 2026 FSA limits will remain in effect for the 2027 plan year.

# FSA – Use it or Lose It

**Health Care FSA** – The Health Care FSA is a use it or lose it account (meaning if you do not use the full election by the end of the year, you will forfeit the balance you have left at the end of the plan year). However, the Health Care FSA does allow for a carryover of up to \$680\* to be carried over into the next plan year. Any balance over \$680\* will be forfeited.

**Dependent Care FSA** – The Dependent Care FSA is a use it or lose it account (meaning if you do not use the full election by the end of the year, you will forfeit the balance you have left at the end of the plan year). Unfortunately, the IRS does not allow Dependent Care FSA accounts to have a carryover, therefore, the account truly has a “use it or lose it” policy. The Dependent Care account allows for a grace period, which provides additional time for members to incur expenses into the next plan year.

\*As of the publication date of this document, the IRS had not yet released the 2027 contribution limits (and/or carryover limits). Once the 2027 limits are announced, Grand Blanc Community Schools will review the updated guidance and determine whether employees will be permitted to modify their FSA elections or whether the current 2026 FSA limits will remain in effect for the 2027 plan year.

# Money left in your Health Care FSA?

## Still have money left over in your Health Care account towards the end of the year?

You have options:

- 1) Stock up on all your over-the-counter medication needs (such as aspirin, band-aids, cough medicine, contact solution, sunscreens, feminine products, etc)
- 2) Review the full list of eligible expenses under the IRS website. Chances are there are services / products that you need that you didn't even realize are eligible expenses!
- 3) Purchase an extra pair of glasses, prescription sunglasses, or contacts.
- 4) Visit [FSAStore.com](https://www.fsastore.com). Members can shop for eligible items on their website, and not only can you use your FSA debit card through the site, but they will deliver the items all to the comfort of your home. The website is extremely detailed and will show all the products that are eligible under the FSA, what requires medical necessity (a form completed by your physician), and if there are any special rules / guidelines applied to that product.
  - 1) The shopping categories are very well organized, you can shop by health condition, search for eligible products in the search field or just browse. Endless fun 😊
  - 2) Want to save more money through [FSAStore.com](https://www.fsastore.com)? Click on Savings Center (under Resources at the bottom of the site) and it will show you all the applicable coupons that are available.

# Health Care FSA Eligibility – Who is Eligible?

You can generally include medical expenses you pay for yourself, as well as those you pay for someone who was your spouse or your dependent either when services were provided or when you paid for them.

You can incur and submit claims for the following:

- Yourself
- Your legal spouse
- Your Qualifying Child
  - Children qualify as a dependent, if:
    - He/she is your son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, half brother, half sister, or a descendant of any of them (for example, your grandchild, niece, or nephew);
    - Was:
      - Under age 19 at the end of 2027 and younger than you (or your spouse if filing jointly),
      - Under age 24 at the end of 2027, a full-time student, and younger than you (or your spouse if filing jointly), or
      - Any age and permanently and totally disabled;
    - Lived with you for more than half of 2027;
    - Didn't provide over half of his or her own support for 2027; and
    - Didn't file a joint return, other than to claim a refund.

Please see <https://www.irs.gov/publications/p502> for detailed information about who is eligible.

# Dependent Care FSA Eligibility – Who is Eligible?

- You and your spouse must be employed or actively seeking employment or attending school full-time to qualify.
- Child must be a dependent under 13 years of age and be in your custodial care more than 50% of the calendar year. Once your child turns 14 during the plan year, expenses are no longer eligible for reimbursement.

## Service Requirements

- Provider may not be a minor child or dependent for income tax purposes (i.e. an older child)
- Service provider must claim payments as income and comply with state regulations.
- Services must be for the physical care of the child, not for education, meals, etc.
- Overnight camps are not eligible for reimbursement.
- Expenses paid for Pre-K are eligible but kindergarten and higher is not

# Health Care FSA SAVINGS

You save between 15% - 40% (depending on your tax bracket) by not having to pay federal, most state and local taxes, as well as Social Security and Medicare taxes for every dollar elected for an FSA. The below shows an **EXAMPLE** of someone spending \$50 per week towards eligible FSA expenses.

That's \$572.00 in savings a year, PLUS the reduction in taxable income at the end of the year when you file your taxes – which potentially means more refund / less owed at the end of the year!

**The savings really add up! To learn more about your specific tax savings, please [click here](#) to access the FlexSave tax savings calculator**

| With an FSA                        |         | Without an FSA                     |         |
|------------------------------------|---------|------------------------------------|---------|
| Weekly Medical Expenses            | \$50    | Weekly Medical Expenses            | \$50    |
| Annual Medical Expenses (52 weeks) | \$2,600 | Annual Medical Expenses (52 weeks) | \$2,600 |
| Tax Bracket                        | 22%     | Tax Bracket                        | 22%     |
| Pre-Tax Contributions to FSA       | \$2,600 | Pre-Tax Contributions to FSA       | \$2,600 |
| Tax Savings                        | \$572   | Tax Savings                        | \$0     |
| Net Cost of Medical Expenses       | \$2,028 | Net Cost of Medical Expenses       | \$2,600 |

# Dependent Care FSA SAVINGS

You save between 15% - 40% (depending on your tax bracket) by not having to pay federal, most state and local taxes, as well as Social Security and Medicare taxes for every dollar elected for an FSA.

The below shows an **EXAMPLE** of someone spending \$96.15 towards eligible dependent care FSA expenses.

That's \$1,100 (in the below example) in savings a year, PLUS the reduction in taxable income at the end of the year when you file your taxes – which potentially means more refund / less owed at the end of the year!

**To learn more about your specific tax savings, please click [HERE](#) to access the FlexSave tax savings calculator**

| With an FSA                        |         | Without an FSA                     |         |
|------------------------------------|---------|------------------------------------|---------|
| Annual Medical Expenses (52 weeks) | \$5,000 | Annual Medical Expenses (52 weeks) | \$5,000 |
| Tax Bracket                        | 22%     | Tax Bracket                        | 22%     |
| Pre-Tax Contributions to FSA       | \$5,000 | Pre-Tax Contributions to FSA       | \$5,000 |
| Tax Savings                        | \$1,100 | Tax Savings                        | \$0     |
| Net Cost of Medical Expenses       | \$3,900 | Net Cost of Medical Expenses       | \$5,000 |

# Health Care FSA ELIGIBLE Expenses

(examples, not full list)

- Medical expenses **(Full Purpose FSA only)**
  - Copays (such as prescription copays, office visits, urgent care, emergency room, etc)
  - Amounts that apply towards deductible / coinsurance
  - Over-the-counter medications (such as pain relief, cough/cold, sleep aids, digestive aids)
  - Over-the-counter supplies, such as band-aids, contact solution, sunscreens
  - Feminine hygiene products
  - Hearing Aids
  - PPE (e.g., masks, hand sanitizer)
- Dental expenses **(Both Full Purpose and Limited Purpose FSA)**
  - Amounts that apply towards copays, deductibles and coinsurance
  - Orthodontia (braces – for adults and children)
- Vision expenses **(Both Full Purpose and Limited Purpose FSA)**
  - Eyeglasses / Frames
  - Prescription Sunglasses
  - Lasik eye surgery
  - Eye Drops
  - Reading Glasses

**For a full listing of eligible FSA expenses, please visit:**

<https://www.irs.gov/publications/p502>

# Health Care FSA ELIGIBLE Expenses

## ...Continued

The following services / products may qualify as an FSA eligible reimbursement (full purpose FSA ONLY) when accompanied with a letter of medical necessity and an itemized receipt from the provider.

- Health Club / Gym Membership
- Supplements (Each supplement must be specifically listed on the Letter of Medical Necessity to be considered for reimbursement)
- Massage Therapy
- Weight Loss
- Stop Smoking Programs

The letter of medical necessity from your physician will need to state: the diagnosis/condition, prescribed treatment/item, and date the treatment began. Please note that if the date the treatment began is not noted on the letter, any receipts prior to the date of the letter would be ineligible. The letter must be renewed every 12 months. The Letter of Medical Necessity is available on the FlexSave Online website, or by clicking [HERE](#)

# Health Care FSA IN-ELIGIBLE Expenses

(examples, not full list)

- Cosmetic Surgery
- Insurance Premiums
- Marriage/debt counseling
- Eyeglass sun clips
- Eyeglass or contact warranty
- Prepayment of services
- Special (dietary) foods
- Personal care items
- Diapers
- Deodorant
- Chapstick
- Face cream or moisturizers
- Eye serums or wrinkle creams
- Teeth bleaching / whitening
- Toothbrushes / toothpaste / floss / flossing devices / mouthwash
- Protein shakes / meal replacement

# Dependent Care FSA ELIGIBLE Expenses

(examples, not full list)

- After-school care/program (some exclusions apply)
- Babysitting in your home/someone else's home
- Babysitting by your non-tax dependent relative
- Before-school care/program
- Child daycare or day camp
- Nursery school fees or tuition
- Preschool fees or tuition

**For a full listing of eligible FSA expenses, please visit:**

<https://www.irs.gov/publications/p502>

# Dependent Care FSA IN-ELIGIBLE Expenses

(examples, not full list)

- Childcare while performing volunteer work
- Educational, learning, or study skills services
- Field trips or sleep-away camp
- Household services (housekeeper, cook, etc)
- Kindergarten/school tuition
- Meals, food or snacks
- Medical care or expenses
- Summer school

# FSA Timing and Deadlines

**If the Health Care FSA (both Limited Purpose and Full Purpose FSA) is elected for the 2027 plan year (effective January 1, 2027), what dates will qualify as eligible for the 2027 plan year?**

Claims / Services must be incurred for the 2027 plan year between **January 1, 2027, through December 31, 2027.**

However, members have an additional time frame to submit receipts after the plan year. Members can submit claims / receipts for the 2027 plan year between **January 1, 2027, and March 31, 2028.**

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**If the Dependent Care FSA is elected for the 2027 plan year (effective January 1, 2027), what dates will qualify as eligible for the 2027 plan year?**

Claims / Services must be incurred for the 2027 plan year between **January 1, 2027, through March 31, 2028.**

However, members have an additional time frame to submit receipts after the plan year. Members can submit claims / receipts for the 2027 plan year between **January 1, 2027, and March 31, 2028.**

# Health Care FSA Debit Card

## Spending account debit card

- Works like a credit card (point of sale)
- Your FSA Debit Card works just like a credit card and has an expiration date. If you are currently enrolled in the FSA and have a debit card, please make sure you are aware of when your card expires. The card will expire on the expiration date of the card, or until plan participation termination, whichever comes first.
  - **If re-enrolling in the FSA, members will not receive a new card, unless expired or upon member request.**
- Newly enrolled participants will receive a set of cards (2).



# Health Care FSA Debit Card Substantiation

- If a member utilizes their debit card for a service that requires substantiation, members can attach documentation through the portal or send direct to FlexSave. As a reminder, substantiation means that FlexSave will ask members to provide additional information (such as itemized receipts, explanation of benefits, etc) to show proof that the purchase was for a truly eligible FSA expense.
- If it is determined that you are not able to substantiate, or that the purchase is not an eligible FSA expense, you will be asked to repay back to your account the amount in question.
- Due to the fact that substantiation or an audit (by the IRS) could be requested (since the FSA is governed by the IRS), you must ensure that any time you use your FSA debit card you **keep ALL receipts**.

# FlexSave's Mobile App

Do not forget to download the FlexSave benefits app (if you haven't already). The FlexSave benefits app allows you to track and manage all of your FlexSave benefit accounts, anywhere at any time. Search for "FlexSave of America" and locate the blue app icon.

If not already established, you must create an account on FlexSave's webpage at [Registration | FlexSave of America, Inc.](#) You will use those same login credentials to sign in to the FlexSave benefits app.

You can view all of your accounts in one place:

- Account(s) balances and details
- Upload claims and submit receipts
- View recent transactions and alerts
- Stronger authentication support (including picture/passphrase and device identification)
- Ability to contact administrator via email or mobile phone



**FlexSave of America**  
[FlexSave of America, Inc.](#)

# Other Options for Submitting Claims

If you are not able to use your FSA debit card – you can always submit for reimbursement direct to FlexSave via the mobile app or website.

Online submission allows you:

- Faster claim processing
- Quick documentation uploads
- Secure transmission of claim information
- The ability to receive claim tracking notifications (when Flex Save receives, processes and reimburses your claim)

To get started with your claim submission, you'll need to have your itemized documentation. The IRS requires you to provide:

- The date of service (must fall within the plan year)
- Type of service or item
- Cost or your patient responsibility of the service or items

Login to your Flex Save account ([flexsave.wealthcareportal.com](https://flexsave.wealthcareportal.com)) and click on sign in (or register if this is your first time logging in).

If you prefer to submit a paper reimbursement form (linked [HERE](#)), you have the option, however, online submission will be the fastest option (outside using your debit card)

# FSA & HSA

## Can you have an FSA and HSA at the same time?

If you participate in a standard Medical FSA, neither you nor your spouse (if applicable) are permitted to make or receive contributions to an HSA.

During the FSA plan year, if you or your spouse enroll in a HDHP with an HSA option (through a source outside of Grand Blanc Community Schools) you are not permitted to make HSA contributions.

An HSA does not impact your eligibility for a Dependent Care FSA.

# Qualifying Events

## **Reminder....**

No benefit election changes during the year are permitted to your FSA unless you have a qualifying event (i.e., marriage, divorce, birth, adoption, death of a dependent, a change in daycare, a change in your spouse's employment status). Please remember the change must be consistent with the qualifying event.

**Please notify your Benefits department within 30 days of qualifying events (if you would like to make a change to your benefits).**

# Questions?

*This presentation highlights the main benefits available. For a more complete description, please see the Plan Documents.  
If any conflict should arise between this presentation and the Plan Documents, the Plan Documents will govern.*