

## FLEXIBLE SPENDING ACCOUNTS 101

**What is a (FSA) flexible Spending Account?** A flexible Spending Account allows you to set aside money from your paycheck on a **pre-tax basis** to pay for eligible health care expenses (health, dental, vision and prescriptions) incurred by you and /or your family members. It is a cost-effective way to pay for plan deductibles, copayments and health related expenses that are not covered by your health plans.

**What is a Dependent Care FSA?** A Dependent Care FSA lets you use **pretax dollars** to pay for eligible expenses related to care for your child, disabled spouse, elderly parent, or other dependent who is physically or mentally incapable of self-care.

**How do I sign up for the FSA?** You must sign up for the flexible spending account every year during OPEN ENROLLMENT, which is in September of each year and effective October 1. The maximum contribution to an FSA for the 2017-2018 plan year is \$2600. Please note this increase only applies to employee salary reduction contributions to a health FSA. It does not apply to a Dependent Care FSA which is a \$5000 maximum.

**Can I have a FSA and a (HSA) Health Savings Account?** Yes, but ONLY a “Limited Healthcare” FSA plan, for dental and vision expenses only.

**Are there tools available for determining the medical reimbursement \$ amount?** Yes, most carriers provide you with worksheets to help you determine an annual amount. The worksheet usually contains (2) columns one for last year expenses and estimated new year expenses.

**How do I know what expenses are and are not eligible?** As a contributing member you gain access to the vendor website that contains what is and what is not eligible. The eligible expenses are approved by the IRS and can also be found via IRS publication 502 (Medical and Dental Expenses) and IRS publication 503 (Child and Dependent Care Expenses). **Please be aware that these eligible expenses are often the same expenses allowed for income tax return deductions, but expenses reimbursed through an FSA cannot be itemized and resubmitted through an income tax return.**

**How do I pay for eligible expenses?** Our current vendor emails you with direction on receiving, activating and using a debit card to pay for all or a portion of your unreimbursed medical expenses. You can use up to the full amount you specify at any point during the year. In fact, upon separation from the college you have a 90-day run out period to submit claims in **full** for dates of service that incurred up through your termination date. In full, meaning as a former employee you have access to the full election amount even if you have not deposited (via payroll deduction) the full amount. However a use or lose it clause, meaning if you do not use all the contribution \$ you do not get a refund, nor are the contribution \$ transferable to a new enrollment year.

**How long after the plan year end, which is September 30<sup>th</sup>, do I have to submit my claims?** You have 90 days following the plan year end to submit your claims that incurred up through plan year end, September 30<sup>th</sup>.

**NOTE: Clackamas Community is currently using WageWorks for our FSA plans. Learn more at <https://www.wageworks.com/myfsa>**