

FLEXIBLE SPENDING ACCOUNTS

TIPS FOR UNDERSTANDING YOUR PLAN



QUESTIONS AND ANSWERS

QUESTIONS	ANSWERS
What is a flexible spending account (FSA)?	An FSA is an account where you set aside pre-tax dollars to pay for eligible expenses. There are two types of FSAs: medical and dependent care.
What's a medical FSA?	A medical FSA helps you pay for medical, dental and vision expenses that your health plan doesn't pay for. If you also have a health savings account (HSA), you can only use an FSA for vision and dental expenses.
What's a dependent care FSA?	A dependent care FSA helps you pay care expenses for a child under age 13, or for a spouse or other qualifying person who is unable mentally or physically to care for themselves while you are at work. See IRS Publication 503 on IRS.gov for more information about who a "qualifying person" is.
What should I know about an FSA?	<ul style="list-style-type: none"> You generally can't roll over FSA balances from year to year. If you have any unspent funds at the end of the year, you won't get a refund (think "use it or lose it"). FSAs don't earn interest and can't be invested. If you change employers, you can't take an FSA with you.
Who can contribute to the account?	You (and sometimes your employer) can contribute to your FSA.
How does it work?	You tell your employer how much money you want deducted from your paycheck and deposited into your FSA (up to the limit the IRS sets). When you have an eligible expense, you request reimbursement from your account.
Can I change my contribution amount at any time?	You can only change your contribution amount: <ul style="list-style-type: none"> At open enrollment, or If your employer's plan allows a change when you have a qualifying event (for example, getting married or having a baby).
When can I request reimbursement?	With a medical FSA, you can request reimbursement for up to the full amount you've chosen to contribute to your account for the year, even if you haven't contributed the full amount yet. With a dependent care FSA, you can only request reimbursement when you have enough funds in your account.
What expenses can I pay for with a medical FSA?	<p>You can pay for:</p> <ul style="list-style-type: none"> Your deductible, coinsurance and copayments Prescription drug copays Over-the-counter medications (with or without a prescription) Dental expenses Orthodontic expenses Vision expenses, including laser eye surgery Hearing exams and hearing aids/batteries Menstrual care products <p>For a complete list of eligible expenses, see IRS Publication 502 on IRS.gov.</p>
What kinds of expenses can't I pay for with a medical FSA?	You can't use funds from an FSA to pay for cosmetic procedures or insurance premiums. For more information about ineligible expenses, see IRS Publication 502 on IRS.gov .
What expenses can I pay for with a dependent care FSA?	<p>You can pay for:</p> <ul style="list-style-type: none"> Nursery school, preschool or similar programs for children under kindergarten age Before or after school care of a kindergarten age child or older Senior (adult) daycare <p>For a complete list of eligible expenses, see IRS Publication 503 on IRS.gov.</p>

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What kinds of expenses can't I pay for with a dependent care FSA?	You can't use funds from a dependent care FSA to pay for a nursing home, respite care or other residential care centers, services provided by your spouse or one of your dependents, or costs already claimed as a dependent care tax credit on your income tax return. For more information about ineligible expenses, see IRS Publication 503 on IRS.gov .
Can I manage my account online?	Yes. When you enroll in an FSA, you'll receive more information about how to access your account online.

ACCOUNT COMPARISON

Below is a comparison of the different types of accounts you can use to pay for health care or dependent care expenses. (Your employer may not offer all four types of accounts.)

	HEALTH SAVINGS ACCOUNT	HEALTH REIMBURSEMENT ACCOUNT	FLEXIBLE SPENDING ACCOUNT	
			MEDICAL	DEPENDENT CARE
Who funds the account?	Employer and/or employee	Employer	Employee (and sometimes the employer)	Employee
2021 Contribution limit	\$3,600 (single) ¹ \$7,200 (family) ¹ Persons 55 and older can contribute an additional \$1,000	No limits	\$2,750 per calendar year ¹	\$5,000 per calendar year ¹
Eligible expenses	Deductibles, coinsurance, copays and IRS 213(d) expenses ²	Determined by your employer	Deductibles, coinsurance, copays and IRS 213(d) expenses ²	Child or other dependent care-related expenses
Can unused funds carry over?	Yes	Determined by your employer	Determined by your employer	No
Yours if you change jobs/retire?	Yes	No	No	No
Earns interest or can be invested?	Yes, if your account offers this option – check with your HSA administrator	No	No	No

¹ The IRS sets these amounts and adjusts them as needed for cost of living.

² See IRS Publication 502 on [IRS.gov](#).



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