

FSA Quick Start Guide

An easy way to save money and pay for health care

Believe it or not, there is a way to save money while paying for health care expenses. It's called a flexible spending account (FSA). This tax-advantaged account is being offered by your employer as part of your company's benefit plan.

What's an FSA?

An FSA is a tax-advantaged plan that works with your health plan. Contributions are deducted in equal installments throughout the year from your paycheck, so there's no extra work on your part. That means more money in your pocket. There are two types of FSAs that your employer may offer:

- **Medical FSA**—This type of FSA allows you to pay for eligible expenses that are not covered by the health plan, such as deductibles, coinsurance, dental care, orthodontia and vision care. The total amount you choose to contribute is available to you on the first day of the plan year, even if you have not actually contributed that much yet.
- **Dependent Care FSA**—This type of FSA allows you to pay for day care expenses for your children or adult dependents. With a dependent care FSA, the money must be in your account before you can request reimbursement.

Here's how your FSA works with your health plan:

- You enroll in your company-sponsored FSA.
- You contribute to the FSA throughout the year through automatic payroll deductions. Contribute only what you think you'll need, because any money left at the end of the year is forfeited back to your employer.
- As you incur expenses toward your health plan deductible and out-of-pocket maximum during the year, you can use the money in the FSA to pay for your portion of these expenses.

✓ Getting started

1. Determine how much to contribute to your FSA.

Estimate how much you might have in expenses for the coming year, but estimate conservatively because you cannot change your election during the year. And, if you don't use the money in your FSA by the end of the year, you lose that money.

Once you decide how much to contribute to your Medical FSA and/or Dependent Care FSA, the money is dedicated in equal parts from your paycheck throughout the year.

2. Make your election — Check with your employer to find out how to enroll in the FSA and notify them of your election amount.
3. Register with **SelectAccount.com** — Manage your FSA online and register for time-saving, optional account features like direct deposit.

🗨️ Have questions?

We're here for you. If you can't find the answers you need in the Online Member Service Center, give us a call between 7 a.m. and 7 p.m., Monday through Friday at (651) 662-5065 in the Twin Cities metro area or toll free 1-800-859-2144.

We're here and we're happy to help.

FSA Eligible and Ineligible Medical and Dependent Expenses

Eligible expenses

Eligible Medical Expenses— Use the money in your FSA to pay for eligible medical expenses like:

- Health plan copays and deductibles
- Prescription drugs
- Vision and dental care expenses
- Over-the-counter medical supplies
- Orthodontia

Ineligible Medical Expenses — You cannot use your FSA to pay for:

- Athletic club memberships
- Cosmetic surgery and procedures
- Diaper service
- Vitamins and supplements
- Weight-loss programs
- Travel for general health improvement

Eligible Dependent Care Expenses — Use your Dependent Care FSA to pay for:

- Licensed day care facilities
- Preschool programs
- After-school programs
- In-home child and dependent care services
- Elder care
- Special day camp expenses

Ineligible Dependent Care Expenses — You cannot use your Dependent Care FSA to pay for:

- Overnight camp
- Kindergarten tuition
- Lunches and food items
- Education programs
- Activity fees

✓ How much should you contribute?

When deciding how much to contribute to your FSA, consider the following questions:

- Do you expect to have medical, dental, or vision expenses that are not fully covered by insurance?
- Do you, your spouse, or your eligible tax dependents have an ongoing condition that requires expensive medication or frequent visits to a physician?
- Do you, your spouse or eligible dependents need prescription eyeglasses, sunglasses, contact lenses and/or lens solution?
- Do you pay for day care for your children or adult dependents?

Remember, be conservative in your estimates because the FSA is a “use it or lose it” account. Any money left in the account at the end of the year is forfeited back to your employer.

FSA Estimate Worksheet

How much should you contribute?

Type of expense	Expense for past 12 months	Projected expense for next year
Medical care expenses		
Chiropractor fees		
Coinsurance		
Deductibles		
Drug and chemical dependency treatment		
Immunizations		
Laboratory fees		
Miledge/transportation for medical care		
Over-the-counter supplies and medications		
Physical exams		
Prescription drugs		
Psychiatric/psychologist fees		
Well-child care		
Xrays		
Dental care expenses		
Coinsurance		
Deductibles		
Dental exams		
Fillings/bridges/restoration		
Orthodontia treatment		
Xrays		
Other		
Vision care expenses		
Contact lens solution		
Coinsurance		
Corrective eye surgery		
Deductibles		
Eye exams		
Frames, prescribed lenses, contact lenses and/or prescription sunglasses		
TOTALS:		

Estimating Tip:

Be conservative in your estimates because the FSA is a "use it or lose it" account. Any money left in the account at the end of the year is forfeited back to your employer.

