

# workterra

## Flexible Spending Accounts

### Real savings. Real simple.

Using a Flexible Spending Account (FSA) is a great way to stretch your benefit dollars. You use before-tax dollars in your FSA to reimburse yourself for eligible out-of-pocket medical and dependent care expenses. That means you can enjoy tax savings and increased take home pay—all with the convenience of a prepaid benefits card.

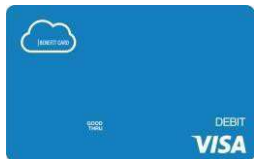
### What is an FSA?

With an FSA, you elect to have your annual contribution (up to the \$2,750.00 limit set by the IRS) deducted from your paycheck each pay period in equal installments throughout the year until you reach the yearly maximum you have specified. The amount of your pay that goes into an FSA will not count as taxable income, so you will have immediate tax savings. FSA dollars can be used during the plan year to pay for qualified expenses and services.

- A **Healthcare FSA** allows reimbursement of qualifying out of pocket medical expenses.
- A **Limited Purpose Medical FSA** works with a qualified high deductible health plan (HDHP) and Health Savings Account (HSA). A limited FSA only allows reimbursement for preventive care, vision and dental expenses.
- A **Dependent Care FSA** allows reimbursement of dependent care expenses, such as daycare) incurred by eligible dependents.

Please check with your employer to see which plans are offered.

With all FSA account types, you'll receive access to a secure, easy-to-use web portal where you can track your account balance, view your investment accounts and submit requests for reimbursements.



In addition, you'll receive a convenient prepaid benefits card to make it easy to pay for eligible services and products not covered by your health

insurance. When you use the card, payments are automatically withdrawn from your account, so there are no out-of-pocket costs. Most of the time you won't have to submit receipts to verify the purchase. Just swipe the card and go. It's that easy!



### With an FSA, you can:

Enjoy significant tax savings with pre-tax deductible contributions and tax-free distributions used for qualified plan expenses.

Quickly and easily access funds using the prepaid benefits card at point of sale, or request to have funds directly deposited to your bank account online or via mobile app.

Reduce filing hassles and paperwork by using your prepaid benefits card.

Enjoy secure access to accounts using a convenient Consumer Portal available 24/7/365.

Manage your FSA "on the go" with an easy-to-use mobile app.

File claims easily online (when required) and let the system determine approval based on eligibility and availability of funds.

Stay up to date on balances and action required with automated email alerts and convenient portal & mobile home page messages.

Get one-click answers to benefits questions.

## Is an FSA right for me?

An FSA is a great way to pay for expenses with pre-tax dollars.\*

A **Healthcare FSA** can save you money if you or your dependents:

- Have out-of-pocket expenses like copays, coinsurance, or deductibles for health, prescription, dental or vision plans
- Have a health condition that requires the purchase of prescription medications on an ongoing basis
- Wear glasses or contact lenses or are planning LASIK surgery
- Need orthodontia care such as braces, or have dental expenses not covered by your insurance

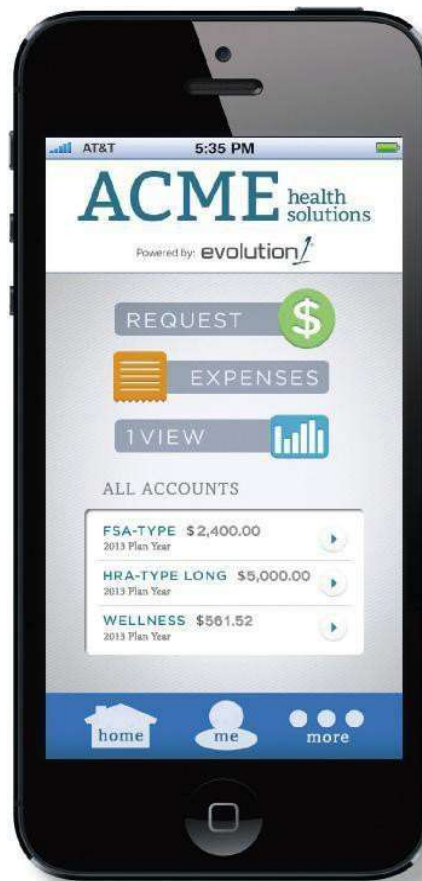
A **Dependent Care FSA** provides pre-tax reimbursement of out-of-pocket expenses related to dependent care. This benefit may should be considered if you (and your spouse, if married) are working or in school, and:

- Your dependent children under age 13 attend daycare, after school care or summer day camp
- You provide care for a person of any age whom you claim as a dependent on your federal income tax return and who is mentally or physically incapable of caring for himself or herself

## Plan ahead

Before you enroll, you must first decide how much you want to contribute to your account(s). You will want to spend some time estimating your anticipated eligible medical and dependent care expenses for the upcoming plan year, as Federal tax regulations require that unused amount at the end of the plan year (or grace period) be forfeited.

**\*\*Please note, Over the Counter and Menstrual Care products are now an eligible expense as of January 1, 2020.**



*With the convenience of a mobile app, you can see your available balance anywhere, anytime as well as file claims and upload receipts.*

Throughout the year, you'll likely find yourself with medical expenses that insurance won't cover. By taking advantage of an FSA, you can reduce your taxable income as well as your out-of-pocket expenses when you use your FSA to pay for eligible expenses you already planned on.

\* The amount you save in taxes with a Flexible Spending Account will vary depending on the amount you set aside in the account, your annual earnings, whether or not you pay Social Security taxes, the number of exemptions and deductions you claim on your tax return, your tax bracket and your state and local tax regulations. Consult a tax advisor for information on how participation will affect your tax savings. This brochure highlights some of the benefits of a Prepaid Benefits Card. If there is a discrepancy between this and your official plan document, the plan document will govern.