


# FSA Quick Start Guide



"We want an easy way to save money while paying for health care expenses."

It's the benefit of knowing.

SelectAccount<sup>®</sup>



"I want convenience and control when it comes to my health care dollars."

It's the benefit of knowing.

## Save money and pay for health care expenses?

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 account 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. And, because your contributions are made with pretax dollars, you decrease your taxable income for the year. That means more money in your pocket. There are two types of FSAs that your employer may offer:



#### Medical FSA

Allows you to use the account 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 for you to spend on the first day of the plan year – even if you have not actually contributed that much yet.



#### Dependent Care FSA

Allows you to use the account 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.

### In a nutshell, here's how your medical FSA works with your health plan

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

# Getting started is as easy as 1-2-3

Getting started with your FSA is quick and easy. In fact, there are just three simple steps to setting up your FSA.



## Step 1: Determine how much to contribute to your FSA

### Estimate

Think about how much you might have in expenses in 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 plan year, you lose that money and it's forfeited back to your employer.

### Deduct

Once you decide how much to contribute to your medical FSA and dependent care FSA, the money is deducted from your paycheck in equal parts throughout the year through automatic payroll deductions.



## Step 2: Make your election

Check with your employer to find out how to enroll in the FSA and notify them of your election amount (how much you will contribute).



## Step 3: Register with [www.SelectAccount.com](http://www.SelectAccount.com)

Manage your FSA online and register for time-saving, optional account features, like direct deposit. When you sign up for direct deposit, you give SelectAccount approval to deposit your reimbursement requests directly into the checking or savings account of your choice. That means no more waiting around for a paper check to arrive.

## Here's an example of how an FSA can save you money on taxes

*Note: Because fewer taxes are taken out, future Social Security benefits may be reduced. However, the tax savings with a SelectAccount FSA will likely offset that reduction. Remember, this is only an example. Your employee savings may vary.*

	With an FSA	Without an FSA	
	\$30,000	\$30,000	Annual Gross Income
	-\$2,070	None	Employee Contributions
	\$27,930	\$30,000	Taxable Income
	-\$4,750	-\$5,492	Federal, State and FICA Taxes
	None	-\$2,070	Expenses to be Paid After Taxes
	\$23,180	\$22,438	Remaining Disposable Income
	\$742	None	Tax Savings

# How much should you contribute?

Use the worksheet below to estimate your eligible medical expenses and to determine how much to contribute to your FSA. Consider the following when making your election decision:

- 1: Do you expect to have medical, dental or visions expenses that are not fully covered by insurance?
- 2: Do you, your spouse, or your eligible tax dependents have an ongoing condition that requires expensive medication or frequent visits to a physician?
- 3: Do you, your spouse or eligible dependents need prescription eyeglasses, sunglasses, contact lenses and/or lens solution?
- 4: 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.

## Medical FSA Estimate Worksheet

Expenses include, but are not limited to, the following types of medical care expenses incurred by you and/or your eligible dependents.

	Past 12 months	Next year's projected expenses
<b>1: Medical care expenses</b> <i>(not covered by your health plan)</i>		
Chiropractor fees		
Coinsurance <i>(your share of covered expenses after you meet your deductible and/or copayment)</i>		
Deductibles <i>(a percentage of expenses that you pay, as determined by your health plan benefit)</i>		
Drug and chemical dependency treatment <i>(including smoking cessation programs when accompanied by a prescription or letter of medical necessity)</i>		
Immunizations		
Laboratory fees		
Mileage/transportation for medical care		
Over-the-counter supplies and medications <i>(if your plan permits)</i>		
Physical exams		
Prescription drugs		
Psychiatric/psychologist fees		
Well-child care		
X-ray fees		
<b>2: Dental care expenses</b> <i>(not covered by your health plan)</i>		
Coinsurance		
Deductibles		
Dental exams		
Fillings/bridges/restoration		
Orthodontia treatment		
X-ray fees		
Other		
<b>3: Vision care expenses</b> <i>(not covered by your vision plan)</i>		
Contact lens solution		
Coinsurance		
Corrective eye surgery		
Deductibles		
Eye exams		
Frames, prescribed lenses, contact lenses and/or prescription sunglasses		
<b>Total</b>		

# Get your money faster

Life happens. And if you need to use the money in your FSA to pay for an eligible expense, you want fast, easy access to your account. That's why SelectAccount offers reimbursement options that are fast and easy.



## Automatic Claims Crossover

Crossover allows your health plan to automatically submit claims to your medical FSA for reimbursement for your portion of the expense. Crossover will even work for point-of-service pharmacy purchases, like prescription drugs.



## Direct Deposit

Sign up for direct deposit and request reimbursement from your FSA through our secure Online Member Service Center at [www.SelectAccount.com](http://www.SelectAccount.com).



## Manual Claim Form

For expenses that do not crossover from your health plan, submit a manual claim form to SelectAccount and we will reimburse you through direct deposit. You can find claims forms online at [www.SelectAccount.com](http://www.SelectAccount.com).

# Use your FSA for eligible expenses, including covered and non-covered health care expenses

## Eligible Medical Expenses

You can use the money in your FSA to pay for eligible medical expenses like:

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

*(only if you also have a dependent care FSA)*

## Ineligible Medical Expenses

You cannot use your FSA to pay for:

- Athletic club memberships
- Cosmetic surgery and procedures
- Diaper service
- Health programs offered by resort hotels, health clubs and gyms
- Vitamins and supplements
- Travel for general health improvement
- Tuition and travel expenses for a child with special needs at a particular school
- Weight-loss programs

## Eligible Dependent Care Expenses

- Licensed daycare facility
- Preschool program
- After-school program
- In-home child and dependent care services
- Special day camp expenses (such as computer camp)
- Elder care

## Ineligible Dependent Care Expenses

- Overnight camp
- Services solely for the purpose of household cleaning
- Kindergarten tuition or costs
- Care provided by a dependent under age 19
- Activity fees
- Lunches and food items
- Educational programs
- Late fees

## The fine print

Eligible expenses are determined by the Internal Revenue Service. For more information visit [www.SelectAccount.com](http://www.SelectAccount.com) or [www.irs.gov](http://www.irs.gov).



## Have a question?

We're here for you. If you can't find the answers you're looking for in the Online Member Service Center, give us a call between 7 a.m and 7 p.m, Central Time, Monday through Friday.

[www.SelectAccount.com](http://www.SelectAccount.com)

1-800-859-2144 (Toll-Free)

(651) 662-5065 (Twin Cities Metro Area)



## Online. Anytime.

Register with the Online Member Service Center and manage your account anytime, any place. This site allows you to:

- Check your balance and monitor account activity
- View past reimbursement requests
- Sign up for features like direct deposit
- Create customized statements and reports



## Who is SelectAccount?

SelectAccount is the administrator of your FSA. When you request money from your FSA for an expense, SelectAccount administers that request and makes sure you get your money quickly.

SelectAccount has more than 20 years experience in administering tax-advantaged spending accounts and we're among the top account administrators in the country. And what's more important, our account holders consistently give SelectAccount a satisfaction rating of over 90 percent.

It's the benefit of knowing.

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