

FSA Overview

- There are 2 types of Flexible Spending Accounts:
 - Medical Reimbursement Account
 - Dependent Childcare Account
- Medical Reimbursement 2021
 - **Up to \$2,750 PRE-TAX** for qualified medical expenses not covered by insurance can be set aside pre-tax
 - Deducted monthly from salary
 - Amounts are advanced as used
 - Medical expenses must be incurred during the plan year (calendar year) and submitted by March 15 of the following year
 - Reimbursements are made by check within 48 hours of receipt
 - Use-it-or-lose it applies – except that **\$550 in unused amounts can “roll-over”** year to year
 - Unused amounts over \$550 are forfeited
- Dependent Childcare Expense Reimbursement 2021
 - **Up to \$5,000 PRE-TAX** for Dependent Childcare expense for working parents can be set aside pre-tax
 - Deducted monthly from salary
 - Amounts are NOT advanced, but reimbursed as funds are available
 - Use-it-or-lose-it applies
 - You cannot take BOTH the Childcare tax CREDIT for low-income AND deduct childcare expense through Cafeteria plan. Your income determines which is more advantageous to you.
- KEY is to NOT OVER-ESTIMATE your expenses.
- You cannot have BOTH a Flexible Spending Account (FSA) AND a Health Savings Account (HSA)
- Unless you have a high-deductible health plan (Classic or Basic with EBD), you are only eligible for a Flexible Spending Account (FSA)