# Flexible Spending Accounts (FSA)

Flexible Spending Accounts (FSAs) through Employee Solutions Group (ESG) allow you to save money on a pre-tax basis to pay for your family's qualified out of pocket healthcare (medical, prescription, dental, and vision) and dependent care (child and elder care companion services).

FSAs allow you to save money because your contributions to the accounts are deducted from your paycheck before Federal and Social Security taxes are calculated. The amount of savings you will enjoy by participating in an FSA will depend on your individual tax bracket and the amount of money that is withheld from your paycheck on a tax-free basis. The total amount you elect to contribute to your Healthcare FSA each year is available on the first day of your plan year. FSA's are a "use it or lose it" account -- if you don't use funds (in excess of $640 carryover max or within 75 days grace period as specified in your plan) by the end of the calendar year, you will lose those funds.

| FSA Election Type | Election | Tax Rate | FSA Savings |
|---|---|---|---|
| **Medical** | $3,200 | 25% | $800 |
| **Dependent Care** | $5,000 | 25% | $1,250 |

**Medical FSA** is used to pay for medical, dental and vision expenses not paid for by insurance, usually deductibles, copayments, and coinsurance for the employee's health plan. Some examples of eligible expenses are listed in the box to the right. For a complete list, see IRS publication 502: *(http://www.irs.gov/pub/irs-pdf/p502.pdf).*

- *Maximum contribution for 2024 is $3,200 per year*
- *FSA Grace Period runs for 75 days after plan year end to use any remaining funds balance from prior year in the new plan year*

**Dependent Care FSA** is used to pay for certain expenses to care for dependents who live with someone while that person is at work. While this most commonly means child care for children under the age of 13, it can also be used for children of any age who are physically or mentally incapable of self-care, as well as adult day care for senior citizen dependents who live with the person, such as parents or grandparents. The person on whom the dependent care funds are spent must be able to be claimed as a dependent on the employee's federal tax return.

- *Maximum contribution for 2024 is $5,000 per year ($500 minimum)*

## IRS CONTRIBUTION LIMITS

| Product / Solution | 2024 | 2023 |
|---|---|---|
| **Health FSA**: Max Contribution | $3,200 | $3,050 |
| **DCFSA**: Max Contribution Limit | $2,500/$5,000 | $2,500/$5,000 |


**Employee Solutions Group**
**Contact us with questions:**
**Toll Free: 877.668.8522**
**Email: customerservice@esgcorp.biz**


### Examples of Eligible FSA Medical expenses:

- Alcoholism Treatment
- Ambulance Costs
- Birth Control Pills & Devices
- Chiropractors
- Contact Lens Solutions and Cleaners
- Contact Lenses or Glasses
- Co-Pays
- Deductibles
- Dental Expenses (cleanings, crowns, deductibles, implants, fillings)
- Dentures
- Eye Exam
- Hearing Devices and Batteries
- Hospital Expenses
- Insulin
- In-Patient Therapy
- Laboratory Fees
- Nursing Services
- Orthodontic Treatment
- Over-the-counter medication per CARES Act (cold & allergy medication, feminine products, etc)
- Over-the-counter reading glasses
- Periodontal Fees
- Prescription Drugs (drugs with RX#)
- Psychiatric Care
- Smoking Cessation Program
- Sterilization
- Transportation primarily for and essential to medical care
- Vaccinations
- Vasectomy
- Wheelchairs

### Examples of Non-eligible FSA Medical expenses:

- Cosmetic Surgery
- Teeth Whitening
- Toothpaste/Toothbrush
- Non-Prescription Sunglasses

* See full expense list on our website at www.employeesolutionsgroup.com