

HealthEquity®

WageWorks®

# Are You Ready for 2021?

Overview of Spending Accounts

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# Preparing for 2021

- Learning more about the Flexible Spending plans
- Making the right decision for you and your family
- Enrolling for 2021
- Using your Flexible Spending account
- Getting the most out of your Flexible Spending account
- Final Reminders

# Spending Account Basics

# What is a Flexible Spending Account?

- ✓ An employee benefit that saves you money on eligible health, dental, vision and prescription expenses and child or elder care expenses
- ✓ An account where you contribute money from your paycheck BEFORE taxes, incur eligible expenses and then get reimbursed for the expenses
- ✓ A way to **PAY LESS TAXES** and **SAVE MONEY!**
- ✓ Completely voluntary

# Spending Account Options

## Health Care FSA

Used to pay for out-of-pocket medical, dental, vision and prescription expenses not paid by insurance

## Dependent Care FSA

Used to pay for child or elder care expenses including day care, before/after-school care, summer day camp and private sitter

# How Does an FSA Save Me Money?



| Annual Savings*                                    | With FSA   | Without FSA |
|--|------------|-------------|
| Annual pay   | \$50,000   | \$50,000    |
| FSA pre-tax contribution                           | (\$2,000)  | \$0         |
| Taxable income                                     | \$48,000   | \$50,000    |
| Federal income, Social Security and Medicare taxes | (\$11,444) | (\$12,097)  |
| After-tax dollars spent on eligible expenses       | \$0        | (\$2,000)   |
| Real spendable income                              | \$36,556   | \$35,903    |
| Savings with an FSA                                | \$653      |             |

*\* Sample tax savings for a single taxpayer with no exemptions. Actual savings will vary based on your individual tax situation. Please consult a tax professional for more information.*

# Health Care FSA's

# How Health Care FSA's Work

- Make an election for the plan your are eligible for and decide how much money to set aside from each paycheck\*
- This amount is deducted from your pay before taxes in equal amounts throughout the year
- The full amount you have elected for the Health Care FSA election is available at the start of the plan year
- Pay for eligible expenses out-of-pocket or use your spending account debit card
- Submit a claim for reimbursement with paid receipts
- HealthEquity processes the claim and sends reimbursement check (direct deposit or check)

*\*Plan enrollment and election amount is frozen for Plan Year, except for a Qualifying Event.*

# What Can I Use My HCFSA For?

**Co-pays**

**Coinsurance and deductibles for health, dental and vision plans**

**Dental Care, Orthodontia treatments**

**Vision Care, laser eye surgery, eyeglasses, contact lenses**

**Prescription drugs, OTC/medical supplies, smoking cessation, feminine hygiene products**

**Medical equipment such as diabetic testing supplies, blood pressure monitor, hearing aids.**

**Physical/ Occupational therapy**

Eligible expenses are subject to change based on IRS guidance. Please review your employer's benefit plan documents for specifics regarding eligible expenses under your spending account plan. Your employer's plan documents have final authority on eligibility. This document provides a general overview and is not inclusive, nor a guarantee of eligibility or payment. For more information please view the Eligible Expense listing available on [participant.wageworks.com](https://participant.wageworks.com)

# Using the Health Care FSA Spending Account Spending Card

Easy and Instant Access to your funds

Works like a credit card, only the funds are deducted from your HCFSA

Updates your account balance and transaction history

Keep your receipts- IRS mandate

Use your card at the doctor, pharmacy, dentist or eye-doctor

## Using Your Card



Sign and activate your card.



Swipe your card for eligible out-of-pocket expenses. [Select "credit" if signing for a purchase or "debit" if using a PIN.]



Save your receipts!

# Submitting Claims for Reimbursement

If you choose to pay out-of-pocket for your medical, dental, vision or prescription expenses you can submit a claim for reimbursement or direct payment to your provider. Submitting a claim for payment is a quick and easy process.

**Step 1.** Login to your account- <https://participant.wageworks.com>



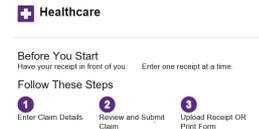
**Step 2.** Select Submit Receipt or Claim from the left hand menu



**Step 3.** Choose how you want to have your claim paid- Pay Me Back, Pay My Provider



**Step 4.** Enter patient, provider and amount, review all expenses, attach your receipts or EOB and submit



**Step 5.** Once processed, you will be sent either a check or receive your reimbursement by Direct Deposit, or your provider will be paid directly if you chose Pay My Provider

# Submitting Claims for Reimbursement

## Things to keep in mind when submitting a claim for reimbursement or payment to your provider-

- You must provide the Provider Name
- The date of service – medical, dental, vision, RX
- Type of service or products received
- Amount paid
- Patient Name
- Copies of itemized receipts or EOB's in PDF, JPG or TIF
- The expense must have been incurred while you were covered by the benefit. Prior dates of service, or expenses incurred after the plan year ends are not eligible for reimbursement. Be sure to check your coverage dates before submitting a claim.

# What is the benefit of a Health Care FSA

- From the time you begin participating in an FSA, you will begin saving money by lowering your taxable income
- You have access to your full annual election on day one. Your employer funds the account for you before any payroll deductions are taken so you do not have to wait until you have made a contribution to use the account
- You will be using tax-free money to pay for everyday expenses such as contact lens solution, sunscreen, first aid items, feminine menstrual products, over-the-counter medications like Tylenol, Nyquil, Claritin, and Zyrtec
- You can plan for larger medical expenses such as laser eye surgery, braces, physical therapy, dental implants, eyeglasses, hearing aids or medical equipment
- You do not have to worry about how to pay for unexpected expenses like Emergency room visits, ambulance fees, emergency dental work, x-rays or surgery
- Your spouse and dependents are also covered under the Health Care FSA. This means that any eligible expenses they incur can be reimbursed from your HCFSA

# Dependent Care FSA's

# The Dependent Child and Elder Care Plan

Answer the questions below to see if you are eligible to participate

- *Do you have a qualifying child who is under the age of 13?*
- *Do you pay for care for a parent, sibling, or spouse who is incapable of taking care of themselves and whom you claim as a dependent?*
- *Do you pay for before-school, after-school, infant care, summer camp, or in-home care?*

If you answered yes to any of these questions then you are eligible to participate in the Dependent Care FSA plan. You may elect up to \$5000.00 a year or \$2500.00 a year if you are married but file a separate return from your spouse.

# How Does the Dependent Care Plan Work?

- Make an election for the entire year
  - ❖ How much do you spend daycare, before-school, after-school, summer camp, or elder care?
- This amount is deducted from your pay before taxes in equal amounts throughout the year
  - ❖ How much can you afford to have deducted from your paycheck?
- You can only claim expenses after they have been incurred
  - ❖ You cannot be reimbursed for future dates of service, even if you have already paid your child/elder care provider
- You can only be reimbursed for the amount you have actually contributed to the plan
  - ❖ **The DCFSA is NOT pre-funded**

# How Do I Receive Reimbursement?

The Dependent Care FSA does not offer a debit or spending card. You must pay for all expenses out-of-pocket and submit a claim.

**Step 1.** Login to your account- <https://participant.wageworks.com>



**Step 2.** Select Submit Receipt or Claim from the left hand menu



**Step 3.** Choose how you want to have your claim paid- Pay Me Back, Pay My Provider



**Step 4.** Enter the dependent's information and amount, review all expenses, attach your itemized receipts or statements

**Step 5.** Once processed, you will be sent either a check or receive your reimbursement by Direct Deposit, or your provider will be paid directly if you chose Pay My Provider

# Should I Enroll in a Dependent Care FSA?

While there are many benefits of enrolling in a Dependent Care FSA plan, you will want to keep a few items in mind when making your decision:

- The purpose of the Dependent Care FSA is to allow working individuals a tax benefit for child or elder care costs, that allows the taxpayer to work or go to school, while helping manage and budget child/elder care expenses
- If you are married, **both spouses** must either be employed, looking for employment or going to school full time
- Compare the tax savings from a Dependent Care FSA to your Child and Dependent Care Tax Credit
  - ❖ Actual savings depend on your and your spouse's taxable income levels
  - ❖ In general, an FSA will provide a larger tax benefit to those in higher tax brackets. In tax brackets lower than 35%, the credit will exceed the FSA deduction

# Recap and Review

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- Whether you choose to enroll in either the Health Care or the Dependent Care FSA plan, you will not be able to revoke or change your election unless you have a Qualified Life Event. Please plan carefully when enrolling and setting your annual election amount.
- If you are currently enrolled, you must re-enroll. Your enrollment does not carryover.
- Both the Health Care and the Dependent Care plan offer a grace period. This means that you have an extra 2.5 months to spend your FSA dollars.
- The WageWorks Health Care FSA offers the FSA Store which has over 4,000 FSA eligible expenses.
  - Use your FSA card to pay and have the items shipped directly to you
- Each dollar you contribute to an FSA plan is tax-deductible, think of this as money added to your paycheck.
- Manage your account online or on the go. WageWorks offers an employee portal, 24/7 customer service, and a mobile app that helps you manage your account when it's most convenient for you.

# Questions?

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