Federal Benefits

FastFacts

The Federal Flexible Spending Account Programs (FSAFEDS)

*** What is FSAFEDS?**

FSAFEDS is a program you can enroll in that allows you to contribute money from your salary, before taxes are withheld. That money is set aside in an account for you. Then you incur eligible out-of-pocket dependent care and/or healthcare expenses and get reimbursed from the money in your FSAFEDS account(s).

You pay less tax and that's how you save money.

*** How much can I save?**

Here's how the math works. Let's say you make $1,000 per pay date – that means you pay taxes on $1,000 per pay date. If you put $20 per pay date in FSAFEDS then you would only pay taxes on $980. You pay less tax – and that is how you save money by enrolling in FSAFEDS. Of course, your exact savings will depend on your tax bracket and the amount you put in FSAFEDS. The more you contribute, the more you can save.

*** Who is eligible for each account?**

Health Care (HCFSA) and Limited Expense Health Care (LEX HCFSA): Employees of participating agencies who are eligible for the Federal Employees Health Benefits (FEHB) Program (whether enrolled in FEHB or not) may enroll in one of these accounts.

Dependent Care (DCFSA): All employees of participating Federal agencies (except for intermittent employees who are expected to work fewer than six months) may enroll in this type of account.

By law, retirees and survivor annuitants are not eligible.

*** What types of accounts are available?**

There are three types of FSAs.

1. Dependent Care Flexible Spending Account (DCFSA):

− Reimburses eligible non-medical day care and elder care expenses. Dependents include your children under age 13 and any dependents on your Federal tax return who are incapable of self-care.

2. Health Care Flexible Spending Account (HCFSA):

− Reimburses eligible health care expenses which are NOT covered or reimbursed by FEHB, FEDVIP, or any other insurance coverage for you, your tax dependents and your children (regardless of dependency through the end of the tax year in which your child reaches age 26 years).

3. Limited Expense HCFSA (LEX HCFSA) (only for those enrolled in or covered by a High Deductible Health Plan with a Health Savings Account):

− Reimburses only eligible dental and vision expenses which are NOT covered or reimbursed by FEHB, FEDVIP, or any other insurance coverage for you, your tax dependents and your children (regardless of dependency through the end of the tax year in which your child reaches age 26 years).

*** Dependent Care (DCFSA) – examples of eligible expenses**

- Child care (at a day care center, day camp, sports camp, nursery school, or by a private sitter)
- Late pick-up fees
- Before and after school care
- Adult day care expenses

*** Health Care (HCFSA) – examples of eligible expenses**

- Copayments, coinsurance, and deductibles
- Over-the-counter drugs and medicines (a prescription is required beginning January 1, 2011 – except for insulin) – e.g., aspirin, cough medicines, acne treatments, etc.
- Over-the-counter products (e.g., bandages, sunscreen, hand sanitizer, etc.)
- Dental and vision care services and products
- Infertility treatments
- Chiropractic services

*** Limited Expense (LEX HCFSA) – examples of eligible expenses**

- Contact lenses, solutions, cleaners, and cases
- Eyeglasses, refractions and vision correction procedures
- Crowns, fillings, dental cleanings, and orthodontics

*** How much can I contribute?**

You may contribute a minimum annual election of $250 and a maximum annual election of $5,000 per account.

*** When can I enroll?**

Newly hired and newly eligible employees, including those who experience an FSAFEDS qualifying life event (QLE), can enroll within 60 days of becoming eligible, but no later than October 1.

Other eligible employees can enroll during the annual Federal Benefits Open Season held from mid-November to mid-December

*** How do I enroll?**

Go to www.FSAFEDS.com or call 1-877-FSAFEDS (372-3337), TTY: 1-800-952-0450

IMPORTANT Things to Remember:

- You must enroll each year even if you are currently participating.
- You may use the money in your account from the effective date of your enrollment all the way through 2 ½ months AFTER the end of the year a total of 14 ½ months if you enroll during the Federal Benefits Open Season. HCFSA coverage for your adult children ends at the end of the tax year in which the child reaches age 26.
- Plan wisely. The IRS requires that you **lose** any money in your account for which you do not incur eligible expenses and file claims by the deadlines.

*** Where can I get more info?**

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  TTY: 1-800-952-0450