

# Flexible Spending Accounts

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A **UNISON** RISK ADVISORS Company

# MEDICAL

## Flexible Spending Accounts

<https://cda.basiconline.com/login>

# BASIC Flexible Spending Account

- ▶ **\$3,200 Annual Maximum FSA Election for 2024 (Up from \$3,050 in 2023)**
- ▶ Can be used for you and your dependents for Qualified Medical, Dental, Vision Expenses
- ▶ Estimate PREDICTABLE expenses
- ▶ Entire annual election amount is available at any time
- ▶ Use it or Lose it Rule
- ▶ Rollover: Allowed to rollover up to \$640 annually
- ▶ The IRS requires that any remaining balance at the end of the plan year will be forfeited after Rollover
- ▶ [www.cda.basiconline.com](http://www.cda.basiconline.com)

# ➤ What Is an FSA?

- A Flexible Spending Arrangement (FSA) is a benefit program that reimburses specified, incurred expenses with pre-tax dollars
  - Medical FSAs are governed under §125 of the Code
  - Dependent Care FSAs are governed under §129 of the Code
- Employee contributions to FSAs must be made through a Section 125 cafeteria plan through their employer

## ➤ How Does It Work?

- Employees elect a set amount for medical expenses and a separate amount for dependent care expenses.
- Every dollar you put in your FSA plan is **Tax Free**
- You do not pay:
  - Federal Taxes
  - State Taxes (and local taxes if applicable)
  - Social Security and Medicare Taxes



## ➤ How Much Can I Save?

Out-of-Pocket Expenses	Annual Average	Taxes Saved (27% Tax Bracket)
Physician	\$940	\$254
Co-Pay	\$470	\$127
RX	\$660	\$178
Outpatient Hospital	\$430	\$116
<b>Medical Total:</b>	<b>\$2500</b>	<b>\$675</b>
<b>Dependent Care:</b>	<b>\$5000</b>	<b>\$1350</b>
<b>Grand Total:</b>	<b>\$7500</b>	<b>\$2025</b>

You could save up to \$2,025 per year or more.\*

\*Depends on Tax Bracket

## ➤ Eligibility

- Employees do not need to be on the employer's health plan in order to participate in FSA plans
- Medical expenses can be incurred by the employee, spouse, employee's children, who have not attained age 27 as of the end of the taxable year, or the employee's other "tax dependents"
- Expenses must be incurred after the employee was a medical FSA participant
- Expenses must be incurred during the plan year

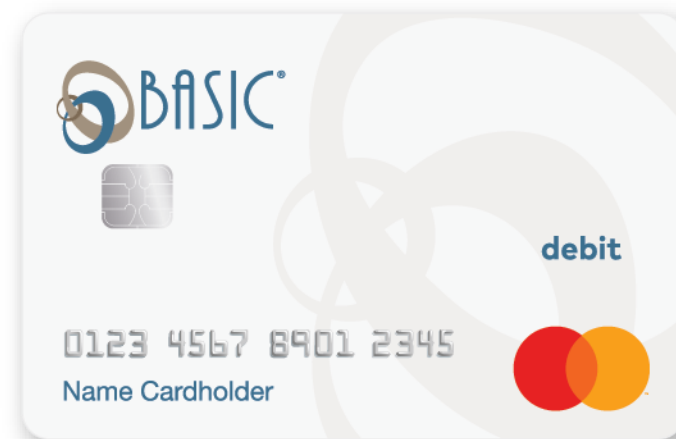
# ➤ Medical FSA Eligible Expenses

- Medical, dental and vision co-pays, deductibles, and coinsurance
- Prescriptions (including mail order)
- Eyeglasses, Lasik, and contact lenses
- Dental expenses including orthodontia
- Nursing care and physical therapy
- Smoking cessation programs and nicotine patches/gum
- Diabetic supplies
- Physical impairments
- Hearing exam, hearing aids, and special batteries
- **Expanded eligibility list can be found here:**  
<https://www.basiconline.com/wp-content/uploads/2016/10/Flex-Eligible-List.pdf>



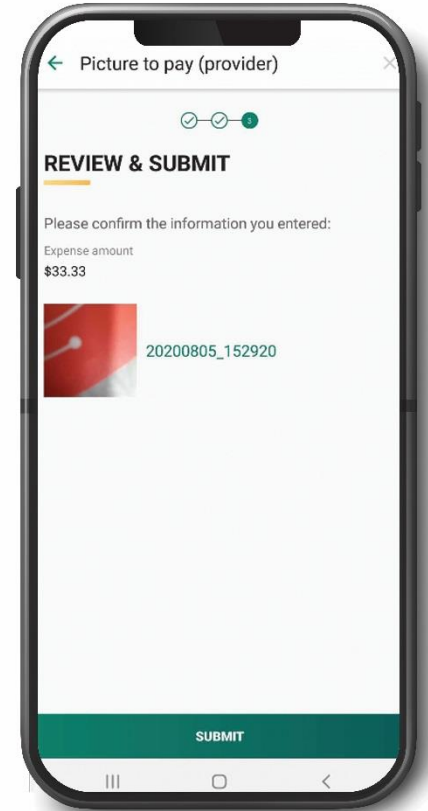
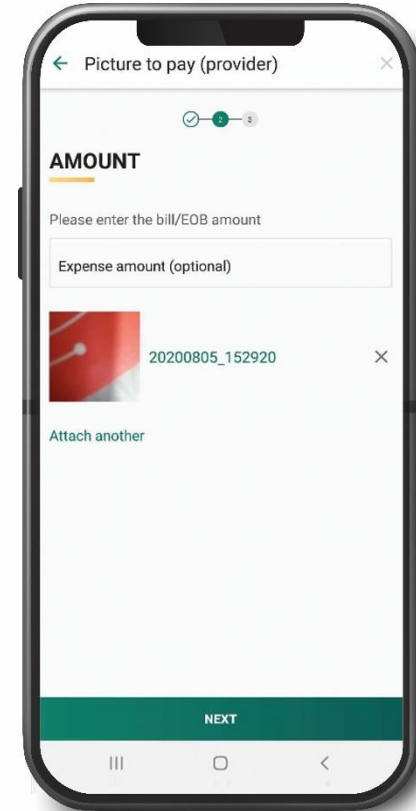
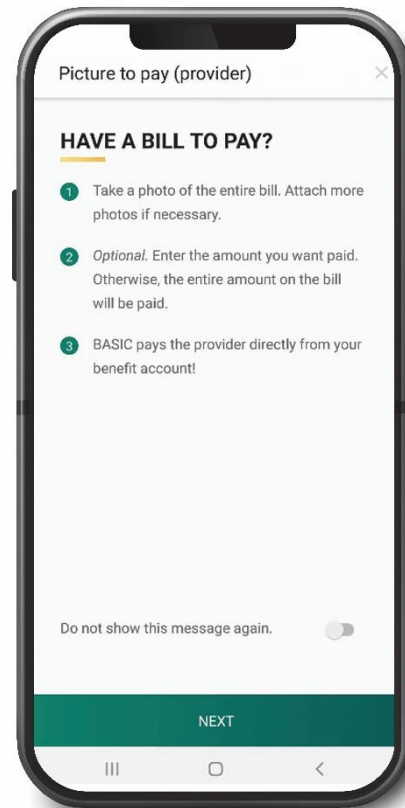
## ➤ BASIC Card

- A Mastercard card will be issued upon enrollment
- The BASIC Card comes loaded with the full Medical FSA election, and the up-to-date Dependent Care payroll deductions
- Use anywhere Mastercard is accepted



# ➤ Picture to Pay

- Take a picture of an eligible benefit expense/bill, then submit via the BASIC Benefits App
- No forms to fill out and no need to sign-in to a website
- Just click and submit and we'll take care of the rest



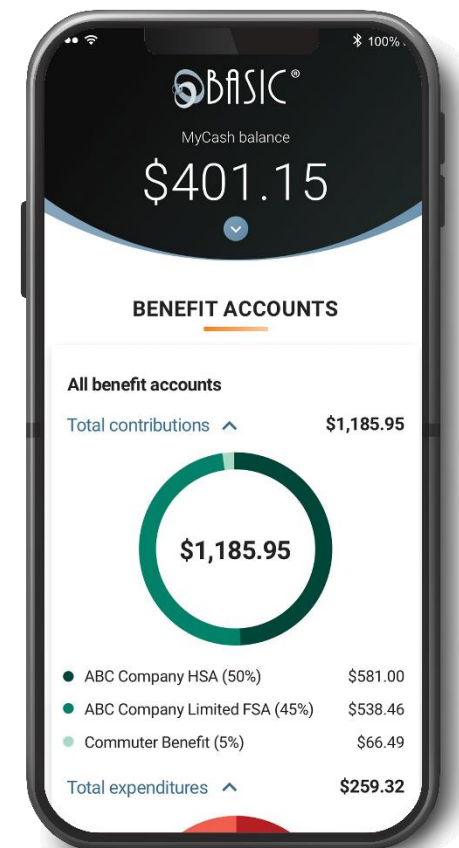
# ➤ Manual Reimbursement

- Pay the provider out-of-pocket
- Submit a claim to BASIC
  - BASIC Benefits App submission – Take a photo of your receipt/documentation and upload
  - BASIC Consumer Driven Accounts System ([cda.basiconline.com](http://cda.basiconline.com)) – Upload a scan or photo of your receipt/documentation
- A tax-free payment will be deposited into your MyCash Account
  - Faster than the speed of bank direct deposit



# ➤ BASIC Benefits App

- Participants can track and manage all their BASIC benefit accounts with a single app – **anywhere, anytime!**
- Access account information
- Request reimbursement
- Expense eligibility check
- Mobile card lock if BASIC card is lost or stolen



# DEPENDENT CARE

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# ➤ Dependent Care Eligible Expenses

- Employee and spouse, if any, must be working, looking for work, or a full-time student
- Expenses for care of qualifying dependents (i.e., the primary purpose is to ensure the individual's well-being and protection)
- Qualifying dependents are:
  - A dependent child who has not attained the age of 13; or
  - A spouse or other dependent who is physically or mentally incapable of caring for himself/herself and who has the same principal residence as the participant for more than half the year

**Expanded eligibility list can be found here:**

<https://www.basiconline.com/wp-content/uploads/2020/04/BASIC-Dependent-Care-FSA.pdf>

# ➤ Your Dependent FSA Plan

- **Plan year: January 1, 2024 – December 31, 2024**
- **Maximum dependent care election:** \$5,000 if married and filing a joint return, or if the participant is filing single and \$2,500 if the participant is married filing separate
- **Use-it-or-lose-it:** Unused contributions remaining at the end of the year will be forfeited by the participant