

Flexible Benefits: Flexible Spending Accounts (FSA)

What is an FSA?

It's an employee benefit that allows you to set aside money pre-tax to pay for eligible health care and child care expenses for you, your spouse and dependents, even if you're not covered by your employer's insurance plan. An FSA provides significant advantages, including:

- **Immediate tax savings:** Contributions to your FSA are made on a pre-tax basis, which lowers your taxable income and may decrease the amount you pay in federal, state, local and FICA taxes.
- **Increased spendable income:** Your net income may increase each month because your contributions to the FSA lower your taxable income.
- **Better cash flow:** An FSA allows you to budget for your medical, dental, and vision expenses on a pre-tax basis. Your total Health Care FSA election is available at the beginning of the plan year, which gives you the ability to use the funds as needed, yet have a small amount (election/number of pay periods) deducted from your payroll each pay date.
- **Coverage for entire family:** When making your election, remember to include expenses for yourself, your spouse, and/or your tax dependents.

- Use tax-free money to pay for your health care or dependent daycare expenses
- Convenient payroll deductions
- Provides significant tax advantages
- Debit card for easy access to FSA funds

How do FSAs work?

There are two types of FSAs:

- **Health Care FSA** allows reimbursement of qualifying out-of-pocket medical expenses.
- **Dependent Daycare FSA** allows reimbursement for work-related dependent daycare expenses for dependents under the age of 13 or dependent adults incapable of self-care.

Before you enroll, you must decide how much you want to contribute to each account. You should spend some time estimating your anticipated eligible medical and dependent daycare expenses by reviewing your out-of-pocket expenses from the previous calendar year. Plan your contribution amount carefully. Per IRS rules, any unused funds remaining in your account at the end of the plan year are forfeited.

Your annual election is divided into equal amounts each pay period and contributions are placed into your account(s). You have access to the entire health care FSA once the plan year begins; however, you will only be eligible to receive reimbursement up to the amount of payroll contributions you have available for the dependent daycare account.

Limits on the amount you can contribute to the Dependent Daycare FSA are established by IRS rules. However, the maximum amount you can contribute each year to your health care FSA is determined by your employer up to the maximum limit established by the IRS.

Is an FSA right for me?

An FSA is a great way to pay for expenses with pre-tax dollars. A Health Care FSA could save you money if you or your dependents:

- Have out-of-pocket expenses like co-pays, coinsurance or deductibles for health, prescription, dental or vision plans
- Have a health condition that requires the purchase of prescription medications on an ongoing basis
- Wear glasses or contact lenses, or are planning LASIK surgery
- Need orthodontia care, such as braces, or have dental expenses not covered by your insurance

A Dependent Daycare FSA provides pre tax reimbursement of out-of-pocket expenses related to dependent care. This makes sense if you (and your spouse, if married) are working or in school, and:

- Your dependent children under age 13 attend daycare, after-school care or summer day camp
- You provide care for a person of any age whom you claim as a dependent on your federal income tax return and who is mentally or physically incapable of caring for himself or herself

How do I use FSA funds?

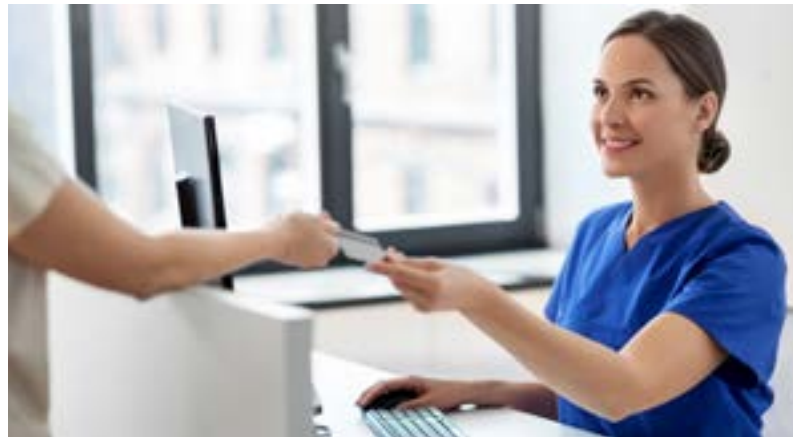
Online at McGriff.com/flex

Easily view account balance and claim history, sign up for direct deposit, file a claim, or use the tools and support tab for links to helpful information.



Mobile App

The Benefit Access Mobile App is available for Apple and Android users. You can view your account balance and claim history, file a claim, take a picture and upload receipts, and receive text alerts or report a lost or stolen card. Download the app at the Apple App Store or Google Play.



Debit Card

Use your Benefit Access Visa® Debit Card to pay for eligible out-of-pocket expenses at the point-of-service. When using your debit card, please keep all receipts or Explanation of Benefits (EOBs) from your insurance provider(s) because you may be asked to provide additional substantiation as required by the IRS. The online portal offers an easy, secure way to keep your receipts, if you need to provide documentation.



Participant Support

You can speak to an FSA specialist by calling 800-768-4873 or 800-930-2441, Monday-Friday, 8 a.m-8 p.m. ET.

What are my reimbursement options?

Use your Benefit Access Visa® Debit Card for easy payment to the provider. The card gives you immediate, electronic access to funds stored in your health care or dependent daycare accounts and can be used at stores (pharmacy, big box store, or supermarket) where FSA-eligible items can be identified at checkout. Using your Benefit Access Visa® Debit Card eliminates the need to file claim forms; however, itemized receipts may need to be submitted, if requested.

You may file a manual claim electronically by using the consumer portal (McGriff.com/flex) or through the Benefit Access Mobile App on your Apple or Android smart phone. You will simply complete the claim form, take a picture of your receipt and upload both through your phone.

How do I save money with an FSA?

By reducing your taxes, FSAs can help you increase your monthly spendable income and budget for health care and dependent daycare expenses. Here's an example of how you could save by participating in an FSA:

	With FSA	Without FSA
Monthly gross pay	\$2,500	\$2,500
Pre tax contributions to FSA	\$300	
• Dependent daycare	\$100	\$0
• Health care		\$0
Taxable income	\$2,100	\$2,500
Less federal, state, FICA taxes	\$790.65	\$941.25
After-tax monthly pay	\$1,309.35	\$1,558.78
After-tax expenses		
• Dependent daycare	\$0	\$300
• Health care	\$0	\$100
Net spendable income	\$1,309.35	\$1,158.75
Monthly savings	\$150.60	\$0
ANNUAL SAVINGS	\$1,807.20	\$0

This example is for illustrative purposes only and is not intended to represent any specific benefit plans or potential plan savings. Hypothetical plan savings are based on the employee's federal, state, local, and FICA taxes totaling 37.65 percent of annual income. Your tax rates and actual savings are likely to be different.

Flexible Spending Account Contribution Limits

HEALTH CARE FSA	
Maximum Annual Contribution	Eligible Expenses
<ul style="list-style-type: none"> Your company will set your Health Care FSA plan limit and advise you of it during your annual enrollment Your entire annual contribution is available at the beginning of the plan year Annual Limits: \$3,200 	<ul style="list-style-type: none"> Deductibles, co-pays and other eligible expenses not covered by insurance Prescription drugs and medical supplies Dental services, orthodontics and dentures Eyeglasses, contacts, solutions and eye surgery Weight-loss programs (associated with treatment of a specific disease) Chiropractic services Psychiatric care and psychologist fees Smoking-cessation programs A complete list of eligible expenses is available in IRS Publication 502, Medical and Dental Expense

DEPENDENT DAYCARE FSA		
Maximum Annual Contribution	Eligible Expenses	Eligible Dependents
<ul style="list-style-type: none"> \$5,000 if you are head of household or are married filing a joint return \$2,500 if you are married filing a separate return Reimbursement is limited to the current balance in the Dependent Daycare Account 	<ul style="list-style-type: none"> Reimbursable expenses generally are those that would be deductible on your tax return, such as child care (including some types of nonresidential summer camps) and elder care that is necessary for you to go to work More details are available in IRS Publication 503, Child and Dependent Daycare Expenses 	<ul style="list-style-type: none"> A child under 13 whom you can claim as a dependent A spouse or other dependent who is physically or mentally incapable of caring for himself or herself



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