

# Flexible Spending Accounts



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## HEALTHCARE FSA

A Health Flexible Spending Account (Health FSA) is an IRS-approved program to help you save taxes and pay for out-of-pocket medical expenses not covered under your medical plan. Your employer has chosen the 2.5 month grace period for your plan. This option gives you the opportunity to continue to incur eligible expenses if you have unused funds in your account on the plan year end date for an additional 2.5 months. If the money is not used before November 15, 2020, it will be forfeited under the use-it-or-lose-it rule.

**Your maximum contribution amount for 2021 is \$2,750.**

### HIGHLIGHTS

- Contributions are automatically deducted from your paycheck on a pre-tax basis, which helps reduce your taxable income and increase your spendable income.
- Your full election will be available to you at the beginning of the plan year.
- Be conservative – any money left in your account at the end of the plan year will be forfeited.
- Use your benefits card to pay for qualified expenses upfront so you don't have to spend money out of pocket.
- Keep all receipts in case you need to substantiate a claim for tax purposes.

NOTE: The IRS requires proof that all expenses are eligible. Keep all receipts in case you need to substantiate a claim for tax purposes. Your receipt must include: Date of purchase or service, amount you were required to pay after insurance, description of the product or service, merchant or provider name, and the patient name.

## DEPENDENT CARE FSA

With a Dependent Care Flexible Spending Account, you can set aside part of your pay on a pre-tax basis to pay for eligible dependent care expenses like child care, babysitters and adult day care.

You may allocate up to \$5,000 per tax year for reimbursement of dependent care services. If you are married and file a separate tax return, the limit is \$2,500.

### HIGHLIGHTS

- Eligible dependents must be claimed as an exemption on your tax return.
- Eligible dependents must be children under age 13 or an adult dependent incapable of self-care.
- Contributions are not loaded upfront. Funds become available as contributions are made to your account.
- Keep all receipts in case you need to substantiate a claim for tax purposes.
- Balances will be forfeited at the end of the runoff or grace period.

## FSA RESOURCES

### BENEFITS CARD

The First Financial Benefits Card is available to all employees that participate in Medical FSA and/or a Dependent Care FSA. The Benefits Card gives you immediate access to your money at the point of purchase. Cards are available for participating employees, their spouse, and eligible dependents that are at least 18 years old.

- The IRS requires validation of most transactions for FSAs. You must submit receipts for validation of expenses when requested. If you fail to substantiate by providing a receipt to First Financial within 90 days of the purchase or date of service your card will be suspended until the necessary, receipt or explanation of benefits from your insurance provider is received.
- Dependent Care FSA Contributions are not loaded upfront. Funds become available as contributions are made to your account.

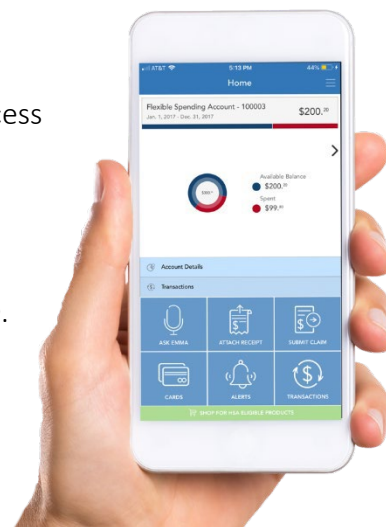
### ONLINE FSA PORTAL

Flexible Spending Account participants can log in to their online FSA portal to access account balances, check on claims, upload receipts and access other account details. Visit <https://ffga.com/individuals> to login or set up your account.

### FF FLEX MOBILE APP

Managing your benefit accounts on the go is made easy with *FF Flex Mobile App*. This powerful, intuitive mobile application gives you access to view your account balances, update your profile, submit a claim and much more – right from your Android or Apple device.

- Access account Information  
(You must have this number or your Flex Benefits Card number to register your account on the FF Flex Mobile App.)
- View card details and profile information
- Submit FSA claims using an electronic claim form
- View pending claims
- Upload receipts and documentation
- Receive alerts
- Update direct deposit information



### FSA STORE

First Financial has partnered with the FSA Store to bring you an easy to use online store to better understand and manage your FSA. An online marketplace that connects consumers to FSA-eligible products, seasonal deals, and account support resources such as open enrollment guides and educational videos.

Visit <http://www.ffga.com/fsaextras> for more details & special deals!

- Shop for eligible items from bandages to wheelchairs and thousands of products in between.
- Browse or search for eligible products and services using the Eligibility List.
- Visit the Learning Center to help find answers to questions you may have about your account.

### IMPORTANT:

If are switching from an FSA to an HSA this plan year, you must exhaust your FSA by 08/31/2021 or the HSA account won't be opened. You will have to wait until the the grace period has ended on 11/15/2021 to begin making contributions starting 12/01/2021.

# Comparing HSAs & FSAs

## Differences in HSAs and FSAs



Health Savings Accounts (HSAs), and Flexible Spending Accounts (FSAs) are common types of reimbursement accounts offered by First Financial Administrators, Inc. These accounts allow you to set aside money for qualified medical expenses, while reducing your overall tax burden.

However, there are significant differences between an HSA and a FSA. With an HSA, you own the account and can take it with you wherever you go, with funds that you can't lose. Also — unlike a FSA — your funds are generally available in your account only as contributions are made, instead of from the beginning of the plan year.

| HSA   | FSA   |
|---|---|
| <b>ELIGIBILITY REQUIREMENTS</b>   |   |
| <p>Must have qualified HDHP and no other disqualified health plan.</p> <p>Cannot be covered under a traditional FSA or spouses traditional health plan.</p> <p>Can not be enrolled in MediCare.</p> | <p>No FSA specific eligibility requirements.</p>  |
| <b>YEARLY CONTRIBUTION AMOUNTS</b>  |   |
| <p>\$3,600 Individual, \$7,200 Family (2021).</p>   | <p>IRS limit of \$2,750 Per FSA (2021).</p>   |
| <b>AVAILABILITY OF FUNDS</b>  |   |
| <p>Funds are available as contributions are made.</p>   | <p>The full election amount is available on the first day of the plan year.</p>   |
| <b>CHANGING CONTRIBUTION AMOUNTS</b>  |   |
| <p>Contributions can be changed at any time.</p>  | <p>May be adjusted at open enrollment or with a qualifying life event in employment or family status.</p>   |
| <b>ROLLOVER</b>   |   |
| <p>Any unused balance always rolls over to the next plan year.</p>  | <p>FSAs are “use it or lose it” and you forfeit any unused balance at the end of the plan year. There is a 2 -1/2 month grace period after the plan year ends. You can receive services through November 15th and submit receipts by November 30th for reimbursement.</p> |

| HSA   | FSA   |
|---|---|
| <b>PORTABILITY</b>  |   |
| It's your account. You can take it with you wherever you go.  | You will lose your FSA with a change in employment.   |
| <b>EFFECT ON TAXES</b>  |   |
| <p>Contributions may be taken out of your paycheck pre-tax. Growth and distributions for qualified expenses are tax free or be made on the portal with after-tax contributions.</p> <p>Tax deduction on taxes at end of year.</p> | <p>Contributions are taken out of your paycheck pre-tax. Distributions are tax free for qualified expenses.</p> |
| <b>DOCUMENTATION</b>  |   |
| You are responsible to maintain documentation in case of an IRS audit.  | You will be requested to provide documentation to substantiate the expense.                                     |
| <b>TAX DOCUMENTS</b>  |   |
| 1099-SA distributions will be sent to you by January 31.  | Reported on W-2.  |
| <b>INVESTMENTS</b>  |   |
| Investment options available once you have accumulated over \$1,000. Investments can be made online by logging into the secure portal at <a href="http://www.ffga.com">www.ffga.com</a> .   | No investment options   |
| <b>DISTRIBUTIONS</b>  |   |
| Any distribution amount not used exclusively to pay for qualified medical expenses is included in your gross income and may be subject to an additional 20% tax.  | Expenses must be incurred during the plan year.   |



For more information call  
 (866) 853-3539 or visit [www.ffga.com](http://www.ffga.com).