

FSA Facts

Flexible Spending Accounts (FSAs) enable you to pay for certain eligible medical and dependent/day care expenses with pre-tax dollars. By lowering your taxable income, you reduce your income tax liability. You may also elect to contribute your payroll-deducted health and dental premiums on a pre-tax basis, which reduces your taxable income even further.

The information presented here is intended to be a summary only. FSA rules and regulations are explained in detail in the Salary Reduction Plan Document, and “FAQs for FSAs” on the FSA Web page. You are expected to be familiar with the terms, conditions and limitations of each plan you select. Making an error during the enrollment process or misunderstanding plan provisions will not enable you to change your elections during the Plan Year.

Your ability to make changes during a Plan Year is strictly limited by Personnel Rules, Federal Regulations and plan requirements, so review your elections carefully *before* you approve them. Eligible changes are listed in the plan documents.

Please note the following general information, described more fully in the plan documents:

- Healthcare FSA annual maximum contribution: \$2500/year (new maximum effective **July 1, 2012**; reduced from \$5000 maximum in previous years)
- Dependent Care FSA annual maximum contributions: \$5,000/year (\$2,500 if married and filing a joint federal income tax return).
- Enter your total **ANNUAL** (not monthly) contribution amount when you enroll. Your monthly contribution will be your annual contribution divided 12 months.
- Be conservative in calculating contributions. The “use it or lose it” rule requires forfeiture of unused contributions, and forfeitures cannot be recovered. Use the FSA worksheet linked below.
- Contributions reduce your Highest Average Salary (HAS) for PERA purposes, and will likely result in a lower retirement benefit. Consider participation carefully if you are within three years of retirement. See “What do ‘Pre-tax’ and ‘After tax’ mean?” under “Related Links” on the FSA Web page.
- If you open a Health Savings Account (HSA) through a financial institution, you cannot participate in a Health Care FSA, due to federal regulations.
- Dependent Care FSA CANNOT pay any medical claims – only claims for eligible child care and elder care expenses that allow you and your spouse (if any) to work. If you enroll for Dependent Care by mistake, you WILL NOT be able to change unless you experience a qualifying status change.
- Claim Filing Deadline: **For prior plan year claims, they must be received by ASI on or before October 15 of the next plan year.** File as early as possible to avoid a claim denial due to late filing. If delayed filing is unavoidable, fax your claim, or use certified mail/return receipt requested, or overnight mail. You alone are responsible for timely claim filing. Claims received after the deadline will be declined without exception, and unused account balances will be forfeited. Mail delays do not warrant extensions.
- Claim forms are available at www.asiflex.com, along with other valuable information.