

# Flexible Spending Account

## FSA

### FREQUENTLY ASKED QUESTIONS



#### 1. What is a Flexible Spending Account (FSA)?

A flexible spending account (FSA) is an employer-sponsored plan that allows you to deposit money tax-free from your paycheck into a special account. You designate the amount to contribute, up to the maximum set by your employer.

#### 2. Am I eligible to contribute to an FSA?

An FSA is set up by your employer on your behalf when you elect to participate. If you are unsure about your eligibility, talk with your employer or your benefits advisor.

#### 3. How does it work?

The pretax funds contributed to your FSA, by either you, your employer, or both, can be used for qualified medical expenses. If a reimbursement card is offered, you may use the funds to pay for the cost of care. Otherwise you may pay for the expenses and submit a reimbursement form with receipts. The funds are accessible to you at the beginning of the plan year, even if all of the payroll deductions have not been completed. FSA-funds cannot be rolled over from year to year.

#### 4. What are the advantages of an FSA?

FSAs are tax-advantaged accounts, meaning you can contribute pretax earnings to your health care and dependent FSA. The amount deposited will not have federal tax or Social Security tax deducted but could have state and local taxes withheld. You can expect to save money with an FSA.

#### 5. What expenses are covered under my FSA?

A flexible spending account covers eligible health care expenses (IRS, Section 213) that are not covered by insurance. Some examples include: medical and dental deductibles and copayments, eye exams, contact lenses or glasses, prescription drug copayments, hearing aids, etc. As of January 2011, some over-the-counter products require a prescription to be covered by FSA-funds.

#### 6. Where can I go for help?

As an Austin Financial Group client, our dedicated management team will assist you with any questions or concerns. It's just one of the many benefits of working with AFG. In the meantime, speak with your employer or insurance carrier.

Austin Financial Group is a leading employee benefits firm offering insurance, enrollment, and administrative solutions. At Austin Financial Group, 'Smart Benefit Solutions' means more support, smart spending, and expert consulting.

For more information about flexible spending accounts and employee benefits, please contact us at (888)-277-0077.

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