




# YOUR FLEXIBLE SPENDING PROGRAM

## 1 The Theory

Flexible spending accounts (FSAs) allow you to pay for eligible health and/or dependent care expenses. You can contribute funds pre-tax through payroll deductions up to the annual IRS limits.

Michelle	Enrique	Tony & Cherie
 <p><b>25 Single Runner</b></p>	 <p><b>40 Married 2 Kids</b></p>	 <p><b>55 Married No kids</b></p>
<p><b>Traditional FSA</b> Because Michelle leads a healthy life, she rarely has to visit a doctor, although she does have an annual preventive care exam.</p>	<p><b>Dependent Care FSA</b> In addition to the family's annual preventive care visits, Enrique's wife comes down with the flu and his daughter Sofia needs braces.</p>	<p><b>Traditional FSA</b> Tony takes a maintenance medication to manage his diabetes, while Cherie needs new glasses.</p>

## 2 In Practice

	Michelle	Enrique	Tony & Cherie
FSA Monthly Employee Contribution	\$156.25	\$416.67	\$208.34
<b>Total Annual FSA Contribution</b>	<b>\$1,875</b>	<b>\$5,000</b>	<b>\$2,500</b>
Annual Projected Health Care Costs	\$500	\$3,000	\$1,000
Annual Deductible	\$1,500	\$3,000	\$3,000
<b>Total Savings</b>	<b>\$1,375</b>	<b>\$2,000</b>	<b>\$1,500</b>

## 3 The Nitty-Gritty

**YOU MUST ENROLL EACH YEAR TO PARTICIPATE.**

**“Use it or lose it.”** The IRS requires that any unused funds you have set aside for eligible expenses that are still in your account at the end of the plan year (December 31, 2018) be claimed by submitting your eligible expenses no later than March 31, 2019. All claims submitted must be from 2018. Any unused funds will be forfeited.

- OR -

**“Use it or lose it.”** The IRS allows you to carry over up to \$500 in unused Health Care FSA funds to the new plan year. Any remaining funds over \$500 in your account at the end of the plan year will be forfeited.