

CONTRIBUTING TO THE HEALTH CARE FSA



If you have decided to participate in a health care flexible spending account (FSA), congratulations! You have taken the first step toward saving for your health care. Because of certain rules governing how the Health Care FSA works, it's important to determine how much you should contribute to your account. Consider the following factors when making your decision:

REVIEW YOUR MEDICAL PLAN COVERAGE

- **What is your plan's annual deductible?** You must meet your annual deductible before the plan starts to pay its share of coverage.
- **What are your plan's copays and/or coinsurance?** Depending on your coverage, you may have to pay a fixed dollar amount (copay) or a percentage (coinsurance) of covered health care services.
- **What is the annual out-of-pocket maximum?** Once you meet the out-of-pocket maximum, the plan pays for 100 percent of coverage.

ESTIMATE YOUR HEALTH CARE EXPENSES

- **Do you expect to meet your annual deductible?** If you have met your annual deductible in years past, consider contributing enough to meet the deductible.
- **Do you expect to incur a lot of non-preventive medical expenses?** Your plan covers 100 percent of your in-network preventive care (e.g., routine physicals, screenings and immunizations). You may use FSA funds to cover qualified non-preventive health care expenses such as deductibles, copays, prescriptions and eyeglasses.
- **What will your dental and vision expenses be?** You can use FSA funds to pay for preventive dental and vision expenses, such as cleanings, sealants, fluoride treatment, eye exams and eye correction surgery, including LASIK.



RULES OF THUMB

The IRS contribution limit for 2018 is \$2,650.

FSA contributions are subject to the “use it or lose it” rule. Funds up to \$500 may carry over to the new plan year.

Any funds over that amount remaining at the end of the plan year are forfeited.

You may use FSA dollars to cover the following types of expenses:

- Deductibles
- Copays and coinsurance
- Prescription drugs, including over-the-counter medicine with a prescription
- Medical equipment such as crutches, supplies like bandages and diagnostic services such as blood sugar test kits
- Dental and vision expenses, such as teeth cleanings, eye exams—even laser eye surgery

Note: You may **not** use FSA funds to pay for insurance premiums.

For a complete list of qualified Health Care FSA expenses, visit: www.irs.gov/pub/irs-pdf/p502.pdf