

FLEXIBLE SPENDING ACCOUNTS

There are three types of FSA plans available to eligible City employees and administered by Optum Service. All plans lower your income tax liability by the amount of your deductions.

- **Limited Purpose FSA:** can be used in conjunction with an HSA account for those enrolled in the HDHP plan to pay for eligible vision and dental expenses.
- **Health Care FSA:** used to pay for medical expenses for you and your eligible dependents.
- **Dependent Care FSA:** used to pay for childcare or assistance with disabled adult dependents.

Health Care Items You Might Not Realize are FSA Eligible

- ✓ Sunscreen
- ✓ Heating and cooling pads
- ✓ First Aide Kits
- ✓ Prescription Sunglasses
- ✓ Shoe Inserts
- ✓ Motion Sickness Bands

Check Out the Optum FSA Store at <https://store.optum.com>

Refer to [IRS Publication 502](#) for more information.

How FSAs Work

- Each year during the Open Enrollment period, you decide how much to set aside for health care and/or dependent care expenses.
- Your contributions are deducted from your first 2 monthly paychecks on a before-tax basis in equal installments throughout the calendar year.
- As you incur health care or dependent care expenses throughout the year, submit a claim form for reimbursement. Your claim will be processed, and you will be reimbursed from your account.
- Or use your FSA card to pay for eligible expenses at the point of sale. You will not be paying out-of-pocket, so there's no need to fill out a claim form and wait for reimbursement.

Please note these accounts are separate — you may choose to participate in one, both, or neither. You cannot use money from the Health Care FSA to cover expenses eligible under the Dependent Care FSA or vice versa. FSAs are administered by Optum Financial Services.

You must actively re-enroll in either FSA Plan each year. You are not automatically re-enrolled!

PLAN	ANNUAL MAXIMUM CONTRIBUTION	EXAMPLES OF COVERED EXPENSES
Health Care Flexible Spending Account	\$3,050	Copays, deductibles, orthodontia, over-the-counter medications, etc.*
Dependent Care Flexible Spending Account	\$5,000	Daycare, nursery school, Elder-care expenses, etc.*

NOTE: See IRS Publications 502 and 503 for a complete list of covered expenses.

The Health Care FSA offers a grace period to ensure you get the maximum benefit from the account. If any money is left in your Health Care FSA at the end of 2023, expenses incurred between January 1, 2024, through March 15, 2024, can be used to exhaust up to \$610 of your remaining FSA account. Expenses incurred after March 15th following the close of the Plan Year are not eligible. Deadline to submit 2023 expenses for reimbursements is March 30, 2024, for both Health Care and Dependent Care FSAs.

There is no grace period with the Dependent Care FSA. Dependent Care expenses