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FSA FAQ for Employees

A Flexible Spending Account (FSA) can help you save! Set aside pre-tax dollars for everyday medical expenses and keep more of every paycheck.

What is a Flexible Spending Account (FSA)?

A healthcare Flexible Spending Account (FSA) is an employer-sponsored benefit that lets you set aside pre-tax dollars for eligible medical expenses.

Why should I participate in an FSA?

FSA contributions are deducted from your paycheck pre-tax, lowering your taxable income. This tax savings can increase your spendable income by about 30% of your annual contribution.

How do I contribute money to my FSA?

Your annual FSA election is divided across the pay periods in your plan year, with each portion deducted from your paycheck before taxes are applied.

How much can I contribute?

For the 2027 plan year, the IRS sets an annual FSA contribution limit of **$3,500**.

Who is eligible under my FSA?

An FSA covers eligible expenses for you and your dependents, even if they're not on your primary health plan.

Can I have an FSA if I contribute to a Health Savings Account (HSA)?

No. If you contribute to an HSA, you can't enroll in a healthcare FSA for the same plan year. However, you may be able to enroll in a Limited Purpose FSA (LPFSA), which covers eligible dental and vision expenses and works alongside your HSA. Ask your HR team if an LPFSA is offered.

How do I determine the date my expenses were incurred?

Expenses are considered incurred when the medical care is provided, not when you're billed or make a payment.

How can I use funds from my FSA?

If you have a benefits debit card, swipe it at the register. Otherwise, submit a claim with the receipt showing the type, amount, and date of the expense. Once approved, your reimbursement will be sent via check or direct deposit.

Can I still deduct healthcare expenses on my tax return?

Yes, but not for the same expenses that have already been reimbursed through your FSA.

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How soon can I start spending my FSA funds?

With a healthcare FSA, the full annual election amount is available on the first day of the plan year, even if you haven't yet contributed that amount.

Can I change my election amount mid-year?

Elections can only be changed if you experience a qualifying life event, as defined by IRS regulations, such as marriage, divorce, birth, or death in your immediate family.

What is the deadline for submitting claims?

You can submit claims for reimbursement anytime during the plan year in which the expense is incurred. A grace period may also apply at the end of the plan year. Refer to the summary plan document your employer provided for details.

What expenses are eligible for reimbursement?

Health plan co-pays, deductibles, co-insurance, eyeglasses, dental care, medications, and certain medical supplies are covered. The IRS offers detailed guidance on eligible expenses in Publication 502.

What happens to my account if my employment is terminated?

Participation in your FSA ends upon termination, meaning only expenses incurred before your termination date are eligible for reimbursement.

Are over-the-counter (OTC) medications eligible for reimbursement?

Yes, over-the-counter (OTC) medications are eligible for reimbursement through your FSA.

What is a Letter of Medical Necessity?

The IRS requires that eligible expenses be primarily for the diagnosis, treatment, or prevention of disease, or for conditions affecting any functional part of the body. For example, vitamins are generally not covered as they are used for general wellness. However, if a doctor prescribes a vitamin to treat a medical condition and verifies its necessity, it may be eligible for reimbursement.

What happens if I don't use all my funds by the end of the year?

Your plan may offer a grace period for incurring reimbursable expenses after the plan year ends, or allow you to carry over up to **$700** of unused funds from the 2027 plan year into 2028. Any remaining funds are forfeited. You can find more details in your member portal or mobile app.

For more information, please call
+1-866-855-2844