

# Flexible Spending Accounts: WageWorks

*Did you know you can reduce your taxable income and get more out of your hard-earned money by tucking away pre-tax dollars for eligible healthcare and dependent care expenses? Flexible Spending Accounts (FSA) offered through WageWorks, allow you to do just that.*

## Healthcare FSA

With a Healthcare FSA, you elect to have your annual contribution deducted from your paycheck each pay period in equal installments throughout the year, until you reach the yearly maximum you have specified. The amount of your pay that goes into an FSA will not count as taxable income, so you will have immediate tax savings. FSA dollars can be used during the plan year to pay for qualified expenses and services. The IRS annual maximum amount that you can contribute to an FSA is \$2,750.

Obviously, qualifying expenses that you incur late in the plan year for which you seek reimbursement after the end of the plan year will be paid first before any amount is forfeited.

**For the Healthcare Flexible Spending Account, you must submit claims no later than 90 days after the end of the plan year.**

## Dependent Care FSA

Eligible employees may contribute up to \$5,000 per year (\$2,500 if married filing separately) to a Dependent Care FSA to pay qualified dependent daycare expenses such as:

- Before and after school programs
- Nursery school or preschool
- Summer day camp
- Adult daycare

A Dependent Care FSA reimburses you for expenses that allow you and your spouse, if married, to work while your dependents are being cared for.

**Money left in your Dependent Care FSA account at the end of the plan year is forfeited according to the IRS use-it-or-lose-it rule.**

You can avoid forfeitures by carefully reviewing your prior year's expenses and planning only for predictable costs. **For the Dependent Care Flexible Spending Account, you must submit claims no later than 90 days after the end of the plan year.**

*If you have not spent all the amounts in your Healthcare Flexible Spending Account or Dependent Care Flexible Spending Account by the end of the Plan Year, you may continue to incur claims for expenses during the "Grace Period". The "Grace Period" extends 2 1/2 months after the end of the Plan Year. During this time you can continue to incur claims and use up all amounts remaining in your Healthcare FSA or Dependent Care FSA. Any monies left at the end of the Plan Year and the Grace Period will be forfeited.*