



## Health Care Flexible Spending Account: Frequently Asked Questions

Learn more about your BenefitWallet® Health Care Flexible Spending Account (HCFSA) with these helpful FAQs. You can also visit [mybenefitwallet.com](https://mybenefitwallet.com) for more answers to common questions.

### What is a Health Care FSA (HCFSA)?

A Health Care FSA (HCFSA) is an employee benefit provided by your employer that allows you to save money. With an HCFSA, you set a specific amount of pre-tax dollars to be withheld from your paycheck. You can then use those funds to pay for qualified health care expenses, including medical, dental and vision expenses. Without your HCFSA you would pay for those expenses with money that's already been taxed.

### What tax savings do I get with an HCFSA?

The money you have withheld from your paycheck is pre-tax. This means no federal, state or payroll taxes are taken from your income that goes into your HCFSA. You could save up to 35% or more on taxes when using an HCFSA – if your federal tax bracket is 25%, your state tax rate is 3%, and you receive 7% payroll tax savings. State taxes vary as not all states have an income tax.

### How does an FSA work?

- 1. Funding:** During open enrollment, you decide on a specific amount of pre-tax dollars with which to fund your HCFSA. Be sure to choose an amount you will spend as leftover money is typically lost at the end of your plan year.
- 2. Paying for qualified expenses:** Pay for eligible expenses using your FSA debit card. You could also pay out of pocket and request reimbursement online or through the BenefitWallet mobile app.
- 3. Requesting reimbursement/substantiating purchases:** Each purchase you make must be verified, or substantiated, typically with an itemized receipt and Evidence of Benefits (EOB). You can use [mybenefitwallet.com](https://mybenefitwallet.com) or the mobile app to submit claims and request reimbursement.
- 4. Reimbursement claims processing:** BenefitWallet promptly processes your request. If you paid out of pocket, we will reimburse you by direct deposit or check. Set up direct deposit at [mybenefitwallet.com](https://mybenefitwallet.com) to receive faster reimbursements.

## Whose expenses can be paid with your Health Care FSA?

Your FSA can be used to pay for your qualified medical expenses and those of your spouse and tax dependents, if you have them.

## Can I use my FSA debit card for a claim with a date of service from the prior year?

Prior year expenses are best reimbursed online or via mobile app until the runout date (or filing deadline). Only current year expenses should be paid using your debit card.

## What happens to my Health Care FSA if my employment ends?

Deductions for your HCFSAs will end when your employment ends, unless your employer is obligated to offer you COBRA continuation and you elect this option. If you don't choose COBRA, you are not eligible to be reimbursed for qualified medical expenses incurred after the termination of your employment. Reimbursement requests for claims incurred while active under the HCFSAs plan must be submitted prior to the end of your employer's plan year.

## What special Health Care FSA features does my employer offer?

You will need to check with your employer about special HCFSAs features that could extend the timeframe for spending your annual HCFSAs funds. Remember, in general HCFSAs funds expire at the end of your plan year. Your employer may offer a grace period (allows you to use prior-year funds to pay for expenses incurred at the beginning of the following year), a run-out period (allows you to submit claims for prior-year expenses during the first couple months of the following year) or a carryover (allows you to carry over a maximum of \$500 into the following plan year, to be used anytime during that next year).

## Who do I contact with questions?

For more information visit our website at [mybenefitwallet.com](https://mybenefitwallet.com) or call us at **855.236.8600**.

