

Difference Card Guide: Flexible Spending Accounts



What is an FSA?

A healthcare flexible spending account (FSA) is an employer-sponsored benefit that allows you to set aside pre-tax dollars into an account to be used for eligible medical expenses.

Why should I participate in an FSA?

Contributions to the FSA are deducted from your paycheck on a pre-tax basis, reducing your taxable income. You can increase your spendable income by an average of 30% of your annual contribution with the tax savings.

How do I contribute money to my FSA?

Your annual election will be divided by the number of pay periods in your plan year. This amount will be deducted from your paycheck before taxes are assessed.

Who is eligible under an FSA?

An FSA covers eligible expenses for you and all of your dependents, even if they are not covered under your primary health plan.

What expenses are eligible for reimbursement?

Health plan co-pays, deductibles, co-insurance, eyeglasses, dental care, and certain medical supplies are covered. The IRS provides specific guidance regarding eligible expenses. (See IRS Publication 502). [Visit FSAStore.com to see a list of eligible items.](http://www.irs.gov/efsa)

How do I determine the date my expenses were incurred?

Expenses are incurred at the time the medical care was provided, not when you are invoiced or pay the bill.

How do I get the funds out of my FSA?

If you have a Difference Card, simply swipe it at the register. If you do not have your card on hand, you can submit for a reimbursement against your FSA for eligible out of pocket expenses via Mobile App or on the Difference Card site. Once approved, your reimbursement check will be mailed or deposited into your bank account.

How much can I contribute?

You can find the max contribution rates for the year here: DifferenceCard.com/Services/Products/Fsa/

What happens if I don't spend all of my FSA by the end of the plan year?

Check in with your employer to see what policy they have adopted for this elected benefit.

How soon can I start spending my FSA funds?

With a healthcare FSA, your entire annual election amount is available on the first day of the plan year even though you have not yet contributed that amount.

Can I change my election amount mid-year?

Elections can only be altered if you experience a change in status as defined by IRS regulations, such as marriage, divorce, birth, or death in your immediate family.

What happens to my FSA if my employment is terminated?

Participation in your FSA is also terminated. This means that only expenses that were incurred prior to your termination date are eligible for reimbursement.

What is the deadline for submitting claims?

Check in on your Mobile App or DC account for exact deadline dates. Generally, you have 90 days after your plan ends to submit a claim for reimbursement. You can also submit claims at any time during the same plan year that you incur the expense.

Can I still deduct healthcare expenses on my tax return?

Yes, but not the same expenses for which you have already been reimbursed from your FSA.

Are Over-the-Counter (OTC) medications eligible for reimbursement?

Yes. OTC medicines like Tylenol®, Zyrtec® and more will now be available for purchase with an FSA without a prescription.

What is another new change for eligible expenses?

Menstrual care products, such as tampons and pads, are now considered qualified health expenses with your FSA.

Visit DifferenceCard.com/Services/Products/Fsa/ for more info.