Flexible spending accounts

A benefit that saves you money!



Did you know there's a way to pay your health care expenses and save money at the same time? By enrolling in the flexible spending account (FSA) plan offered by your employer, you can set aside pretax dollars to pay for health care expenses not covered by your other employee benefit plans. That means more money for you and your family!

How do you enroll in the FSA?

- Submit an election form to your employer at the beginning of each benefit plan year
- List the amount of money you want to contribute to your account
- Your deductions are taken in equal installments from your paycheck each pay period
- Since the deductions are taken before taxes, you will not pay taxes on the amount you set aside

How does FSA work?

- To request reimbursement, you must complete the FSA claim form:
  - Claim forms are located on the UMR member website
  - Mail, upload or fax the document to the address/fax number provided on the form
- When submitting claims for health care, you must include either:
  - A written statement/bill(s) from providers of the service stating that the eligible medical expense(s) have been incurred and the amount of such expenses, or
  - An explanation of benefits (EOB) form from any primary medical and/or dental coverage indicating the amount(s) which you are obligated to pay

The general turn around time is 5-7 business days. A small percentage of claims will occasionally require further substantiation or clarification.

You will receive an EOB with each reimbursement, which provides a year-to-date summary of the status of your account.



Remember …

To maximize the advantages of an FSA, consider your health care expenses carefully.

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What expenses will your FSA cover?

The health care spending account can be used for a variety of expenses that may not be covered by any other source, including the following examples:

- Health coverage deductibles and co-payments
- Eye exams, glasses, contacts and corrective laser eye surgery
- Dental care, including braces
- Routine physicals, X-rays and lab fees• Prescription medication co-payments
- Over-the-counter supplies and medications that alleviate or treat injuries or sickness, such as antacids, cold medicines, pain relievers aspirin, menstrual supplies, nasal sprays, fungicides, etc.

Important note: Your eligible expenses are listed in your plan document.

Plan carefully

To maximize the advantages of participating in the FSA program, consider your health care expenses carefully and estimate your future expenses as closely as possible. (We've included a worksheet in this document to help you.) You can also visit our UMR member website and use the online FSA calculator to help you determine how much money to allocate for the upcoming year.

- All expenses reimbursed by the FSA must be health care services received during the plan year.
- Most plans allow members 120 days after the plan year ends to submit expenses for services received within the plan year. Funds not requested within those 120 days may be forfeited unless your plan allows a carryover or grace period.
- If your plan allows carry-over, the funds will be rolled over to the new plan year. Please refer to your flex plan document to confirm your carry-over amount.

Here's an example of how you can reduce your taxes and increase your take-home pay by enrolling in a UMR flexible spending account.

Here's how it works...

You deposit	**$1,000 in your FSA**
You save	**$200 in federal income tax***
You save	**$76 in FICA taxes****
You take home	**$276 in yearly tax savings**

*Assumes federal income tax rate of 20%

**Includes Social Security tax rate of 6.2% and Medicare tax rate of 1.45%



- If your plan has a grace period, you may still incur claims for up to 75 days after the end of the plan year and be reimbursed from your prior year FSA. Plans with this feature typically allow members to submit expenses for a period of 45 days after the end of the grace period.*

  ** Note: Not all plans have this feature. Please refer to your plan document for specifics on your plan.*

- Once you've selected the amount to be deducted from your pay, you cannot change the amount during the year unless you have a qualified change in status that's permissible under your benefit plan and IRS regulations, such as a change in:
  - Marital status
  - Dependent status
  - Employment status

Determining your spending account expenses

Take time to plan your expected expenses during the coming year. It could save you money. This worksheet gives you a tool to determine how much to contribute to your FSA. Please refer to your plan document for details on your particular benefit plan

The **UMR FSA** program is a benefit so valuable, you can't afford to pass it up!

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Health Care Spending Account Worksheet

This account covers health-related expenses not paid by your medical or dental plans. Please refer to your benefit plan as you complete this worksheet. The following expense items may or may not be covered by your plan:

Expense	Cost estimate
Medical and dental care plan deductible(s)	$
Your share of medical and dental plan expenses above the deductible amount (co-payments)	$
Amounts over the customary allowances	$
Medical, dental, vision and hearing care expenses not covered by the plan	$
Eye glasses and contacts	$
Hearing aids	$
Prescription medications	$
Over-the-counter medications and over-the-counter supplies, if allowed by the plan	$
Routine physical exams	$
Other health-related expenses, such as travel	$
Total estimated annual health care expenses	$
Total estimated annual health care expenses divided by the number of pay periods during the plan year	$ *(Per payday contribution)*

Health care FSA contribution amounts are limited due to Health Care Reform Law. Please refer to your plan document for the specific contribution limits allowed by your plan.

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