Flexible Spending Account

Why should I choose a flexible spending account (FSA)?

A flexible spending account (FSA) lets you save money by setting aside pre-tax dollars to pay for eligible medical, dental, vision and dependent care expenses incurred by you, your spouse or your eligible dependents.

Take home more money
Putting money into an FSA decreases your taxable income, which means you'll take home more money.

Plan better for health expenses
Spend your funds on the eligible health expenses you incur throughout the year. The IRS has a "use it or lose it" rule for FSAs, which means funds must be spent by the end of the plan year unless your employer offers a grace period or carryover.

Flexibility
You can use your funds for eligible expenses occurred by you, your spouse, or your eligible dependents. Thousands of products and services are FSA eligible. (Eligible expenses are determined by the IRS.)

Funds on Day 1
All of your FSA dollars are available on the very first day of the plan year. For example, if you choose to contribute $1,000 to your FSA, your contributions will be deducted evenly across all of your paychecks for the year, but you have access to all $1,000 on Day 1.

Can I enroll?
Yes, as long as you or your spouse aren't actively enrolled and contributing to a Health Savings Account (HSA).

Grace Period

A grace period extends the period of time in which you can use your FSA funds on eligible expenses, such as going to the doctor or purchasing prescriptions or over-the-counter medications.

If you end up spending less than you anticipated when you made your elections during open enrollment, you can tap into those funds for up to an additional 2½ months.

- The grace period does not impact the amount of time you have to file claims or submit documentation for expenses.
- This extension does not impact the next plan year. You can still elect up to the full maximum annual election.
- If you have the payment card, it will continue to work as normal, using the funds remaining in your prior plan year first.

Contribution limits + IRS regulations

The IRS sets the maximum dollar amount you can elect to contribute to a medical FSA. The annual contribution limit for 2026 is $3,400.

Tip: Review how much you spend on eligible healthcare expenses every year to determine how much to elect.

Changing your election

In order to make changes to your election after open enrollment, you need to experience a qualifying life event. These events include:

- Change in marital status or in the number of dependents
- Increase due to birth, adoption, or marriage
- Decrease due to death, divorce, or loss of eligibility
- Gain or loss of eligibility due to a change in participant, spouse, or dependent employment status

If you experience a qualifying life event, contact your employer to make changes to your election.

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Dependent Care FSA

Contribution Limits & IRS Regulations

The IRS sets the maximum dollar amount you can elect and contribute to a dependent care flexible spending account (dependent care FSA). The annual contribution limit is:

Per household: $7,500

Per person (if married and filing separately): $3,750

Although most people incur more than the limit per year, we recommend reviewing how much you spend on eligible dependent care expenses every year to determine your election.

Funds available as you contribute

Funds will be available to you as they're deducted from your paycheck and contributed to the plan. This means when payroll is processed and your paycheck is available to you, your dependent care FSA contributions will be applied to your account and available for reimbursement.

Use-or-lose

Don't forget to spend your FSA dollars. If you have not used all of your FSA dollars before the end of the plan year, you will forfeit any money left in your account. (Check with your employer to confirm how many days you have to submit claims for reimbursement after the plan year ends.)

Fast Fact

A great way to set it and forget it is to use our Recurring Dependent Care Form that allows you to submit one claim for the entire year and you will be reimbursed after each payroll.

Changing your dependent care FSA election

In order to make changes to your election after open enrollment, you need to experience a qualifying life event. These events include:

- Change in marital status
- Change in the number of dependents
- Increase due to birth, adoption or marriage
- Decrease due to death, divorce or loss of eligibility
- Gain or loss of eligibility due to a change in participant, spouse or dependent employment status
- Change in daycare providers
- Child turning age 13
- Increase or decrease in the cost of qualifying daycare expenses
- Judgement, decree or order requiring a change in coverage

If you experience a qualifying life event, contact your employer to make changes to your election.

Dependent Care FSA

Why should I choose a dependent care FSA?

A dependent care FSA allows you to put aside a portion of your paycheck before taxes for eligible dependent care expenses each year.

Save money

The dependent care FSA lets you pay for eligible dependent care expenses while you reap the benefits of additional tax savings. You're spending the money either way. This way, eligible childcare and other dependent care costs are a little less.

Save strategically

Submit all of your dependent care expenses at the end of the plan year for one lump sum reimbursement to give yourself a hard-earned "bonus."

Fast Fact

For recurring costs, submit our Recurring Dependent Care Form.

It makes claim filing simple because you only need to submit one form once in order to get reimbursed each pay period.

What does it cover?

The list includes, but is not limited to, eligible:

- Childcare center, babysitter, nanny (birth through age 12)
- Summer day camp
- Before- or after-school care
- Disabled dependent and/or spouse care
- Elder care

Can I enroll?

You are eligible if you and/or your spouse (if applicable) are gainfully employed, looking for work, or are attending school on a full-time basis.

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Over-the-counter

APA has compiled a thorough list of eligible OTC items.

* First Aid

- Bandages, Wraps, Tapes, Dressings, and Kits
- Antibiotics/Antiseptics
- Sling/Supports
- Skin Remedies/Protectants
- Hand Sanitizers
- Protective Gloves and Face Masks

* Foot/Leg Care/Treatments

- Foot Care/Hygiene Aids
- Therapeutic Compression Hosiery

* Bladder/Genital/Rectal Products

- Diuretic Remedies
- Enemas/Douches
- Genital Irritation
- Rectal Medication

* Gastrointestinal Remedy Products

- Antacids/Indigestion/Flatulence Remedies
  Diarrhea Remedies
- General Gastrointestinal Remedies Laxatives
- Nausea Remedies
- Oral Rehydration/Electrolyte Maintenance)

* Oral/Mouth Treatments

- Halitosis Treatment
- Ulcer Treatments

* Vitamins/Minerals/Nutritional Supplements; Sleeping/Stress Relieving Products

- Sleeping Aids
- Stress Relief/Calmatives
- Pain Relief Products
- Arthritic/Rheumatic/Muscular Pain Relief
- General/Multi-use Pain Relief
- Headache/Migraine Pain Relief
- Powered Pain Relief

* Skin/Scalp Aid Products

- Anti-fungal Products
- Insect Bite Relief
- Wart/Corn/Callus Treatments

* Personal Aids

- Disability Aids

* Diagnostic Tests

- COVID-19 Home Tests
- Thermometers

* Respiratory/Allergy Products

- Allergy Prevention/Relief/Antihistamines
- Chest Rubs
- Cold/Cough Remedies
- Decongestants
- Humidifiers/Vaporizers
- Nasal Strips/Sprays
- Throat Remedies

* Sensory Organs Care/Treatments

- Ear Preparations
- Eye Preparations
- Contact Lens Care
- Reading Glasses

* Habit Treatment

- Anti-smoking Aids

* Travel Sickness Products

- Motion Sickness

Over-the-counter, continued

* Diagnostic Monitors

- Body Fat Monitor
- Heart Rate Monitor
- Personal Scales
- Adult Incontinence
- Pads
- Supplies
- Underwear (Disposable/Non-Disposable)

* Oral Hygiene

- Breath Fresheners/Mouth Rinses
- Dental Cleansing
- Denture Care/Cleansing
- Oral Care Aids (Non-Powered/Powered)

* Bladder/Genital/Rectal Products

- Diuretic Remedies
- Enemas/Douches
- Genital Irritation
- Rectal Medication

* Sun Protection Products

- Sunscreen
- After Sun Care
- Lip Balm with SPF

Sources

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https://www.dietaryguidelines.gov/

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