

Flexible Spending Accounts

The Flexible Spending Account (FSA) plans are administered by HealthEquity and offer all City of Memphis active full-time employees the opportunity to enroll. Enrollment in medical is not required to participate in an FSA. Only healthcare expenses that are considered tax-deductible by the IRS and not covered by insurance are eligible for reimbursement. When you enroll in an FSA plan, you decide in advance how much you would like to set aside from each paycheck before taxes are deducted. For every dollar you contribute to your FSA, you reduce your taxable income by that same amount. You do not pay taxes on the money you set aside. This money is available for you to use all year long to pay eligible expected and unexpected out-of-pocket healthcare or dependent expenses. It is important that you accurately determine anticipated annual expenses because there is a “Use It or Lose It” policy in effect. There is a grace period in which to use all the funds for the 2020 plan year. Your funds will be forfeited if not used by the end of the grace period. **Remember you must enroll each year and specify the amount you would like to allocate for the FSA.** See the chart below for additional information.

| | Healthcare FSA | Dependent Care FSA |
|--|---|---|
| You can contribute... | \$200 - \$2,700 Annually | \$200 - \$5,000 Annually |
| <p>To reimburse yourself:</p> <p>NOTE: <i>After enrollment, the employee <u>only</u> will receive a debit card that can be used like cash at any vendor that accepts healthcare debit cards. The card can be used for expenses incurred by the employee, spouse, or dependents.</i></p> <p style="text-align: center;">OR</p> <p><i>File a claim for reimbursement.</i></p> | <p>Example of eligible expenses (refer to http://www.irs.gov/pub 502 for a detailed list):</p> <ul style="list-style-type: none"> • Medical expenses including deductibles, coinsurance, copayments • Prescription deductibles, copayments • Dental expenses • Over-the-counter medicines, vitamins, and supplements if prescription written • Over-the-counter health-related supplies. | <p>Example of eligible expenses (refer to http://www.irs.gov/pub 503 for a detailed list):</p> <ul style="list-style-type: none"> • Daycare and associated expenses for your children under age 13 • Dependent care fees for a disabled spouse, child, or tax-dependent parent or elderly person. |
| Plan Year | January – December 2020 | January – December 2020 |
| Grace Period | Until March 15, 2021 | Until March 15, 2021 |
| Claim Filing Deadline | March 31, 2021 | March 31, 2021 |

For more information contact HealthEquity at 866-346-5800 -Available 24/7