



# FSA

## FLEXIBLE SPENDING ACCOUNT

The pre-tax account that works with your MVP plan or any health plan option



An FSA is an account that allows you to save money by having funds deducted right from your paycheck before taxes are taken out (pre-tax), and then using the funds to cover out-of-pocket health or dependent care expenses.



You decide how much to contribute to your FSA, and you will not pay federal income or Social Security taxes on the money you contribute. This reduces your taxable income, and the tax savings are permanent — an FSA doesn't defer your taxes like an IRA or retirement plan does. FSA participants should check with their employer to see if their FSA program includes enhanced features such as a debit card and direct deposit.

An FSA is a flexible program which allows you to choose among different types of tax-savings benefits. Since each employee's household and family needs are different, you can make your own decisions about the benefits you need for your own situation. Each employee chooses which optional benefits to participate in and how much to contribute toward those benefits.



## HEALTH CARE FLEXIBLE SPENDING ACCOUNT

The Health Care Flexible Spending Account (often referred to as a Health Care FSA) allows you to pay for the out-of-pocket, qualified health care expenses incurred by you or your dependents with pre-tax contributions. All qualifying expenses incurred by you and your family member(s), which are not paid for by any other source (such as the group health plans provided due to the employment of you and/or your spouse), can now be paid with pre-tax dollars. You may choose to contribute up to the maximum amount established by your FSA for this benefit.

To get started, you must estimate your eligible out-of-pocket expenses for the entire year and authorize your employer to deduct that sum over the course of the upcoming Plan Year. You must enroll prior to the start of any Plan Year. You can then use those tax deferred funds to pay for eligible out-of-pocket medical or dependent care expenses. If the plan your employer has chosen offers a debit card, you may use the debit card to access the funds to pay for

eligible expenses. The IRS, however, does require that you retain your receipts for these purchases. Some of the expenses eligible for reimbursement are listed in this brochure or you may visit [www.irs.gov/publications/p502](http://www.irs.gov/publications/p502).

## DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT

A working person who has expenses for care of a dependent can pay those expenses with pre-tax contributions to the Dependent Care FSA. Eligible expenses include costs for caring for children under 13 years of age or other eligible dependents in nursery schools, daycare centers or private homes.

You should be aware that under federal tax law, you may be able to claim a Child Care Credit on your taxes for certain eligible expenses. You may not use the same expenses under an FSA in order to claim this credit. Each dollar used under the Dependent Care FSA will reduce the amount available for your use under the Child Care Credit or the Dependent Care FSA. Consult with your tax preparation professional for more information.

## GETTING STARTED WITH YOUR FSA ACCOUNT

1. **Decide** whether you would like a **Health Care and/or a Dependent Care FSA**.
2. **Decide how much** of your earnings you want to allocate to your account(s). **This is an important decision - any monies allocated to your FSA accounts must be used by the end of your Plan year. If not, they will be forfeited.**

There are maximum contributions for Health Care and Dependent Care FSAs, which are set every year by the Federal Government. Please see **Maximum Contributions to your accounts** on the following page.

3. **Complete your enrollment form** and indicate which benefits you choose and the amounts you want to put into each account. Sign and date your completed form, and submit it to your employer.

You must re-enroll prior to the beginning of each Plan Year in order to obtain the benefits of the Plan during the upcoming Plan Year. If you first become eligible to enroll in the Plan after a Plan Year has begun, you must enroll within 30 days from the date that you are first eligible to enroll in the Plan or you will be required to wait until the beginning of the next Plan Year.



## MAXIMUM CONTRIBUTIONS TO YOUR ACCOUNTS

The maximum amount which can be allocated to your **Health Care Flexible Spending Account** will be announced prior to the beginning of each Plan Year. Please visit [www.irs.gov/publications/p502](http://www.irs.gov/publications/p502) for the current maximum contribution amount.

The Maximum amount, which can be allocated to your **Dependent Care Flexible Account**, is established by federal law and is the **lowest** of the following:

1. The employee's Earned Income for the Plan Year (as defined by federal income tax regulations, including wages and earnings from self-employment, but excluding non-taxable compensation); or
2. The spouse's Earned Income for the Plan Year (if the spouse is a full-time student or is incapable of caring for him or herself and has no earned income, the spouse will be deemed to have \$200 per month in earned income if the employee has one dependent, or \$400 per month if the employee has two or more dependents); or
3. \$5,000 (or \$2,500 for married employees who file a separate federal income tax return).

If both the employee and the spouse each participate in separate Dependent Care Flex Savings Accounts during the same tax year, the total combined amount to be excluded from income tax and Social Security taxes will be limited to \$5,000.



## CHANGING YOUR CONTRIBUTIONS

Generally, your contributions can be changed only at the beginning of the Plan Year. Changes in mid-year are allowed only where permitted under applicable federal law. These changes are permitted only in very limited situations. Generally speaking, you cannot change your contributions to the Health Care Flexible Spending Account unless you have experienced an eligible change in family status (marriage, divorce, new dependents, etc.). In addition to changes in family status, changes to the Dependent Care FSA will be permitted only when there is a new dependent care provider or when the cost of the dependent care provider changes. See the *Summary Plan Description* provided by your employer for more details of your rights to make changes after you enroll in the Plan.

## ELIGIBLE DEPENDENT CARE EXPENSES

Eligible expenses under the Dependent Care FSA will include expenses you incur for Qualifying Dependents for the following type of care:

- Pre-schools, nursery schools, or daycare centers
- Daycare for dependent children up to age 13, either in or outside of your home
- Non-educational programs for children up to 13 while school is in session (such as after school programs, summer recreational programs, and day camps)
- Non-medical home care for mentally or physically disabled dependents who live with you

Remember that these expenses are reimbursable only if they allow you and your spouse to be employed, or for one spouse to be employed while the other attends school on a full-time basis.

## SOME ITEMS ELIGIBLE UNDER THE HEALTH CARE FLEXIBLE SPENDING ACCOUNT

Only those qualifying health-related expenses, which are not reimbursed by any other group health, dental or vision plan, can be claimed. In order to qualify, these expenses must be incurred (the services must be rendered or the supplies purchased) during the Plan Year. Section 213 from the Internal Revenue Code dictates what expenses qualify for reimbursement. Some of these expenses are listed below. Please visit [www.irs.gov/publications/p502](http://www.irs.gov/publications/p502).

- Deductibles
- Copayments
- Ambulance
- Birth Control Expenses (prescribed by a physician)
- Chiropractic Care
- Dental Care
- Dentures
- Diagnostic Testing
- Eye Exams, Eyeglasses & Contacts
- Hospital Expenses
- Laboratory Tests
- Laser Eye Surgery
- Orthodontic Expenses
- Orthotics
- Physical Therapy
- Prescription Drugs<sup>†</sup>
- Travel Expenses for medical treatment (subject to federal regulations)
- Wheelchairs

<sup>†</sup>Drugs and medications for cosmetic or general appearance improvement are NOT eligible.





### HOW TO FILE YOUR CLAIMS

You can choose to file claims by visiting our website and submitting a claim form electronically, or you can mail a claim form and appropriate receipt to **MVP Flexible Benefits Department, PO Box 2207, Schenectady, NY 12301.**

You may also access your account any time by going to **[www.mvphealthcare.com](http://www.mvphealthcare.com)**. From there, you may access your account, view contributions to date, claims filed, disbursements and balance information.

If you have any questions about the status of a claim, you may also contact the Flexible Benefits Department at **1-888-222-9931** between the hours of 8:30 am to 5:00 pm.

When mailing in your claims, remember that only those claims which are incurred during the Plan Year of your contributions and while you are a participant in the Plan will be eligible for reimbursement.

Any eligible health care expenses not reimbursed from another source (such as a group health plan) may be considered for FSA reimbursement. Simply complete the claim form and attach a copy of the explanation of benefits (the "EOB") from your group plan or other applicable invoice. Then

submit the completed form to MVP Ancillary Services Flex Care Program. If submitting Dependent Care Expenses, your claim must include a receipt of your claimed expenses, and your Dependent Care provider's name, address and Social Security Number or Federal Taxpayer I.D. Number.

### PAYMENT FROM THE FSA

Reimbursement checks will be mailed directly to you on a regularly scheduled basis, according to your employer's instructions.

### GOVERNMENT REGULATIONS

Flexible spending accounts and similar plans are governed by the Internal Revenue Service and will be administered in accordance with all regulations governing these types of plans. Any statements contained herein are subject to change in the event of change of applicable statutes, laws, rules, or regulations governing these benefits.

## WE ARE HERE FOR YOU.

For more information call us at **1-888-222-9931** or visit us on the Web at **[www.mvphealthcare.com](http://www.mvphealthcare.com)** or visit **[www.irs.gov.com](http://www.irs.gov.com)**.



Flexible Spending Account administration is provided by MVP Select Care, Inc. The information contained in this brochure is not a substitute for advice by a tax professional or an attorney.

"MVP Health Care" is the parent company of MVP Health Insurance Company; MVP Health Plan, Inc.; MVP Health Insurance Company of New Hampshire, Inc.; MVP Health Plan of New Hampshire, Inc.; MVP Select Care, Inc.; Preferred Administrative Services, Inc.; and Preferred Assurance Company, Inc., which issue or administer health benefit plans. Not all plans available in all states.