



Member tips

FSA at a Glance

QUESTIONS	ANSWERS
What is a flexible spending account (FSA)?	An FSA allows you to set aside pre-tax dollars to pay for eligible expenses. There are two types of FSAs: medical and dependent care.
What's a medical FSA?	A medical FSA helps you pay for medical, dental and vision expenses not covered by your health plan. If you also have a health savings account (HSA), your FSA is only used for vision and dental expenses.
What's a dependent care FSA?	A dependent care FSA helps you pay for care expenses related to a child, spouse or other dependent who is not mentally or physically capable of caring for themselves while you are at work. To qualify, a child must be younger than 13; an adult must spend at least eight hours a day in your home. In addition, they must be a tax-eligible dependent. If you have questions, check with a tax advisor.
What should I know about an FSA?	<ul style="list-style-type: none"> ■ FSA contributions cannot be rolled over from year to year. ■ If you have any unspent funds at the end of the year, you won't get a refund (think "Use it or lose it"). ■ FSAs do not earn interest and cannot be invested. ■ If you change employers, you can't take an FSA with you.
Who can contribute to the account?	You contribute to your FSA.
How does it work?	You designate how much money you want withheld from your paycheck, and this amount goes into your FSA. With a medical FSA, once you have an eligible expense, you can request reimbursement at any time until all your FSA funds are spent. With a dependent care FSA, you can only request reimbursement if you currently have enough funds in the account.
What expenses can be paid from a medical FSA?	You can pay for your deductible, coinsurance and copayments, as well as prescription drug copays, over-the-counter medications (if you have a doctor's prescription), dental expenses, orthodontic expenses (if they're for an adult, you'll need a letter of medical necessity), vision expenses (including laser eye surgery), and hearing exams, aids and batteries. For a complete list of eligible expenses, see IRS Publication 502 at www.irs.gov .
What kinds of expenses can't be paid from a medical FSA?	You can't use funds from an FSA to pay for cosmetic procedures of any kind, insurance premiums, or over-the-counter medications for which you don't have a prescription. For more information about ineligible expenses, see IRS Publication 502 at www.irs.gov .
Where can I look up my account balance?	Go to mymedica.com to check your FSA balance, see claims, print forms, set up direct deposit for payments from your FSA, and choose automatic payment (when claims are processed and you're responsible for some or all of the costs, the claim will automatically roll over to your FSA for payment).

ACCOUNT COMPARISON

Following is a comparison of the different types of accounts used to pay for medical expenses: Health savings accounts (HSAs), health reimbursement accounts (HRAs) and medical flexible spending accounts (FSAs). There are also dependent care FSAs, which are used to pay for child or dependent care.

	FSA (MEDICAL)	FSA (DEPENDENT)	HSA	HRA
Who funds the account?	Employee	Employee	Employer and/or employee	Employer
2012 contribution limit	Amount is set by the employer	\$5,000	\$3,100 (single)* \$6,250 (family)* Persons 55 and older can contribute an additional \$1,000	Generally between 0% - 60% of your health plan's deductible
2012 minimum deductible	Not applicable	Not applicable	\$1,200 (single)* \$2,400 (family)*	No limits
2012 out-of-pocket maximum	Not applicable	Not applicable	\$6,050 (single)* \$12,100 (family)*	No limits
Eligible expenses	Deductibles, coinsurance, copays and IRS 213(d) expenses**	Child or other dependent care-related expenses	Deductibles, coinsurance, copays and IRS 213(d) expenses**	Generally, only services covered by your health plan, as well as deductibles, coinsurance and copays
Yours if you change jobs?	No	No	Yes	No
Earns interest or can be invested?	No	No	Yes, if your account offers this option – check with your administrator	No

*IRS indexed amounts for HSAs are adjusted annually for cost of living

**See IRS Publication 502 at www.irs.gov