

TAX ADVANTAGED PLANS

PAYFLEX® Flexible Spending Accounts (FSA)

An FSA is a pre-tax benefit under the IRS Code that allows employees to reduce their taxable income to pay for out-of-pocket medical, dental, vision and dependent care expenses without paying federal, state or FICA taxes, saving up to 30% in taxes on those dollars. PayFlex is the administrator for the College's FSA. Employees elect an annual contribution to be set aside for their out-of-pocket health and dependent care expenses. The FSA health account is fully funded at the start of the plan year or upon employment (based on the annual amount selected by the employee). Voluntary contributions are withheld in equal increments through payroll deductions. **Any remaining funds in your FSA health account up to \$500, as of December 31, will roll over to the next plan year, but must be used by the end of March the following year for expenses incurred in the prior year.**

If you wish to contribute funds into the FSA, an election must be made during an employee's new hire period. You will not be allowed to cancel or change your election during the 12-month agreement period unless you have a qualifying life event. Employees would receive a debit card from PayFlex.

Health Spending Account:

- Annual contribution limit is set by the IRS (2024 FSCJ \$3,050)
- Debit card can be used to pay your group co-pays or out-of-pocket expenses where MasterCard is accepted
- Expenses include eligible medical, vision and dental expenses
- Employees and their tax dependents are eligible

Dependent Care Account (Funds available as deducted each pay period):

- Annual contribution limit is set by the IRS (currently \$5,000 a year)
- Pay for dependent day care expenses such as before and after school custodial care, day camps, summer camps and licensed day care centers (for your legal dependent child(ren) up to age 13 and any other dependent claimed on your federal income tax return)
- A dependent care account may only be used when both you and your spouse (if applicable) are gainfully employed

Paper claims are not necessary when there is an electronic transaction; however, employees need to maintain all receipts to substantiate your claim. The IRS requires PayFlex to audit and/or verify certain transactions, which will be done through a written request to employees. You will only have to file a paper claim if a provider does not accept Debit MasterCard or if you do not have your card at the time of service. To learn more about the benefits of an FSA, visit payflex.com.