

What is a Flexible Spending Account (FSA)?

An FSA is an employer-sponsored plan that allows you to deduct dollars from your paycheck and deposit them into a special account that's protected from taxes. FSA accounts are exempt from federal taxes, Social Security (FICA) taxes and, in most cases, state income taxes. The money in an FSA can be used for eligible health and/or dependent care expenses that are incurred while you are participating in the plan.

Why should I enroll in an FSA?

With an FSA, your out-of-pocket health and/or dependent care expenses are paid with tax-free dollars. You can save an average of 30 percent on all of your eligible expenses!

To calculate your potential savings, go to www.enrollwithtag.com

What is a Health Care FSA?

A Health Care FSA is an account that provides you, your spouse and your eligible dependents with pretax reimbursement for qualified health care expenses that are not covered by insurance.

What is a Dependent Care FSA?

A Dependent Care FSA is an account that provides pretax reimbursement for your eligible dependents' day care needs. Under certain circumstances, the account may be used to help pay for the care of elderly dependents or a disabled spouse or dependent.

Am I eligible to participate in a Dependent Care FSA?

You are eligible for this benefit if you have a dependent (whose expenses are eligible) who requires care to enable you to work. In addition, you must meet one of the following eligibility criteria:

- You are unmarried.
- Your spouse works, is a full-time student, is actively seeking work, or is disabled (incapable of self-care).
- You are divorced or legally separated and have custody of your child even though your former spouse may claim the child for income tax purposes.

Your Dependent Care FSA can be used to pay for child care services provided the period the child resides with you. For a complete list of whose expenses are eligible for reimbursement through a Dependent Care FSA, please go to www.enrollwithtag.com

What expenses are eligible for reimbursement?

Health Care FSA

Health care plan deductibles, co-payments, prescription glasses, orthodontia, and certain over-the-counter medicines and supplies are eligible if incurred while you are a participant in the Plan. For a comprehensive list, please go to www.enrollwithtag.com

Important Notes:

- Expenses are treated as having been incurred at the time the medical care was provided, not when you are formally billed, charged, or pay for the medical expenses.
- You cannot receive reimbursement for future or projected expenses.
- All submitted expenses are reviewed for eligibility according to Internal Revenue Code Section 125 guidelines.

Dependent Care FSA

Eligible dependent care expenses may include services inside or outside your home by anyone other than your spouse or a person you list as a dependent for income tax purposes or one of your children under the age of 19. Services may be provided at a child or adult care center, nursery, preschool, after-school, or summer day camp.

Important Notes:

- Dependent care for a child over 13, overnight camp, baby-sitting that is not work related, schooling in kindergarten and higher grades, and long-term care services are not eligible expenses.
- All submitted expenses are reviewed for eligibility according to Internal Revenue Code Sections 125 and 129 guidelines.

How do I get started? It's easy as 1-2-3

1. Review and estimate your expenses to help determine the amount you should elect. Reviewing your checkbook, credit card statements, and insurance statements from the past year and calculating your health and/or dependent care costs is a good way to start. Enclosed is a worksheet to help you with your election decisions. You can also use TAG's online calculator by going to the following Web site: www.enrollwithtag.com
2. Complete the appropriate enrollment form and sign up for the FSA account(s) along with your other benefits during your employer's open enrollment period.
3. Once enrolled, you will receive confirmation of the amount you elected for each account (if applicable) and additional information on how to use and manage your new FSA benefits.

How do I get the funds from my FSA account?

It's simple! Just complete, sign and submit an FSA claim form and include a copy of a receipt documenting the type, amount and date the expense(s) was incurred. Once approved, you will receive reimbursement according to your employer's scheduled reimbursement dates.

What happens if I do not use all of the money in my account by the end of the plan year?

Federal law governing flexible spending accounts specifies that any money remaining in your account at the end of the plan year will be forfeited. This is more commonly known as the "use-it-or-lose-it" rule. However, your plan may have a "grace period" or "rollover" feature that allows additional time to use money from your FSA. See your SPD for plan details.

Can I change my election amount during the plan year?

Your decision to participate in an FSA is binding for the entire plan year, and you may change your election only as permitted by IRS regulations. Generally, to make an FSA election change, you must experience a significant life event such as marriage, divorce, birth, or death in your immediate family. For a

Dependent Care FSA only, you may also make election changes that simply correspond with changes in your cost of the care. Your employer can provide you with information about these events, which FSA election changes you might be able to make as a result, and the procedures for reporting the event.

You may not reduce your election amount to an amount less than either your then-current FSA balance or your year-to-date FSA contributions. A change to your FSA election constitutes the end of your prior election and the beginning of a new election period. Expenses incurred during the period prior to the election change are subject to the initial election amount; expenses incurred during the period after the election change are subject to the new election amount.

What happens to my FSA if I terminate employment?

Participation in the FSA ends if you terminate employment. This means only expenses incurred prior to the date your participation in the plan ends are eligible for reimbursement. Claims for expenses incurred prior to the plan termination date must be submitted within the "runout" period.

What is the "runout" period?

The run out is a specified period of time after the end of the plan year, or following your termination in the plan, in which you may continue to submit claims incurred during your period of coverage. This is not a period when you are able to continue to incur new expenses, but rather it allows you time to gather and submit expenses before forfeitures are applied.

For example: If your plan has a 90 day run out period, you will have 90 days from your date of termination to submit expenses incurred prior to the termination date.

For plan assistance please contact:

TAG Participant Support
Phone: (877)506-1660
Email: support@enrollwithtag.com

What are Transit and Parking Accounts?

The Transportation Equity Act for the 21st Century allows you to save taxes on your transit and parking expenses related to your daily commute to work. There is one account for each type of expense: a Transit Account and a Parking Account.

How do I Save Money?

Because your account deductions are pretax, you can save on the out-of-pocket commuting and parking expenses that you incur. Your money goes further because you never have to pay tax on the money set aside for these accounts.

What are the Maximum Contributions?

The IRS limits the amount of funds that you can contribute and be reimbursed with these accounts. Currently the 2024 limits are:

- Transit Account is \$315 per month
- Parking Account is \$315 per month

If you don't spend all the money you set aside, you may carry it forward to a future month for qualified expenses. Amounts remaining in accounts upon your termination are forfeited.

When do I get reimbursed?

The Advantage Group (TAG), our plan administrator, pays all claims according to a schedule established by the company. TAG processes all claims within one business day of receipt. Unless your claim is denied, you can expect to receive reimbursement on our next scheduled payout date.

In Transit and Parking Accounts, since claims are reimbursed based on what has been deducted from your paycheck and services fully rendered, there may be a delay in getting claims

reimbursed. You can minimize this by submitting claims in a timely manner.

How does money get into my account?

You choose the *monthly* amount you want to contribute to each account. Each pay period, your contributions to the account are deducted from your paycheck and applied to your account. You may change your election for future pay periods by contacting TAG.

What commuting expenses are eligible?

Transit expenses include mass transit costs, such as trains, subways and buses. Parking expenses include costs for parking at mass transit facilities, parking lots at (or near) your work or where you access your car/vanpool.

How do I get reimbursed?

1. Rapid Claim Process (Parking only)

Step 1 – Submit a reimbursement claim through TAG's website or via fax or mail.

Step 2 – Include Required Documentation

Step 3 – Receive reimbursement via direct deposit or mailed check.

Note: Expenses must be submitted within 180 days from date of purchase to be eligible for reimbursement.

2. Debit Card Purchases (Transit or Parking)

Use your takecare® debit card at eligible transportation agencies. The allowable cost of your purchase will be deducted directly from your commuter account.

More Information:

The Advantage Group Website

- www.enrollwithtag.com
- Online Claim Entry
- Account Information