



Your money can go further

A flexible spending account (FSA) gives you tax-advantaged money up front for your health care needs

An FSA has flexible in its name for a reason. It helps you maximize your budget, giving you the ability to use pretax dollars to pay for eligible expenses for you and your family.

Check out these highlights:



Access your dollars on day one

Your FSA funds are available as soon as your plan year begins, even before you contribute.



Spend tax-advantaged money

The dollars you put into your account are pretax, so every time you use those dollars to pay for eligible expenses, you save money.

Save on out-of-pocket costs head to toe

Eligible expenses include deductibles, copays, dental, vision, prescriptions and your family's medical care – regardless of their health care coverage. Here are a few examples of eligible expenses:



Acupuncture



Over-the-counter treatments like pain relievers, bandages and orthopedic inserts



Childbirth classes



Chiropractic services



Physical therapy



Diabetic supplies



Psychotherapy



Fertility treatment



SPF 15+ sunscreen



For an easily searchable list of eligible medical expenses, visit optum.com/QualifiedExpenses.



Use it or you (might) lose it

FSAs can differ by employer. FSAs generally do not allow you to use your funds after a specified date. Your employer may offer grace periods that extend the time you may use your account, and some offer rollovers of unused funds. Check your plan documents to see what your FSA allows.



How is an FSA different from an HSA?

Unlike with an HSA, leftover dollars in an FSA typically don't roll over to the next plan year and you'll likely have a deadline to spend your dollars. An FSA also doesn't allow you to invest your contributions. Both an FSA and HSA allow you to use your Optum Payment Card to pay for eligible expenses. Check your plan documents to see what your FSA allows.

See how the Frazier family benefits from an FSA



The Fraziers have a full house with a growing family. Here's how much they can save per year with an FSA that covers their children:

Annual pay	Yearly contribution	Taxable income	Total annual tax savings
\$70,000	-\$2,000	\$68,000	\$593*

How can you save?

Your taxable income is reduced by the amounts you deposit into your FSA account, up to IRS limits.

Check your employer plan documents to see what your FSA allows.

*Assuming 22% federal income tax and 7.65% FICA. Results and amount will vary depending on your particular circumstances.



Ready to enroll?

Enrolling in an FSA is quick and easy because it's built into your employer's benefit options. Review your materials today so you don't miss your chance to sign up.



Scan the QR code, or go to optum.com/FSAIntro, to see how you can save.

Investments are not FDIC insured, are not bank issued or guaranteed by Optum Financial or its subsidiaries, including Optum Bank, and are subject to risk including fluctuations in value and the possible loss of the principal amount invested.



Health savings accounts (HSAs) are individual accounts largely held at Optum Bank®, Member FDIC, and administered by Optum Financial, Inc. or ConnectYourCare, LLC, an IRS-Designated Non-Bank Custodian of HSAs, a subsidiary of Optum Financial, Inc. Neither Optum Financial, Inc. nor ConnectYourCare, LLC is a bank or an FDIC insured institution. HSAs are subject to eligibility requirements and restrictions on deposits and withdrawals to avoid IRS penalties. State and/or local taxes may still apply. Fees may reduce earnings on account. Refer to your HSA account agreement for details.

Flexible spending accounts (FSAs), dependent care assistance programs (DCAPs), health reimbursement arrangements (HRAs), Commuter and Parking Benefits, Tuition Assistance Plans, Adoption Assistance Plans, Surrogacy Assistance Plans, Wellness Benefits, and Lifestyle Accounts (collectively, "Employer-Sponsored Plans") are administered on behalf of your plan sponsor by Optum Financial, Inc. or ConnectYourCare, LLC, and are subject to eligibility and restrictions. Employer-Sponsored Plans are not individually owned and amounts available under the Employer-Sponsored Plan are not FDIC insured.

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Get smart saving for your health and family's care

by using your flexible spending account (FSA)



An FSA helps you save and pay for eligible health care expenses. Here's how it works.

Save up to 30%* on health care

When you contribute to an FSA, you set aside money before it's taxed, meaning you save up to 30% by using pretax funds to pay for everyday health care.

Access your funds immediately

The money you choose to put into your FSA is available to you on the first day of your plan year. You don't have to wait until your FSA balance grows to pay for eligible expenses.

The use-it-or-lose-it rule

Some FSAs have a use-it-or-lose-it rule, while some accounts allow you to carry over a limited dollar amount from one plan year to the next. Check with your benefits team or employer to understand your plan type.

Paying for expenses is easy

Use your FSA card at your doctor appointment or at checkout, and you'll almost always save time by not having to submit receipts or paper claims forms. Not all purchases are automatically verified, though, so we do recommend that you keep all of your receipts – just in case you're asked for them later.

You may be able to use your FSA to pay for:



Dental treatments



Eyeglasses and contact lenses



Diagnostic tests and devices



Hearing aids and batteries



Doctor visits



Certain over-the-counter drugs and medications



Eye exams



Prescriptions

What can I buy? From bandages and braces to chiropractic care and contacts, FSAs cover lots of everyday health care items and services.

See all you can buy at optum.com/qualifiedexpenses.

*Savings compared using pretax income in your FSA to using after-tax income for purchases and assumes up to a 30% combined tax rate from all applicable federal, state and FICA taxes. Results and amount will vary depending on your circumstances.



Access your account anywhere, anytime

Sign in to your account online or use our mobile app to:

- Check your balance
- View your claims
- Monitor payments
- Receive messages
- Submit receipts



How much can I save on my purchases?

Each time you make a qualified purchase, it's like **saving up to 30%*** – since you're using pretax dollars in your FSA.

Pay for qualified expenses

Paying with your FSA card is the smart, easy choice. You can also pay for [eligible health care expenses](#) with a personal credit card or check. Just submit a claims request online or on the mobile app, along with the right documents, and receive your reimbursement directly in your bank account.

Save your receipts

A receipt may be required when we are not able to validate that your purchase was for an eligible medical expense. We suggest you keep all of your receipts or save them in your mobile app. All receipts should include the date and description of the service, provider's name and amount paid.

Change your contributions

In special situations – if you get married or divorced or if you have a baby – you may be able to adjust the amount you contribute to your FSA. If you have a qualifying change in status, your benefits representative can help you adjust your contributions. For specific details, check your employer's plan documents.



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FSA mythbusters: myth or fact?

A flexible spending account (FSA) offers you a simple way to save on eligible medical, dental, vision and other expenses. But there are some myths out there. Check out what's fact and what's fiction below.



Myths

"The tax savings are too small to make a difference."

Myth

The potential savings are not small at all. For instance, if you contribute \$2,400 to your FSA and pay a combined tax rate of 30%, you could see \$720 in tax savings.*

"I'll lose my FSA funds if I don't use them by the end of my plan year."

Myth

Many companies offer grace periods that extend the time you may use your account, and some offer rollovers of unused funds. Check your plan documents to see what your FSA allows.

"I can't make changes to my FSA during the year."*

Myth

If you have a qualifying life event during the year, like getting married or having a baby, you can make changes to your FSA to fit your new life.

"I'm healthy, so I don't need an FSA."*

Myth

FSAs aren't just for people who need to see their doctor a lot. You can also use it if you visit a dentist, buy glasses or contacts, or buy medications. Even sunscreen and feminine care products are considered eligible expenses.



Facts

"It's easy to submit documentation."

Fact

In many cases, Optum Financial works to automatically verify that your FSA payment is for an eligible expense. When documentation is required, it only takes seconds to upload. Using your Optum Payment Card is the easiest way to pay for eligible expenses because most of the time you won't have to submit additional documentation.

“An FSA can fit within my budget.”

Fact

An FSA can help you stretch your budget, since your contributions are deducted pretax. For example, if you contribute \$200 per month, your paycheck that month is only reduced by about \$140 (assuming a 30% tax rate).^{*} That extra \$60 is yours to spend on eligible expenses.

“I can use a dependent care FSA even though my child is in school.”

Fact

You can use a dependent care FSA for much more than childcare. Consider summer camp, a holiday camp over winter break or after-school care for children up to age 13.

“I can have both a health savings account (HSA) and an FSA.”

Fact

Your employer may offer a limited purpose FSA. This type of FSA is for dental and vision expenses only and is usually paired with an HSA. Talk with your HR professional to see if your company offers this benefit.



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Common questions about FSAs



A flexible spending account (FSA) from Optum Financial offers you tax savings, as well as a simple way to pay for eligible medical, dental, vision and, in some cases, child and elder care expenses. Here are the answers for questions you may have about FSAs.

Q: What is an FSA?

A: An FSA is a tax-advantaged program offered by employers that allows their employees to pay for eligible out-of-pocket health care and dependent care expenses with pre-tax dollars. FSAs are exempt from federal taxes, Social Security (FICA) taxes and, in most cases, state income taxes. The most common types of flexible spending accounts are:



Health care flexible spending account (FSA): an account that provides pretax reimbursement for eligible out-of-pocket medical expenses not covered by insurance



Limited purpose flexible spending account (LPFSA): an account that provides pretax reimbursement of eligible out-of-pocket expenses related to preventive care and dental and vision expenses not covered by insurance



Dependent care flexible spending account (DCFSA): an account that provides pretax reimbursement of dependent care expenses (e.g., day care) incurred by eligible tax dependents

Q: What are the general features and tax benefits of an FSA?

A: Your contributions are pretax or tax-deductible.¹

- Tax-free withdrawals are made to pay for eligible out-of-pocket expenses related to health care and dependent care.
- FSA dollars can be used during the plan year, but generally they do not carry over from year to year.

Q: Why should I enroll in an FSA?

A: With an FSA, your out-of-pocket health or dependent care expenses are paid with tax-free dollars. You could save an average of 30%² on all of your eligible expenses.

Q: Whose expenses can I claim under my FSA?

A: You can use your FSA to pay for eligible expenses incurred by you, your spouse and any eligible children or relatives.

Q: What are eligible FSA medical expenses?

A: There are hundreds of eligible expenses, from bandages to flu shots. See [optum.com/qualifiedexpenses](https://www.optum.com/qualifiedexpenses) for an interactive list.

Q: Can I change my FSA election midyear?

A: Certain events may allow employees to increase or decrease their election or begin or cease participation in a plan. Common qualifying events include marriage, divorce, birth, death or a change in the cost of dependent care.

The adjustment to the election must be consistent with the event. For example, an increase in the cost of day care would not allow you to decrease your election.

Please refer to your employer's plan document for further guidance on qualifying status change events applicable to your plan.

Q: Am I eligible to participate in a DCFSA?

A: You are eligible for this benefit if your employer offers the plan and 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.
- 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 DCFSA can be used to pay for eligible child care services provided during the period the child resides with you.

Important notes:

- Expenses are treated as having been incurred at the time the medical care was provided, not when you are formally billed or charged, or when you 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.

Q: What if I have recurring dependent care claims?

A: The easiest way to get reimbursed is to complete our eCertify process. You submit the first claim manually to establish and substantiate both the expense and the provider in our system. Recurring payments in the same amount at the same provider will then be automatically substantiated with no additional documentation required.

Q: If I don't use my FSA payment card for a medical expense, how can I reimburse myself?

A: You may file claims for reimbursement in 2 ways:

1. First, sign in to your account. Click on the Reimburse Myself button on your home page and walk through the steps to enter the details of the claim and submit supporting documentation.
2. You may also choose the Pay Provider button to send payment directly to your doctor's office or other provider.

Q: Where can I use my FSA payment card?

A: Your FSA payment card can be used at health care-related merchants, such as hospitals and vision, dental and doctor's offices. It can also be used at drugstores, pharmacies and grocery stores that have implemented the Inventory Information Approval System or certified 90% of their gross sales are FSA eligible.

As always, save itemized receipts, bills or statements any time the payment card is used. The payment card may also be used at day care providers that accept the payment card and have a valid merchant category code signifying they are a day care provider.

Your card may be eligible to add to your phone's digital wallet. Plan options may vary.

Q: Why may I be asked to provide documentation for an Optum Payment Card purchase? Wasn't my payment already approved?

A: We try to approve your card purchases automatically, using information provided by the merchant or matching health plan copayment information provided by your employer. At times, we may not be able to automatically approve the card purchase, and will request that you submit additional documentation.

Q: What types of documentation are acceptable for reimbursement or substantiation?

A: Documentation for FSA expenses required by the IRS includes a third-party receipt or Explanation of Benefits (EOB) containing the following information:

- Date(s) of service or purchase made
- Type(s) of service or name(s) of item(s) purchased
- Dollar amount(s) (after insurance, if applicable)
- Name of provider
- Name of patient

For example: An EOB from your insurance company or itemized statements from the provider is excellent documentation.

Visit our [Claims Resource Center](#) for more information.

Q: What happens to my FSA if I terminate employment?

A: 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 run-out period.

Q: How do I determine the date my expense(s) were incurred?

A: A service or expense must be incurred before it is eligible for reimbursement. An FSA expense is considered incurred when the service is performed, not when you pay for the service. In addition, the service must be performed during your participation in the plan. Services or expenses incurred before or after your plan participation dates do not qualify for reimbursement.

Q: What is the run-out period?

A: 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, 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. Plan options may vary, so please refer to your employer's plan document.

Q: What happens if I don't use all of the money in my account by the end of the plan year?

A: Any money remaining in your account at the end of the plan year will be forfeited, according to federal law. It's referred to as a use-it-or-lose-it. However, employers may allow a grace period or rollover of unused funds, so check your employer plan documents.



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