



## FLEXIBLE SPENDING ACCOUNTS (FSAs):

A simple way to save.

See back page for additional information on your plan.

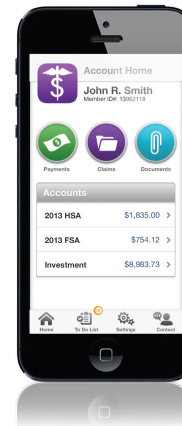
# Welcome!

Your flexible spending account (FSA) has successfully been opened at HealthEquity. Your FSA can be used to help pay for qualified medical expenses, as outlined on the back of this letter. FSAs help you save in these ways:

- Your entire elected amount for the year is available to use at the beginning of the plan year
- FSA funds deducted from payroll are pretax
- Funds used for qualified medical expenses are not taxed as income

## GET STARTED

Managing your account is easy! We provide the tools and resources needed to help you maximize your health savings. Log in to your account to check your balance, submit eligible claims and upload receipts or documentation:



## HEATHEQUITY MOBILE APP

Manage your account  
on-the-go with  
HealthEquity's free  
mobile app

Available at:  
iTunes App Store  
Google Play

# Expert friends

Helpful support for you,  
available every hour of every day

Our team of specialists based in Salt Lake City are available 24 hours a day, providing you with the insight and tools you need to optimize your health accounts. Call us anytime:



# FSA details

## HOW IT WORKS:

- 1 VISIT MEDICAL/DENTAL/VISION/RX PROVIDER**  
Visit your provider and present your insurance ID card.
- 2 PROVIDER BILLS FOR SERVICES**  
Your provider will send claims to your insurance company for processing or may bill you directly.
- 3 PAY YOUR PROVIDER**  
HealthEquity provides two convenient methods to pay a provider:
  - Use your HealthEquity® Visa® Reimbursement Account Card\*. If you don't have your card already, it will arrive in a separate mailing.
  - Pay online using the HealthEquity member portal or mobile app.
- 4 QUALIFY YOUR EXPENSE**  
In some instances, you may be asked to provide an itemized receipt or explanation of benefits (EOB) to verify that an expense is eligible.

Your FSA
Account name:
Election amount:
End date to incur expenses:
End date to submit expenses:
Rollover:
Eligible expenses:

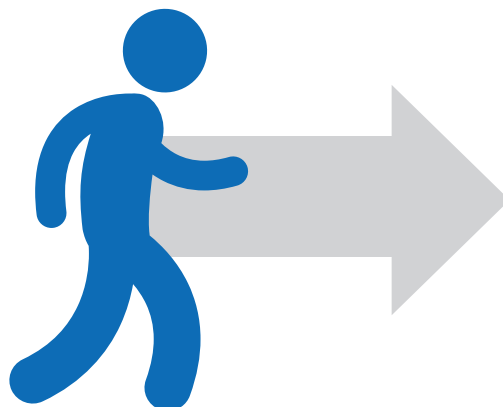
Please refer to your plan documents for complete details.

\*HealthEquity Visa® Reimbursement Account Card is issued by the Bancorp Bank pursuant to a license from Visa U.S.A. Inc. The Bancorp Bank; Member FDIC.

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**HealthEquity®**  
Building Health Savings™

.....  
[www.HealthEquity.com](http://www.HealthEquity.com)



*Let's go!*

END\_20140811

# FLEXIBLE SPENDING ACCOUNTS (FSAs): A SIMPLE way to SAVE



## EMPOWERING YOU TO BUILD HEALTH SAVINGS

### A simple way to save

Take advantage of significant tax savings by participating in a flexible spending account (FSA). You can elect to have a portion of your paycheck contributed pre-tax to pay for qualified medical expenses such as deductibles, co-payments, dental and vision. A dependent care FSA (DCRA) may also be offered for similar tax savings on qualified dependent care expenses.

### Healthcare FSA

Funds from a healthcare FSA can be used for qualified expenses including medical, dental, vision, deductibles, co-payments and coinsurance. For a full list of qualified expenses allowed by the IRS, see IRS Publication 502.<sup>1</sup> With healthcare FSAs, the entire elected amount is available to you on the first day of the health plan year. You don't have to wait for your payroll contributions to accumulate before paying expenses with your FSA.

### Use it or lose it

FSAs are generally use it or lose it plans. This means that amounts in the FSA at the end of the plan year generally cannot be carried over to the next year. However, the plan can provide for either a grace period or a carryover. Additionally, if an accountholder leaves an employer or retires, unused funds are forfeited. For more details, see IRS publication 969 or consult a tax advisor.

### Limited carryover

Some plans may allow up to \$500 of unused FSA funds remaining at the end of a plan year to be carried over to the next year. Ask your benefits team for details about your plan's FSA carryover and/or grace period policy.



**HealthEquity®**

15 West Scenic Pointe Drive  
Draper, UT 84020 | [www.HealthEquity.com](http://www.HealthEquity.com)

<sup>1</sup> Insurance and prepaid long term care are not eligible for reimbursement of FSA. It's the member's responsibility to ensure that the expenses are eligible under the employer's plan. One should consult a tax advisor as individual factors and situations vary.

# HOW FSAs WORK

## FSA Eligibility

Typically anyone whose employer offers an FSA can participate, including employees not covered under the employer's health plan. Your employer may exclude certain types of employees, such as part-time, seasonal or temporary. Ask your employer benefits team to verify eligibility.

## 1. Sign up

During your employer's open enrollment at the beginning of each plan year, sign up to participate in an FSA. Select the option that best meets your needs and then determine the amount you would like to contribute from your pre-tax earnings.

## 2. Contribute

Your employer will arrange to have the determined amount of your pre-tax earnings contributed to your FSA. Typically the amount withheld from your paycheck is equal each pay period.

## 3. Use your funds

When you incur a qualified expense, you can either pay with the HealthEquity Visa® Reimbursement Account Card<sup>1</sup> provided by some plans or submit the expenses through the HealthEquity online tool for reimbursement. Remember to save all receipts; you'll need them for reimbursements and to validate your expenses with your employer or administrator.

Learn more at:  
**[HealthEquity.com/FSAlearn](https://HealthEquity.com/FSAlearn)**

<sup>1</sup> This card is issued by The Bancorp Bank, pursuant to a license from U.S.A. Inc. Your card can be used everywhere Visa debit cards are accepted for qualified expenses. This card cannot be used at ATMs and you cannot get cash back, and cannot be used at gas stations, restaurants, or other establishments not health related. See Cardholder Agreement for complete usage restrictions.

Nothing in this communication is intended as legal, tax, financial or medical advice. Always consult a professional when making life changing decisions. In addition to restrictions imposed by law, your employer may limit what expenses are eligible for reimbursements. It's the member's responsibility to ensure that the expenses are eligible under the employer's plan.

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## Account mentors

Helpful support for our members  
is available every hour of every day

Our team of specialists based in Salt Lake City are available 24 hours a day, providing you with the tools and information you need to optimize your FSA. They can answer any questions you may have.

**866.346.5800**



# FSA's: A SIMPLE WAY TO SAVE

Flexible spending accounts (FSAs)



It's easy to save  
**WITH AN FSA**



HealthEquity®



# Why FSAs?

## A simple way to save

Take advantage of tax savings by participating in a flexible spending account (FSA). You can elect to have a portion of your paycheck contributed pre-tax to pay for qualified medical expenses such as deductibles, copayments, dental and vision. A dependent care FSA (DCRA) may also be offered for similar tax savings on qualified dependent care expenses.

## Significant savings

The example scenarios below provide estimated savings if an FSA is used (assuming a 20% combined federal and state tax rate).

<b>FSA ONLY</b>	<b>\$1000</b> out-of-pocket medical expenses	<b>\$500</b> out-of-pocket vision expenses	<b>\$500</b> out-of-pocket dental expenses	<b>\$400</b> tax savings
<b>FSA + DCRA</b>	<b>\$1000</b> out-of-pocket medical expenses	<b>\$1000</b> vision and dental expenses	<b>\$5000</b> child care expenses	<b>\$1400</b> tax savings
<b>DCRA ONLY</b>	<b>\$5000</b> child care expenses	<b>\$1000</b> tax savings		

(Examples only)

# FSA OPTIONS

You may be offered one or more types of FSAs, designed to maximize your savings and address your personal needs:

## Healthcare FSA

Funds from a healthcare FSA can be used for qualified expenses including medical, dental and vision. For information on qualified expenses visit [www.HealthEquity.com/QME](http://www.HealthEquity.com/QME).<sup>1</sup> With healthcare FSAs, the entire elected amount is available to you on the first day of the health plan year. You don't have to wait for payroll deductions before paying expenses with your FSA.

### Healthcare FSA limits

The IRS has set the limit for healthcare FSA contributions to \$2,650 per person (see publication 969). However, employers may decide to decrease this limit.

## Dependent care FSA or DCRA

A dependent care FSA enables you to set aside pre-tax dollars to pay for qualified dependent care expenses. Funds can be used to pay for day care, preschool, elderly care or other dependent care. To qualify for a DCRA, the IRS requires that the dependent care is necessary for you and your spouse to work, look for work or attend school full-time, along with other requirements.

## Limited-purpose FSA (LPFSA)

Used in conjunction with a health savings account (HSA), an LPFSA allows you to contribute additional pre-tax dollars to use for dental and/or vision expenses. This allows you to maximize your pre-tax HSA contributions and contribute additional pre-tax dollars to an LPFSA.

<sup>1</sup> Premiums and prepayment for long term care are not eligible for FSA. Your employers may further limit the types of expenses that may be reimbursed.

It is the member's responsibility to ensure eligibility requirements as well as if they are eligible for the plan and expenses submitted. One should consult a tax advisor as individual factors and situations vary.

# HOW AN FSA WORKS

## 1 Sign up

During eligible enrollment periods, sign up to participate in an FSA. Select the option that best meets your needs and then determine the amount you would like to contribute from your pre-tax earnings. Get help estimating your expenses at [www.HealthEquity.com/FSAworksheet](http://www.HealthEquity.com/FSAworksheet).

## 2 Contribute

Your employer will arrange to have the determined amount of your pre-tax earnings contributed to your FSA. Typically the amount withheld from your paycheck is equal each pay period.

## 3 Use your funds

When you incur a qualified expense, you can either pay with the HealthEquity Visa® Reimbursement Account Card<sup>1</sup> provided by some plans or submit the expenses through the HealthEquity online tool for reimbursement. Remember to save all receipts; you'll need them for reimbursements and to validate your expenses with your employer or administrator.

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## USE IT OR LOSE IT

FSAs are generally use it or lose it plans. This means that amounts in the FSA at the end of the plan year generally cannot be carried over to the next year. However, the plan can provide for either a grace period or a carryover. Additionally, if an accountholder leaves an employer or retires, unused funds are forfeited. For more details, see IRS publication 969 or consult a tax advisor.

## LIMITED CARRYOVER

Some plans may allow up to \$500 of unused FSA funds remaining at the end of a plan year to be carried over to the next year. Ask your benefits team for details about your plan's FSA carryover and/or grace period policy.



# FSA INSIGHT

## FSA eligibility

Typically anyone whose employer offers an FSA can participate, including employees not covered under the employer's health plan. Your employer may exclude certain types of employees, such as part-time, seasonal or temporary. Ask your employer benefits team to verify eligibility.

## Other qualified users

In addition to your own qualified expenses, you can use your FSA funds to pay for those of your spouse and tax dependents.<sup>1</sup> You can also cover the expenses of your children who are under the age of 27 at the end of the tax year.

## Dental expenses

FSA funds don't have to be used just for medical expenses. You can use them for qualifying dental expenses, including exams, x-rays, cleanings and dental work. You can even use your FSA to pay for orthodontic services.

## Vision expenses

You can also use your FSA funds for vision expenses such as exams, prescription eyeglasses, contacts and even corrective eye surgery.

## Archive your receipts online

HealthEquity's easy-to-use online portal allows you to upload and store receipts. If your FSA is integrated with your health plan, you can even link your receipts to claims. Your receipts will remain stored in a safe, secure place, available for future reference and documentation.



<sup>1</sup> As of June 26, 2015, the Supreme Court of the US has ruled that same-sex marriage is considered legal throughout the US.

# QUALIFIED EXPENSES

- Acupuncture
- Alcoholism (rehab, transportation for medically advised attendance at AA)
- Ambulance
- Amounts not covered under another health plan
- Annual physical examination
- Artificial limbs/teeth
- Birth control pills/prescription contraceptives
- Body scans
- Breast reconstruction surgery following mastectomy for cancer
- Chiropractor
- Contact lenses
- Crutches
- Dental treatments
- Prescription eyeglasses/eye surgery
- Hearing aids
- Long-term care expenses
- Medicines (prescribed, not imported from other countries)
- Nursing home medical care
- Nursing services
- Optometrist
- Orthodontia
- Oxygen
- Stop-smoking programs
- Surgery, other than unnecessary cosmetic surgery
- Telephone equipment and repair for hearing-impaired
- Therapy
- Transplants
- Weight-loss program (if prescribed by a physician for a specific disease)
- Wheelchairs
- Wigs (if prescribed)

Visit: [HealthEquity.com/QME](https://HealthEquity.com/QME)

# NON-QUALIFIED EXPENSES

- Concierge services
- Dancing lessons
- Diaper service
- Elective cosmetic surgery
- Electrolysis or hair removal
- Funeral expenses
- Future medical care
- Hair transplants
- Health club dues
- Insurance premiums other than those explicitly included
- International medicines
- Nutritional supplements, unless recommended by a medical practitioner as treatment for a specific medical condition diagnosed by a physician
- Teeth whitening

## Over-the-counter medicine (OTC)

The IRS no longer allows FSA funds to be used for OTC medicines without a prescription. Consider obtaining a prescription for OTC medicines or supplies that you frequently use. You can use your FSA to pay for these items.





# Account mentors

HealthEquity team member  
Salt Lake City, Utah

**Helpful support for our members  
is available every hour of every day**

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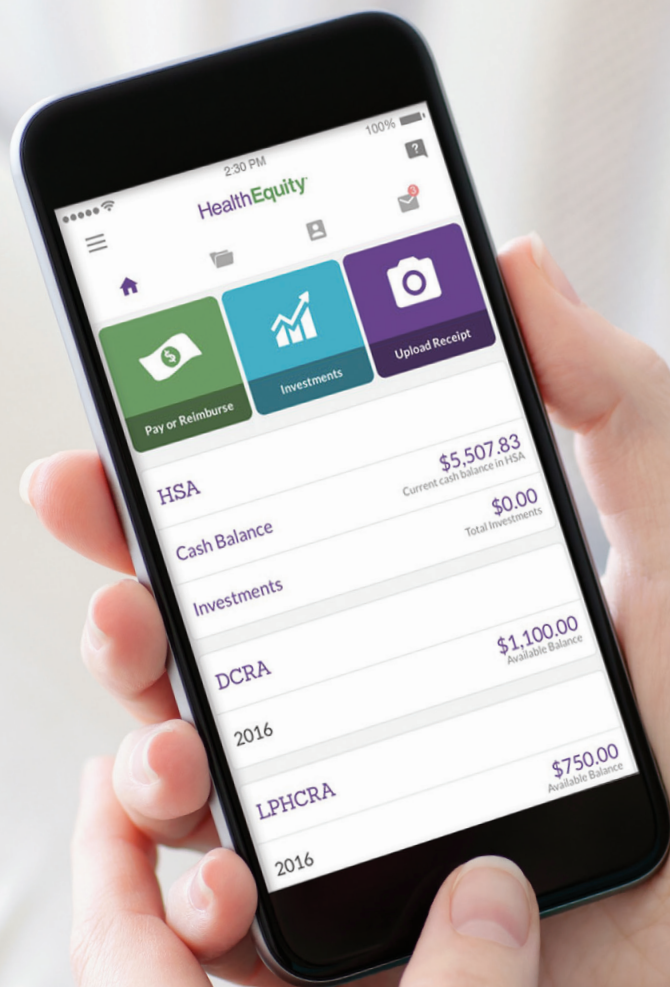
**866.346.5800**

# EASY ACCESS to your ACCOUNT WHEREVER you are.



HealthEquity mobile app<sup>1</sup>  
available for FREE at:

- Apple® App Store®
- Google Play™



## HealthEquity®

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Nothing in this communication is intended as legal, tax, financial or medical advice. Always consult a professional when making life changing decisions. In addition to restrictions imposed by law, your employer may limit what expenses are eligible for reimbursements. It is the member's responsibility to ensure that the products and services are eligible for reimbursements under the employer's plan.