

Medical FSA and Dependent Care FSA

Contribution limits & IRS regulations

The IRS sets the maximum dollar amount you can elect and contribute to a medical flexible spending account (medical FSA) and dependent care FSA. The FSA annual contribution limit is:

Medical FSA - \$3,200

Dependent Care FSA - \$5,000 per family or \$2,500 if filing separately



Medical FSA

Once you elect, all of your medical FSA dollars are available for you to use the very first day of the plan year. For example, if you elect to contribute \$1,200 to your medical FSA, your contributions will be deducted evenly across all of your paychecks for the year, but you have access to all \$1,200 on Day 1! You can use your funds for expenses incurred by you, your spouse or eligible dependents.



Dependent care FSA

The dependent care FSA allows you to use the funds in your account as you contribute to the dependent care FSA from your paycheck. After each payroll contribution has been made, those funds are applied to your account and available for reimbursement. This is different from a medical FSA because you cannot use all of the funds Day 1.



Use-or-lose

Don't forget to spend your FSA dollars. If you have not used all of your FSA dollars before the end of the plan year, you will forfeit any money left in your account. (Check with your employer to confirm how many days you have to submit claims for reimbursement after the plan year ends.)

Changing your FSA election

During open enrollment, you can elect an FSA and determine how much you want to contribute. In order to make changes after open enrollment, you need to experience a qualifying life event.

Qualifying life events for any FSA:

- Change in marital status
- Change in the number of dependents
- Increase due to birth, adoption or marriage
- Decrease due to death, divorce or loss of eligibility
- Gain or loss of eligibility due to a change in participant, spouse or dependent employment status

Additional dependent care FSA qualifying life events include:

Change in daycare providers

- Child turning age 13
- Increase or decrease in the cost of qualifying day care expenses
- Judgement, decree or order requiring a change in coverage

If you experience a qualifying life event, contact your employer to make changes to your election.



**DC FSA
(Video)**



**What is FSA
(Video)**

Medical FSA

Why should I choose a medical flexible spending account?

A medical FSA is a benefit that allows you to choose how much of your paycheck you'd like to set aside, before taxes are taken out, for healthcare expenses. This saves you money by reducing your taxable income.



Funds on Day 1

Schedule that surgery, buy those eyeglasses or finally get those braces. All of your FSA funds are available to spend right away. Use your benefits debit card at the point of purchase.



Discount

Think of it like a discount on healthcare expenses at stores such as Amazon, Target, CVS, Walmart, Walgreens and more. Dollars you contribute are taken out of your paycheck before tax which means a \$100 purchase would actually cost you over \$130 without a medical FSA.*



Plan ahead

Think about the money you spent on healthcare expenses last year. Plan ahead and set those funds aside in a medical FSA and save 30%.*

*Based on a 30% tax bracket.

What does it cover?

There are thousands of eligible items, including:

- Copays and coinsurance
- Doctor visits and surgeries
- Over-the-counter medications (first aid, allergy, asthma, cold/flu, heartburn, etc.)
- Prescription drugs
- Birthing and lamaze classes
- Dental and orthodontia
- Frames, contacts, prescription sunglasses, etc.

View our interactive eligible expense list at

www.wexinc.com/insights/benefits-toolkit/eligible-expenses/

Can I enroll?

Yes, as long as you or your spouse aren't actively enrolled and contributing to a health savings account (HSA).



Fast fact

Don't know how much to elect? Determine how much you spent on healthcare expenses last year and estimate the amount you'll spend this year using our eligible expense list. Any funds you contribute to the medical FSA must be spent by the end of the plan year.

> Dependent Care FSA

Why should I choose a dependent care FSA?

A dependent care FSA allows you to put aside a portion of your paycheck before taxes for eligible dependent care expenses each year.



Save money

The dependent care FSA lets you pay for eligible dependent care expenses while you reap the benefits of additional tax savings. You're spending the money either way. This way, eligible childcare and other dependent care costs are a little less.



Save strategically

Submit all of your dependent care expenses at the end of the plan year for one lump sum reimbursement to give yourself a hard-earned "bonus".

Fast Fact

For recurring costs, submit our Recurring Dependent Care Form. It makes claim filing simple because you only need to submit one form once in order to get reimbursed each pay period. You can find the form on the back of this handout.

What does it cover?

The list includes, but is not limited to, eligible:

- Childcare center, babysitter, nanny (birth through age 12)
- Summer day camp
- Before- or after-school care
- Disabled dependent and/or spouse care
- Elder care



DCA Open Enrollment (video)

View our interactive eligible expense list at www.wexinc.com/insights/benefits-toolkit/eligible-expenses/

Can I enroll?

You are eligible if you and/or your spouse (if applicable) are gainfully employed, looking for work, or are attending school on a full-time basis.



Recurring Dependent Care Request Form

This form is to be completed each plan year and as changes occur when you want to receive recurring reimbursement of dependent care expenses. Documentation must be retained for your records and provided to WEX when requested to do so (if a receipt is unavailable, a signature from the provider is sufficient). If any information on this request form changes during the plan year, you must submit an updated Recurring Dependent Care Request Form.

* = Required Fields

Step 1: Participant information

*Participant Name (First, MI, Last)

*Social Security Number

*Employer Name (Do not abbreviate)

Employee ID

Updates or changes to your information can be made by logging into your account at www.wexinc.com.

Step 2: Recurring dependent care FSA information

*Please select only one:

Start Recurring Dependent Care FSA: Please start my recurring reimbursement with the information provided in Step 3.

Change Recurring Dependent Care FSA Information: Please update my recurring reimbursement with the information provided in Step 3 as of the Effective Date listed on the right.

Effective Date (mm/dd/yyyy)

Stop Recurring Dependent Care FSA: Please stop my recurring reimbursement for the information provided in Step 3 as of the Effective Date listed on the right.

Effective Date (mm/dd/yyyy)

Step 3: Dependent care provider information and signature (to be completed by the provider)

I certify the information provided below is accurate. I understand the purpose of my signature on this form is to substantiate the name of the dependent care provider, the dates of service care is being provided and the dollar amount of the services. I agree to provide the necessary receipts for documenting the participant's incurred dependent care expenses.

*Dependent(s) Name	*Start Date of Service Must be within current plan year (mm/dd/yyyy)	*End Date of Service Must be within current plan year (mm/dd/yyyy)	*Provider's Signature	*Cost Per Week	*Total Cost

Step 4: Participant certification

To the best of my knowledge, the provided information is complete and accurate. By submitting this, I acknowledge my child is under the age of 13, the services are eligible dependent care expenses as defined by the IRS, that I have not been previously reimbursed for these expenses and that I will not seek reimbursement from any other source. I understand that WEX, including its agents and employees, will not be held liable if I submit ineligible expenses for reimbursement. I have obtained or made reasonable efforts to obtain the provider's Tax ID (TIN) and I will include the TIN on IRS Form 2441, which I must attach to my federal income tax return. If there are any changes in the provided information, I understand it is my responsibility to notify WEX. I understand that WEX may require me to submit any additional documentation, receipts and an updated request form at any time. I should retain a copy of all submitted documentation in the event of an IRS audit. I confirm my payroll deductions are less than my daycare costs per week so recurring reimbursements will occur when payroll deductions post to my Dependent Care FSA. By submitting this form I certify the above.



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Substantiation

FAQ

Submit claims with success!



It can be difficult to remember when documentation is required for a claim and which types of documentation you can submit. To help you out, we've compiled the answers to a few of the most commonly asked questions related to claim substantiation:

Why do I have to substantiate claims?

The IRS requires participants to provide documentation to make sure the expenses are eligible for pre-tax benefits plans.

How will I know if I need to substantiate a claim?

If WEX doesn't receive enough detail from the merchant or provider when you use your benefits debit card, you'll receive a request for an itemized receipt or Explanation of Benefits. If you pay out of pocket for a product or service, you will automatically submit your itemized receipt or Explanation of Benefits (EOB) when you file the claim. You may be asked for additional documentation if your initial submission does not suffice.

What type of detail needs to be included in my documentation?

The IRS requires that participants provide:

- Date service was received or purchase made
- Description of service or item purchased
- Dollar amount (after insurance, if applicable)
- Name of merchant/provider

An Explanation of Benefits (EOB) from your insurance carrier typically has all the required information.

If I used my card at a hospital or dental office, shouldn't my claim be automatically approved?

Not all expenses from a hospital or dental office are eligible under your plan. For example, some hospital gift stores sell flowers that could still be coded as "hospital" expenses, and some dental offices provide elective services like teeth whitening that could still be coded as "dental" expenses. Unfortunately, these are not eligible. By obtaining supporting documentation, we're able to verify the eligibility of the expense to maintain compliance with IRS regulations.

How do I submit documentation?

The easiest ways to upload documentation are by logging in to your account or by using the free WEX benefits mobile app.