

Flexible Spending Accounts

Flexible Spending Accounts allow you to save taxes on the money you spend for eligible medical/dental/vision and/or dependent care expenses. You may set aside money through payroll deductions during the calendar year to pay for predictable expenses, and amounts are deducted from your gross pay *before* federal, state and Social Security taxes are withheld. Because you pay no taxes on your FSA deposits, you effectively increase your spendable income over the year.

PLAN HIGHLIGHTS

- Two accounts are available: a Health Care Account and a Dependent Care Account. During Open Enrollment each fall, you decide the total amount you want deposited into either or both of the FSA accounts for the next calendar year, and that amount is deducted from your paychecks throughout the year.
- Once you choose your FSA deposit amount, **you may not change or stop your deductions during the year** unless your family status changes (due to marriage or birth of a child, for example), and the action must be consistent with the status change.
- The *Health Care Account* is used to pay for eligible medical, dental and vision care expenses that are not covered by insurance plans. Some of the expenses eligible for reimbursement are: deductibles and copayments under medical, dental and vision insurance plans; orthodontic care; chiropractic care; eyeglasses and contact lenses. The IRS has indicated that expenses for solely cosmetic reasons or for the maintenance of general health are not eligible expenses for medical care. Such **non-covered expenses** include, but are not limited to, teeth bleaching, rogain, and vitamins (unless prescribed). Premiums you pay for medical, dental and vision coverage, whether for yourself, your spouse, or a dependent, are *not* eligible expenses. The 2024 maximum contribution is **\$3,200** per year and the minimum is \$100 per year.
- The *Dependent Care Account* is used to pay for certain dependent care expenses incurred because you (and your spouse, if married) are employed. Eligible expenses include charges for the care of dependent children age 12 and under or for elderly or disabled family members who are dependent on you for financial support. The maximum annual contribution is **\$5,000** and may be less under certain circumstances (e.g., the limit is \$2,500 if you are married filing separately).
- You submit claims and supporting documentation for eligible expenses incurred during a plan year for payment from the appropriate account. Claims are handled by **HealthEquity** (also known as **WageWorks**), the third-
be used to submit claims for reimbursement to you from both FSA accounts and can be submitted to **HealthEquity** via fax or mail.

“HealthEquity Debit Card” – You make an eligible purchase (e.g., pharmacy prescription) or pay an eligible provider (e.g., doctor’s office copayment) using the “debit card.” The card pays directly from your Health Care FSA account – no out-of-pocket expense or claim form. If a debit card transaction is subsequently questioned (i.e., the transaction cannot be electronically verified), you will be requested to provide additional information to verify that the purchase was an eligible expense, or to reimburse the FSA account. (Most dental and vision services, for example, will require substantiation because some services, such as te

“Pay the Provider” – At times, you may instruct *HealthEquity* to pay your provider directly from your FSA Account. This feature is particularly useful for Dependent Care expenses. (The amount paid must be in your account.) Instructions can be found in the “Quick Start Guide” that will be sent to you from *HealthEquity* after you enroll in the plan. The “Quick Start Guide” is also included on the BC Open Enrollment website.

- *“Carryover” Feature* – This provision will allow the carryover of a remaining balance (minimum \$25, maximum \$640 in 2024) from one year to the next in the Health Care Account. The carryover provision does not apply to the Dependent Care FSA. Unused funds over \$640 (or under \$25) in the Health FSA will be forfeited, in accordance with IRS regulations.
- You cannot switch funds between accounts.
- If you terminate employment, your deductions will stop and you may not submit claims for services incurred after your termination date, unless you continue to make monthly contributions (for the Health Care Account only) through Voya Financial, the Boston College COBRA Administrator. If you go on an unpaid leave-of-absence, you may continue to participate in the plan. If possible, missed contributions will be made with catch-up contributions after the leave ends.
- **IMPORTANT: Once the period for submitting claims expires, any funds (excluding the \$640 carryover amount) remaining in your account must be forfeited,** in accordance with Internal Revenue Service regulations. This is called the