

See For Yourself How Your Savings Can Add Up

How much you save depends on how much you spend on health and dependent care, and on your tax situation. To estimate your expenses and see for yourself how your savings can add up, use the worksheets below to determine how much to contribute to your account(s). Calculate the amount you expect to pay during the plan year for eligible out-of-pocket medical and/or dependent care expenses. This calculated amount cannot exceed established IRS and plan limits.

Be conservative in your estimates, since any money remaining in your accounts cannot be returned to you.

Health Care FSA Worksheet

Estimate your eligible, uninsured out-of-pocket medical expenses for the plan year. IRS contribution limits for the Health Care FSA are based on the plan year (July 1 – June 30), not the calendar year.

UNINSURED MEDICAL EXPENSES	
Health insurance deductibles	\$ _____
Coinsurance or co-payments	\$ _____
Vision care	\$ _____
Dental care	\$ _____
Prescription drugs	\$ _____
Travel costs for medical care	\$ _____
Other eligible expenses	\$ _____
Total (IRS contribution limit: Up to \$3,300)	\$ _____
Divide (by the number of paychecks you will receive during your coverage period)	÷ _____
This is your pay period contribution	\$ _____

Dependent Care Worksheet

Estimate your eligible dependent care expenses for the plan year. Remember that your calculated amount cannot exceed the calendar year limits established by the IRS.

CHILD CARE EXPENSES	
Day care services	\$ _____
In-home care/au pair services	\$ _____
Nursery and preschool	\$ _____
After-school care	\$ _____
Summer day camps	\$ _____
ELDER CARE SERVICES	
Day care center	\$ _____
In-home care	\$ _____
Total (IRS contribution limit: Up to \$5,000, depending on how your taxes are filed)	\$ _____
Divide (by the number of paychecks you will receive during your coverage period)	÷ _____
This is your pay period contribution	\$ _____

Improper FSA Payments

Since FSAs are regulated by IRS rules, you must resolve any improper FSA payments of claims (Health Care FSA claims, Inspira Debit Card transactions, and Dependent Care FSA claims) to avoid the Commonwealth of Virginia taking further action.

Examples of Improper FSA Payments

Health Care FSA claims: Let’s say you submit supporting documentation for benefit card transactions, but you use a Request for Reimbursement Form instead of a Return Form. If a Health Care FSA claim is improperly paid as a duplicate reimbursement, you will need to repay the FSA plan.

Benefit card transactions: At the doctor’s office, you swipe your benefit card for health care services provided. However, if the charges included are an expense from the previous FSA plan year, this is an ineligible expense. If you have a benefit card transaction that improperly paid for an ineligible expense, you will need to pay back the FSA plan.

Dependent Care FSA claims: Suppose that you stop working for the Commonwealth of Virginia. Any Dependent Care FSA claims improperly reimbursed due to retroactive changes in eligibility will need to be paid back to the FSA plan.

ATTENTION! Steps to Correct Improper FSA Payments

Failure to resolve improper payments has consequences, such as the suspension of your benefit card and withholding the amount you owe from your pay.

- If you receive a notice about an improper FSA payment, just follow the instructions for paying back the FSA plan out of your own pocket or by offsetting the amount due with another eligible expense that you haven’t submitted for reimbursement; or
- If the notice you receive applies to your benefit card and you do not pay back the plan by the due date listed, your benefit card will be deactivated and any reimbursement for paper claims you submit after that date will be used to pay the balance you owe the plan; or
- The Commonwealth of Virginia may withhold the amount of the improper payment from your pay or other compensation allowed by applicable law; or
- The Commonwealth of Virginia will reclassify the amount you owe the FSA plan as taxable income if you don’t pay back your FSA plan or offset the amount you owe before the run-out period ends. Your Form W-2 for the applicable tax year will include the amount you owe the FSA plan.

Changing Your Election

You can enroll in or change your FSA election(s) or vary your salary reduction amounts you have selected during the plan year, only under limited circumstances as provided by your state health plan and established IRS guidelines. Within 60 calendar days of a qualifying life event, you must submit an election change request and supporting documentation to your agency Benefits Administrator. Election changes must be consistent with the event.

The Commonwealth of Virginia will review, on a uniform and consistent basis, the facts and circumstances of each properly completed and timely submitted mid-plan year election change request. Upon the approval of your request, your existing FSA election(s) will be stopped or modified (as appropriate). You may not change your election after the effective date, unless you experience a Qualifying Life Event (QME). **A few examples of Qualifying Life Events (QME) include:**

- Change in marital status.
- A change in number of dependents includes birth, death, adoption and placement for adoption.
- Change in employment status of the employee, or a spouse or dependent of the employee that affects the individual’s eligibility under an employer’s plan, including termination of employment.
- An event that causes the gain or loss of a dependent’s eligibility status.
- Change in dependent care providers or a change in the cost of dependent care services. However, if a relative (who is related by blood or marriage) provides custodial care for your eligible dependent, you cannot change your salary reduction amount solely on a desire to increase or decrease the amount being paid to that relative.

When you cancel or decrease your FSA election to zero due to a status change, your account ends and you may only be reimbursed for expenses incurred up to the end of that coverage period.

For more information on Enrolling or Making Changes to your Flexible Spending Account(s), visit **www.dhrm.virginia.gov** or see your agency’s Benefits Administrator.