

Saving Money through Flexible Spending Accounts: FAQs about Flex Spending Accounts or FSA's

1. What is a Flex Spending Account?

Flexible Spending Accounts are tax-favored accounts that allow you to set aside pre-tax money from your paycheck for eligible medical and dependent care costs. Emory provides both Health Care FSA and Dependent Care FSA as a part of their benefit portfolio through [UMR](#).

2. How do FSAs save you money?

An FSA saves you money by reducing your income taxes. The contributions you make to a Flexible Spending Account are deducted from your pay before your Federal, State, or Social Security Taxes are calculated and are never reported to the IRS. This means that you decrease your taxable income and increase your spendable income. You can save hundreds or even thousands of dollars a year.

3. Are there different kinds of FSAs?

There are two different kinds of FSAs. The first is used for healthcare expenses. The second is for dependent care, including child and certain elder care expenses.

4. What types of goods and services can be applied towards a Dependent Care and Health Care FSA?

Dependent Care: FSAs can also be established to pay for certain expenses to care for dependents that live with you while you are at work. While this most commonly means child care, it can also be used for adult day care for senior citizen dependents that live with you, such as parents. It cannot be used for summer camps (other than "day camps") or for long term care for parents that live elsewhere (such as in a nursing home).

Health Care: Any expense that is considered a deductible medical expense by the Internal Revenue Service and is not reimbursed through your insurance can be reimbursed through the Flexible Spending Account.

For more specifics about what types expenses can be applied to a FSA, refer to [UMR](#) or [IRS Eligibility Guidelines - Publication #502](#).

5. How does an FSA work?

Emory employees have the opportunity of opening a FSA each year during annual enrollment. At this time, you must decide how much money you want to contribute (see question 6). The only exception to this is if you have a qualified "[family status change](#)" such as marriage, birth, divorce, or loss of a spouse's insurance coverage. The amount you designate is taken out of your paycheck in equal installments and placed in your FSA by your employer.

As you incur eligible expenses you may submit a copy of the Explanation of Benefits or the provider's invoice and proof of payment to UMR, who will then issue you a reimbursement check. Some providers (dependent and health care providers) may allow you to use a company issued debit card referred to as a Benny Card. To learn more about the Benny Card, contact your [Emory Benefits](#) Specialist or [UMR](#).

You can manage your account status online or telephonically with UMR to always know what your balance looks like.

6. *How Do I Decide How Much to Contribute to My Flexible Spending Account?*

Dependent Care: The dependent care FSA is federally capped at \$5,000 per year. While married spouses can each elect to have this amount deducted from their paycheck and applied to expenses, at tax time all withdrawals in excess of \$5,000 are taxed. Unmarried couples can each deduct and use \$5,000. However, these expenses are subject to the "qualifying child" rules, which mean unmarried couples cannot pay expenses for the same child. Dependent care FSAs cannot be "pre-funded"- employees can only receive reimbursement as funds are deposited into the FSA. UMR provides a [Dependent Care Flex Calculator](#) to help you *estimate* tax savings if you use a dependent care account.

Health Care: UMR provides a [Health Care Flex Calculator](#) to help you *estimate* your annual out-of-pocket, uncovered health care expenses. It will also provide an *estimated* tax savings if you use a health care account.

7. *Who is eligible to open an FSA?*

An employee is eligible at their date of hire, however must select the FSA during their initial benefits enrollment.

- Faculty, Staff and Post-Doc employees who work at least 20 hours a week and are classified as regular full-time or part-time
- Temporary full-time benefit eligible employees designated as "greater than a six-month assignment"

8. *Who do I refer to if I have questions about a FSA?*

If you have questions about an FSA, you should contact your [Emory Benefits](#) Specialist at (404) 727-7613.

9. *What happens if I leave my job and I have set aside money in a FSA?*

You typically have to use the money before you depart. So if you think your job is in jeopardy or plan to resign, schedule those dental and medical checkups, get prescriptions refilled and get a new pair of eyeglasses. You can submit the paperwork as long as the expense is incurred before your termination.

For more information on Flexible Spending Accounts please refer to [Emory's Summary Plan Description for Flexible Spending Accounts](#) or speak with your [Emory Benefits](#) Specialist at (404) 727-7613.