

FLEXIBLE SPENDING

MEDICAL AND DEPENDENT CARE

FLEXIBLE SPENDING ACCOUNTS (FSA)

Allows you to set aside contributions through payroll deductions into an account before paying income taxes. Flexible Spending Accounts allow you to pay out-of-pocket expenses for medical, dental and vision and work-related daycare expenses with tax-free income. By avoiding federal and FICA taxes, most participants can save up to 40% on their expenses. During the year, you have access to this account for reimbursement of expenses you regularly pay such as out-of-pocket healthcare copays and daycare fees. You must select the amount you wish to have deducted each plan year.

The maximum medical Flexible Spending Account (FSA) contribution limit is \$3,300 for calendar year 2025. The allowable amount of carry-over for FSA plans that have adopted a carry-over provision has been increased to \$660 effective for the 2025 year.

A sample list of qualified expenses for reimbursements includes, but are not limited to the following:



Ambulance Service (unreimbursed)	Hearing aids and exams
Birth control pills	Injections & vaccinations
Chiropractic Care	Nursing services
Contact lenses/Eyeglasses	Optometrist fees
Dental Fees	Orthodontic fees
Diagnostic tests / health screenings	Prescription drugs
Drug / Alcohol Addiction Treatment	Surgery
Experimental Medical Treatment	X-rays

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CONTINUED

Dependent Care Flexible Spending Account for Dependent Care Reimbursement

This account reimburses you for day care expenses up to \$5,000 a year for single taxpayers and married couples filing jointly, or \$2,500 for married couples filing separately.

Married couples have a combined \$5,000 limit, even if each has access to a separate Dependent Care FSA through his or her employer.

ENROLLMENT REGULATIONS

You may enroll in a Health Care or Dependent Care FSA during the open enrollment or new hire period ONLY.

- You cannot transfer money between FSA's
- You cannot pay a dependent care expense from your Health Care FSA or vice versa.
- You cannot deduct reimbursed expenses for income tax purposes
- You will not be reimbursed for a service, which you have not received.
- You may not receive insurance benefits or any other compensation for expenses which are reimbursed through your FSA's
- You have a 90-day grace period at the end of the plan year to claim reimbursement for eligible expenses incurred during the plan coverage period July 1 – June 30.

Information for Flexible Spending accounts is available on the William Penn School District website under staff access www.williampennsd.org at the provider's website www.benefitresources.com where you can refer to the Flexible Spending Accounts guide provided by Benefit Resource, Inc. for information about IRS approved accounts and eligible medical and dependent care expenses.

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