

# Offering you cost savings and well-being with a Flexible Spending Account (FSA)



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# Signing up for a Flexible Spending Account (FSA) puts more money in your pocket.

You can pay less in taxes and reduce your medical expenses simply by signing up for an FSA!

A Flexible Spending Account (FSA) lets you set aside a portion of your paycheck—before taxes—into an account to help you pay for medical expenses. An FSA is a planning tool with great tax benefits. With an FSA, you must use the account balance in full before the end of the plan year or it will be forfeited.

## A Flexible Spending Account (FSA):

- ✓ **Two Types of FSAs.** To take advantage of a health FSA, start by choosing an annual election amount. This amount will be available on day one of your plan year for eligible medical expenses. Payroll deductions will then be made throughout the plan year to fund your account. A dependent care FSA works differently than a health FSA. Dependent care FSA money only becomes available as it is contributed, and can only be used to pay expenses for the care of your dependents while you work. Both are pre-tax benefits your employer offers through a cafeteria plan. Choose one or both — whichever is right for you.
- ✓ **Reduces your taxable income.** Your FSA contributions are deducted from your paycheck by your employer before taxes are withheld. These deductions lower your taxable income, which can save you money on income taxes.
- ✓ **Enrollment Consideration.** After the enrollment period ends, you may increase, decrease or stop your contribution only when you experience a qualifying “change in status” event (e.g. marriage, divorce, employment change, dependent change). Be conservative in the total amount you elect to avoid forfeiting money at the end of the plan year.
- ✓ **What if I don’t use it all?** You must use the account balance in full before the end of the plan year or it will be forfeited. This is known as the “use it or lose it” rule. Your employer may offer a grace period or a rollover to help if you miss the mark a little bit. Check your Summary Plan Description for specifics on your employer's plan, and make sure to plan carefully when you enroll.





## Spending is easy

Our convenient NBS Smart Debit Card allows you to avoid out-of-pocket expenses, cumbersome claim forms and reimbursement delays. You may also utilize the “pay a provider” option on our web portal.

## Account access is easy

Get account information from our easy-to-use online portal and mobile app. You can submit claims online, and see your account balance, contributions, and account history in real time.



## Eligible Expenses

Expenses can be reimbursed from your health FSA if the expenses are for the diagnosis, cure, mitigation, treatment or prevention of disease and for treatments affecting any part or function of the body. The expenses must be primarily to alleviate or prevent a physical or mental defect or illness. Expenses solely for cosmetic reasons generally are not considered expenses for medical care. Also, expenses that are merely beneficial to your general health are not eligible.

The following list shows common examples of qualified medical expenses. Complete lists of eligible and non-eligible expenses can be found in IRS Publication 502, which can be ordered from the IRS by calling 1-800-TAX-FORM (1-800-829-3676) or by visiting [www.irs.gov](http://www.irs.gov).



# Sample Expenses

## Medical Expenses

- Acupuncture
- Addiction programs
- Adoption (medical expenses for baby birth)
- Alternative healer fees
- Ambulance
- Body scans
- Breast pumps
- Care for mentally handicapped
- Chiropractor
- Copayments
- Crutches
- Diabetes (insulin, glucose monitor)
- Eye patches
- Fertility treatment
- First aid (e.g., bandages, gauze)
- Hearing aids & batteries
- Hypnosis (for treatment of illness)
- Incontinence products (e.g., Depends, Serene)
- Joint support bandages and hosiery
- Lab fees
- Menstrual Products\*
- Monitoring device (blood pressure, cholesterol)
- Non-prescription medicines or drugs (vitamins/supplements without a prescription are not eligible)\*
- Physical exams
- Pregnancy tests
- Prescription medicines or drugs
- Psychiatrist/psychologist (for mental illness)
- Physical therapy
- Speech therapy
- Vaccinations
- Vaporizers or humidifiers
- Weight loss program fees (if prescribed by physician)
- Wheelchair

*\*After January 1, 2020*

## Dental Expenses

- Artificial teeth
- Copayments
- Deductible
- Dental work
- Dentures
- Orthodontia expenses
- Preventative care at dentist office
- Bridges, crown, etc.

## Vision Expenses

- Braille - books & magazines
- Contact lenses
- Contact lens solutions
- Eye exams
- Eyeglasses
- Laser surgery
- Office fees
- Guide dog and upkeep/ other animal aid

## Items that generally do not qualify for reimbursement

- Personal hygiene (e.g., deodorant, soap, body powder, sanitary products. Does not include menstrual products)
- Addiction products\*\*
- Cosmetic surgery\*\*
- Cosmetics (e.g., makeup, lipstick, cotton swabs, cotton balls, baby oil)
- Counseling (e.g., marriage/family)
- Dental care - routine (e.g., toothpaste, toothbrushes, dental floss, anti-bacterial mouthwashes, fluoride rinses, teeth whitening/bleaching)\*\*
- Exercise equipment\*\*
- Haircare (e.g., hair color, shampoo, conditioner, brushes, hair loss products)
- Health club or fitness program fees\*\*
- Homeopathic supplement or herbs\*\*
- Household or domestic help
- Laser hair removal
- Massage therapy\*\*
- Nutritional and dietary supplements (e.g., bars, milkshakes, power drinks, Pedialyte)\*\*
- Skin care (e.g., moisturizing lotion, lip balm)
- Sleep aids (e.g., snoring strips)\*\*
- Vitamins\*\*
- Weight reduction aids (e.g., Slimfast, appetite suppressant)\*\*

*\*\*Portions of these expenses may be eligible for reimbursement if they are recommended by a licensed medical professional as medically necessary for treatment of a specific medical condition.*





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