

Medical Spending Accounts

Provo City School District offers both a Health Savings Account (HSA) and a Flexible Spending Account (FSA) as a way for you to set aside funds on a pre-tax basis to help pay for your family's healthcare expenses, plus lowers your taxable income and will help with taxes. Below is some helpful information regarding each account as well as some timeframes to keep in mind so you can get the most out of your spending accounts.

Flexible Spending Accounts (FSA)

The Traditional medical plan is compatible with the FSA. You can elect up to \$2,750 per year and your entire election is available on day one of your effective date or the new plan year. You can only make or change your elections at Open Enrollment or if you experience a qualifying life event.

You can use your FSA dollars to pay for qualified medical, prescription, dental, and vision expenses. Funds are use or lose - you must spend your funds within 90 days after the plan year ends or else you will forfeit any unused dollars. It's important to monitor funds in the FSA throughout the year to ensure you don't lose any of your money

You also have access to a Dependent Care Flexible spending account. You can elect to set aside up to \$5,000 of pre-tax funds to pay for any daycare expenses for your dependent children under 13 years old. Your entire election is not available on the first day of your election like it is in a Medical FSA. Deposits are made per pay period and have 90 days from the end of the plan year to submit any expenses, otherwise any leftover funds will be forfeited back to the plan.

Health Savings Account (HSA)

The HealthSave High Deductible Health plan is compatible with the HSA. You can elect to contribute up to \$3,550 into the HSA if you are enrolled as single, or up to \$7,100 if you are enrolled in two-party or family coverage. If you are age 55 or older, you can contribute an additional \$1,000 as a "catch-up" contribution. Your election is not available up-front - similarly to a checking account, your money is only available to you as it is deposited a couple of days after you are paid.

You can use your funds on qualified medical, prescription, dental and vision expenses. There is not a use-or-lose provision on the HSA. Your funds roll over from year to year, and once funds are in your account, they are yours to keep until you spend them, no matter your enrollment status. You have the flexibility to change your contribution each month by updating your election amount in the Benefits Portal. Keep in mind that Provo City School District matches your contributions - see your benefits book for further detail.

There are long-term investment opportunities available to you once you hit \$2,000 in the HSA account. To take advantage of the investment opportunities, contact HealthEquity at 866-346-5800 or by logging into your member portal at healthequity.com.

Both HSAs and FSAs are governed by the IRS and use the same Qualified Medical Expense list to determine what is considered an eligible expense. To find the full list, you can look up IRS Publication 502. If you have any questions regarding FSAs or HSAs, please call Benefits at (801) 374-4879.

