



## Flexible Spending Account (FSA)

### Need-to-Knows



A Flexible Spending Account (FSA) is an employee-funded plan that reimburses employees for out of pocket expenses paid for eligible medical, dental, and vision expenses.

#### **Funding**

Employees are allowed to elect the IRS maximum contribution for the year. That amount is then divided equally between pay periods and contributed to your FSA. The maximum annual contribution funds are available to the employee on the first day of the plan year.

#### **Tax Benefits**

FSAs are a tax-free benefit for employees because contributions do not count towards your income.

#### **Eligible Expenses**

An Eligible / Non-Eligible Expense list is attached with this information sheet. Please note that this list is not intended to be comprehensive tax advice. For more detailed information, please consult IRS Publication 502 or see your tax advisor.

#### **No Double Dipping!**

If you participate in a Health Reimbursement Arrangement (HRA) or a Health Savings Account (HSA) in conjunction with the FSA, you cannot receive reimbursement for the same expense from multiple accounts.

#### **Fund Rollover**

The City of Idaho Falls FSA allows you to rollover up to \$500 into the next plan year. Any leftover funds in excess of \$500 will be forfeited.

GBS of Idaho

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