

# Frequently Asked Questions About Your Flexible Spending Accounts

## Health Care FSA

### What is a health care flexible spending account (FSA)?

A health care FSA is an employer-sponsored benefit that allows you to set aside money from your paycheck on a PRE-TAX basis to pay for certain out-of-pocket health care expenses for yourself and your eligible dependents.

### How do I benefit from using pre-tax dollars to pay for out-of-pocket expenses?

FSA contributions and reimbursements are exempt from federal income taxes, Social Security (FICA) taxes, and, in most cases, state income taxes. Depending on your tax bracket, you can expect savings between 20 and 40 percent on your elected amount.

### How much should I contribute to my FSA?

Look at last year's out-of-pocket health care expenses to get the best idea. For additional help estimating your expenses, use the FSA calculator in the Tools and Resources section of use [www.upmchealthplan.com/flexadvantage](http://www.upmchealthplan.com/flexadvantage).

### Can I change the amount of my election during the plan year?

You may change your health care FSA election during the plan year only if the requested change is due to and consistent with a qualifying event, such as a change in marital status, dependent status, or employment status.

### Do I have to be enrolled in UPMC's health plan to participate in the FSA?

You may enroll in UPMC's FSA plan even if you receive health care insurance another way. You may use your FSA for eligible expenses for all of your tax-qualified dependents.

## Dependent Care FSA

### What is a dependent care flexible spending account (FSA)?

A dependent care FSA is an employer-sponsored benefit that allows you to set aside money from your paycheck on a PRE-TAX basis to pay for day care expenses for your eligible dependents.

### Can I use both the dependent care FSA and the federal Dependent Care Tax Credit?

Expenses reimbursed from a dependent care FSA reduce the amount you can claim under the federal Dependent Care Tax Credit. You will have to determine which approach is best for you.

### Who is eligible to participate in the dependent care FSA?

To be eligible, you (and your spouse, if married) must work, be looking for work, or attend school full-time.

### Who is an eligible dependent for the dependent care FSA?

**An eligible dependent is someone who spends at least eight hours a day in your home and is one of the following:**

- A child under the age of 13 whom you can claim as an exemption for income tax purposes.
- A dependent under the age of 13 of whom you have custody for more than half of the year if you are divorced or legally separated.
- A dependent who is physically or mentally incapable of self-care (regardless of age).
- Your spouse who is physically or mentally incapable of self-care.

### Are there limits to what I can contribute to the dependent care FSA?

The IRS limits your contribution to \$5,000 per household each plan year (or \$2,500 if married, filing a separate tax return). Your total contribution cannot be more than your earned income or your spouse's earned income, whichever is less.

### What expenses are eligible for reimbursement under the dependent care FSA?

**The following are eligible expenses:**

- Nursery care
- Preschool
- Before-school and/or after-school care
- Day camp
- Elder day care

### What expenses are not eligible for reimbursement under the dependent care FSA?

**The following expenses are not eligible:**

- Dependent health care expenses
- Dependent care for children age 13 or older (unless disabled)
- Overnight camp
- Babysitting that is not work related
- School costs for kindergarten and higher grades (e.g., tuition for private schools)
- Long-term care services (e.g., nursing homes)

## UPMC FlexAdvantage Card

### What is the UPMC FlexAdvantage card?

It is a special-purpose Visa® that provides instant access to the funds in your health care FSA. The card allows you to pay for eligible products and services at the point of sale without submitting a claim form and waiting for reimbursement.

**Note:** Your card is primarily for the use of expenses related to your health care FSA.



### What types of expenses can I pay for with the card?

Eligible expenses may include copayments, deductibles, and prescription drugs, just to name a few.

### Do I need to submit a claim form when I use the UPMC FlexAdvantage card?

When you use the card to pay for eligible expenses, there is no need to submit a claim form. The merchant or provider has been paid and the transaction amount has been deducted from your account. With the UPMC FlexAdvantage plan, most Receipt Notification Requests are eliminated if you are enrolled in a UPMC Health Plan medical and/or dental plan. However, you may be required to confirm the eligibility of some card purchases to comply with IRS rules. Please keep all your itemized receipts and be prepared to provide them if you are requested to do so.

### Why should I enroll in UPMC FlexAdvantage?

- The UPMC FlexAdvantage card provides you with the convenience of paying for health care expenses at the point of sale without paying out of pocket.
- If enrolled in a UPMC Health Plan medical and/or dental plan, UPMC FlexAdvantage enables a high percentage of transactions to be approved without the need to submit receipts.
- Health care FSA participants receive a UPMC FlexAdvantage card.
- UPMC FlexAdvantage card users have 24/7 online account access.
- Online Claim Submission (OCS) allows for faster processing of your claims.
- Our highly knowledgeable Health Care Concierge team can answer all of your UPMC FlexAdvantage questions.



## Frequently Asked Questions About Your Commuter Parking Account

### What is a commuter parking account?

A commuter parking account allows you to pay for your parking expenses with pre-tax dollars. This reduces your compensation by the amount you specify.

### What is the maximum amount I may elect?

You may elect any amount up to the maximum amount as stated by the plan. This amount changes yearly.\*

### What types of expenses are eligible for reimbursement?

Eligible expenses include the cost of parking your vehicle near your work or transit location. The money is available after it has been deducted from your pay.

### What expenses are not reimbursable?

Any non-work related parking expense for yourself and your dependents. The account cannot be used to pay for parking

expenses related to non-work activities, parking for family members, gas/mileage, or bus passes.\*\*

**Ask your employer for help if you have questions regarding what is considered a reimbursable expense.**

### How do I request a reimbursement?

Submit your request for reimbursement by using a hard copy form or by going to the UPMC FlexAdvantage website. Receipts are not usually necessary; however, you should always ask for one in case you need it or are audited.

### Do I need to enroll in a commuter parking account if my employer is already deducting my parking on a pre-tax basis?

If your employer is withholding your parking or transit costs from your pay, then you do not need to enroll.

\*Rates are subject to change consistent with IRC Section 132(f) guidelines. Please contact UPMC FlexAdvantage for the current amount.

\*\*Bus passes may be reimbursable for some members. Please ask your employer whether they are included in your benefit plan.

## Frequently Asked Questions About Your Commuter Transit Account

### What is a commuter transit account?

A commuter transit account allows you to pay for work-related transportation costs with pre-tax dollars. This reduces your compensation by the amount you specify.

### What is the maximum amount I may elect?

You may elect any amount up to the maximum amount as stated by the plan. This amount changes yearly.\*

### What types of expenses are eligible for reimbursement?

Commuter highway vehicle (van pool) expenses will be reimbursed according to the following criteria:

- Transportation must take place between your residence and your place of employment.
- Vehicle must have a seating capacity of at least six adults (not including the driver).

- At least 80 percent of the yearly mileage must be used for travel between your home and your job.
- During these trips, half of the seats must be occupied (not including the driver).

Ask your employer for help if you have questions regarding what is considered a reimbursable expense.

### What expenses are not reimbursable?

Any non-work related transit expenses for yourself and your dependents.

### How do I request a reimbursement?

Submit your request for reimbursement by using a hard copy form or by going to the UPMC FlexAdvantage website. Receipts are not usually necessary; however, you should always ask for one in case you need it or are audited.

\*Rates are subject to change consistent with IRC Section 132(f) guidelines. Please contact your employer for the current amount.