

FLEXIBLE SPENDING ACCOUNTS (FSAs)



Flexible Spending Accounts (FSAs) allow you to pay for eligible health care and dependent care expenses using tax-free dollars. There are two types of FSAs — the Health Care FSA and the Dependent Care FSA:

- **Health Care FSA** – Used to pay for out-of-pocket expenses associated with your medical, dental or vision plan such as copayments, coinsurance deductibles, prescription expenses, lab exams and tests, contact lenses and eyeglasses.
- **Dependent Care FSA** – Used to pay for day care expenses associated with caring for elder or child dependents that are necessary for you or your spouse to work or attend school full-time.

You cannot use your Health Care FSA to pay for dependent care expenses, and you cannot use your dependent care FSA to pay for health care expenses.

Important: The IRS has a “use it or lose it” rule. If you do not spend all of the money in your FSA by the annual deadline, any unused dollars in your account(s) will be forfeited. Paul Mueller Company does allow employees to rollover up to \$680 of unused funds in their Health Care FSA.

How the Health Care FSA Works	How the Dependent Care FSA Works
You may contribute up to \$3,400 per year, pretax. Minimum election amount is \$500 per year.	You may contribute up to \$7,500 per year, pretax, or \$3,750 if married and filing separate tax returns
You receive a debit card to pay for eligible medical expenses (funds must be available in your account)	You submit claims for reimbursement; no debit cards are provided
Eligible expenses include medical copays, coinsurance, deductibles, eyeglasses and over-the-counter medications prescribed by your doctor	Can be used to pay for eligible dependent care expenses including day care, after-school programs and elder care programs
Submit claims up to March 31 of the following year for expenses from January 1 to December 31	Submit claims up to March 31 of the following year for expenses from January 1 to December 31
Paul Mueller has a rollover maximum of \$680. Anything over \$680 will be forfeited per IRS regulations.	If you do not spend all the money in account unused dollars will be forfeited per IRS regulations