What you need to know
Flexible Spending Accounts (FSAs)

- A health care, limited-purpose, or dependent care FSA help you budget for expenses you’ll have this year while reducing taxable income.

THREE TYPES

1. HEALTH CARE
   Eligible expenses may include certain medical, dental, vision, prescription drug and qualified over-the-counter expenses that are not reimbursed by your group benefit plans or another source.

2. LIMITED PURPOSE
   A tax-advantaged account offered alongside an HSA, so employees can pay for dental and vision expenses with pre-tax dollars without having to dip into the HSA. Employees who enroll in the Consumer Choice HSA healthcare plan can elect a limited purpose FSA.

3. DEPENDENT CARE
   The benefit plan allows employees to use pre-tax dollars to pay for dependent-care services incurred while they are at work. Typical expenses are incurred for the care of dependents under the age of 13 or older dependents incapable of self-care.

Source: Optum, Inc.
Contribution Limits

<table>
<thead>
<tr>
<th>Amount of Contribution</th>
<th>Contribution Rules</th>
<th>Grace Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>The IRS determines how much you can deposit into your FSA each year, and limits are determined on a calendar/tax-year basis.</td>
<td><strong>Account Type</strong></td>
<td><strong>2021</strong></td>
</tr>
<tr>
<td></td>
<td>Healthcare FSA</td>
<td>$2,750</td>
</tr>
<tr>
<td></td>
<td>Limited purpose FSA</td>
<td>$2,750</td>
</tr>
<tr>
<td></td>
<td>Dependent care FSA</td>
<td>$5,000*</td>
</tr>
</tbody>
</table>

*Annual contribution limit is $5,000 or $2,500 if married filing separately.
COVID-19 Considerations

In response to COVID-19, the IRS released Notice 2020-29, which allowed plans the flexibility to allow employees to make changes to their enrollments and adjust pretax contributions for both medical and dependent care flexible spending accounts as well as an extension to the 2019 plan year grace period.

2019 Plan Year FSA accounts
- Employees can continue to file for reimbursement for 2019 FSA funds through the end of 2020. This includes expenses incurred after the original grace period cutoff of March 15, 2020.

2020 Plan Year FSA accounts
- Employees can increase or decrease their existing FSA elections or make new elections.
- You cannot drop or decrease Healthcare FSA or Limited Purpose FSA contributions below the amount you have already been reimbursed for. If you do, you will be responsible for reimbursing the University System of Georgia.
- The current 2020 plan year has a 2 ½ month grace period, allowing 2020 claims to be submitted by 3/31/21 for expenses incurred with a date of service of 3/15/21 and prior.
- Expanded menu of eligible Health Care FSA and HSA expenses:
  - Over the counter medications without a doctor’s prescription
  - Menstrual care products

2021 Plan Year FSA accounts
- Employees must re-elect each year during annual open enrollment.
- The 2021 plan year has a 2 ½ month grace period, allowing 2021 claims to be submitted by 3/31/22 for expenses incurred with a date of service of 3/15/22 and prior.
Hypothetical FSA Examples:

**Rick (2019 HCFSA)**

*In 2019*, Rick contributed $2,700 to his Healthcare FSA (HCFSA).

He used $1,800 for qualified medical expenses.

As of 10/15/2020, Rick has $900 remaining in his **2019 plan year balance**.

In response to COVID, USG extended the **2019 grace period from 3/15/2020 to 12/31/2020**.

Rick has until 12/31/2020 to use his remaining 2019 HCFSA balance or the funds will be forfeited.

**Sarah (2020 HCFSA and DCFSA)**

*In 2020*, Sarah contributed $1,000 to her Healthcare FSA and $5,000 to her Dependent Care FSA (DCFSA).

She uses $700 for qualified medical expenses (HCFSA) and $4,000 for qualified childcare expenses (DCFSA).

As of 1/1/2021, she has $300 remaining in her HCFSA and $1,000 remaining in her DCFSA.

Sarah uses the remaining $300 in her HCFSA and $800 of her DCFSA balance by 3/15/2021. She submits all claims by the 3/31/2021 deadline.

Sarah spends all of her 2020 HCFSA balance and does not forfeit any funds. She has $200 of DCFSA funds remaining after the end of the grace period and these funds are forfeited.

Hypothetical examples are for illustrative purposes only. All events, persons, and results described herein are entirely fictitious and amounts will vary depending on your unique circumstances.

2021 will follow the same guidelines as the 2020 plan year.

Source: Optum, Inc.
FSA reimbursement tips and reminders

How to access your FSA funds:

Payment card:
You may use your Optum payment card anywhere that MasterCard is accepted for qualified expenses.

Claims reimbursement options:
There are two methods for submitting a request for reimbursement:

1. **Online**: Go to “File a Claim”. This process can also be completed on the MyCDH by Optum mobile app.

2. **Paper**: Print and fill out the “FSA Reimbursement Request Form” located in the “Tools & Support” section. You can fax or mail the form, along with the supporting documentation, to the contact information provided on the form.

Don’t forget! MyCDH by Optum® Mobile App:
Download the MyCDH by Optum Mobile App free from the Android or Apple app stores. Your log-in credentials (User ID and Password) are the same as those used to log in online at mycdh.optum.com.
Important Receipt Reminders! What qualifies as documentation to substantiate a claim?

- **Recommended:** Explanation of Benefits (EOB) statement from your insurance company

- **Additional options:** An itemized statement, or a detailed receipt containing:
  - Merchant or Provider name
  - Patient name (if applicable)
  - Date of service
  - Description of service or product
  - Amount you were required to pay

Don’t forget to submit your documentation!

To ensure that you are receiving these reminder emails, please make sure that your user profile and email address are up-to-date and that your notification preferences are set up appropriately.

If you have any questions about managing your FSA or LPFSA, please call **1-877-470-1771** to speak with a highly trained account representative 24/7. You may also log in to your account at [mycdh.optum.com](http://mycdh.optum.com).

FSA services are provided by OptumHealth Financial Services. This communication is for general educational use only and is not intended as legal or tax advice. Please contact a competent legal or tax professional for personal advice on eligibility, tax treatment, and restrictions. Federal and state laws and regulations are subject to change.