



# Medical & Dependent Care 2024 Flexible Spending Account Guide



## What Is A Flexible Spending Account (FSA)?

A flexible spending account (FSA) allows you to set aside pre-tax dollars for eligible medical, dental, vision, and dependent care expenses. Each pay period, your contributions are deducted from your paycheck. Deductions for your FSA are taken out of your paycheck before income tax is calculated saving you federal income tax, state income tax, Social Security and Medicare.

There are two different types of FSA that you may be allowed to participate in: Medical Flexible Spending Account and Dependent Care Flexible Spending Account. If eligible, you may participate in both accounts.

Two Types of Flexible Spending Accounts (FSAs)		
	Health Care FSA	Dependent Care FSA
<b>What expenses can they cover?</b> <i>Read more about eligible expenses below</i>	Common health care expenses including medical & dental co-pays, deductibles, prescriptions, orthodontia, and vision care.	Care provided to dependents by caregivers so that you (and your spouse) can work. Dependents can be children up to age 13, or others who cannot care for themselves.
<b>How much can I contribute?</b>	\$ 3,200 annually	\$ 5,000 annually

## Medical Flexible Spending Account

### Medical Flexible Spending Account Overview

A medical flexible spending account allows you to budget and save for the payment of qualified medical expenses you incur over the course of the year. These expenses must not be covered by insurance or reimbursed from any other source. Monies you contribute to your medical flexible spending account are pre-tax which means more money in your pocket. Your full annual election amount for the medical flexible spending account is available at any time during the plan year, regardless of how much you've actually contributed to date. For the 2024 tax year, employees can contribute up to \$3,200 into their medical flexible spending account.

Please Note: To participate in a medical flexible spending account your employer must offer group medical insurance and you must be eligible to participate in the plan.

### Eligible Expenses

Expenses are considered eligible for reimbursement from a medical flexible spending account if the medical expenses include amounts paid for the diagnosis, mitigation, treatment or prevention of disease and for treatments affecting any part or function of the body. Expenses solely for cosmetic reasons generally are not expenses for medical care. In addition, expenses that are merely beneficial to one's general health (for example, vitamins and health spas) are not expenses for medical care.

The following list identifies some of the more common medical and health-related expenses that are considered to be a deductible expense. These services are eligible for reimbursement through your medical flexible spending account provided that you have not been reimbursed from them through any other benefit coverage. For more details about expense eligibility see IRS Publication 502 (Health Care Expenses) at [www.irs.gov](http://www.irs.gov).

Acupuncture	Eyeglasses & Eye Exams
Ambulance	Hearing Aids & Hearing Aid Batteries
Artificial Limbs	Insulin
Artificial Teeth	Laboratory Fees
Birth Control	Learning Disability Treatment
Braces	Medical & Nursing Services
Chiropractor's Fees	Operations
Contact Lenses	Over-the Counter Medications *
Contact Lens Solution	Oxygen
Crutches	Prescription Drugs
Dental Fees (Not Cosmetic)	Telephone for Hearing Impaired
Drug & Alcohol Treatment	Television for Hearing Impaired
Eyeglasses & Eye Exams	Transplants (organs)

\*OTC Medications require a prescription to be eligible for reimbursement.

Please keep in mind that the date of your medical service not the billing date determines the plan year from which the expense can be reimbursed.

### Ineligible Expenses

The following list identifies some medical and health-related expenses that the Internal Revenue Service considers not eligible for reimbursement through your medical flexible spending account.

Babysitting & Childcare	Bleaching Teeth (cosmetic)
Cosmetic Surgery	Electrolysis
Food	Feminine Hygiene Products
Hair Transplants	Funeral Expenses
Illegal Operations or Treatments	Household Help
Laetrile	Insurance Premiums
Prescription Drugs Considered Cosmetic	Rogaine
Expenses for General Health (even if prescribed by a doctor)	Any Expenses Not Considered "Medically Necessary" by the Internal Revenue Service

### Limited Flexible Spending Accounts

If you are enrolled in a high deductible health plan and contributing to a health savings account you are still eligible to participate in a limited flexible spending account. The funds you contribute to your limited flexible spending account can be used for dental, vision, and/or preventative care expenses.

Following are some eligible expenses in a limited flexible spending account.

<u>Dental</u>	<u>Vision</u>	<u>Preventative</u>
Dental Treatment	Lasik	Annual Physicals
Cleanings	Eye Exams	Screenings (i.e. Lifeline)
Fillings	Contact Lenses	Tobacco Cessation Programs
Crowns	Contact Solutions	Obesity Weight Loss Programs
Orthodontics	Vision Screenings	Immunizations
Dentures	Refractions	Birth Control
Denture Adhesive & Cleaners	Eye Drops	Flu Shots
Dental Co-Insurance, Co-Pays, Deductibles	Prescription Glasses & Sunglasses	Well Child & Prenatal Visits

## Planning & Estimating Your Spending

Each year during open enrollment you have the opportunity to enroll or change your contributions to your medical flexible spending account. Being prepared will help you realize the greatest savings.

For 2024, the maximum amount you can contribute to your medical flexible spending account is \$3,200. This limit is set per individual so each working spouse could elect up to \$3,200.

The Internal Revenue Service has a "Use or Lose" rule in place for flexible spending accounts. Be sure to be conservative. If you don't use the money in your flexible spending account within the plan year you are at risk of forfeiting those funds.

Use the Medical FSA Worksheet to help you estimate your annual medical expenses and the amount which you should consider electing for your medical flexible spending account.

### Eligible Medical Expenses

	<b>Annual Estimate</b>
Deductibles, Copays, Coinsurance	\$ _____
Exams	\$ _____
Prescription Drugs	\$ _____
Diabetic Supplies	\$ _____
Chiropractic Treatments	\$ _____
Over-the-Counter Items	\$ _____
Other:	\$ _____
<b>Subtotal Medical Expenses</b>	<b>\$ _____</b>

### Eligible Dental Expenses

	<b>Annual Estimate</b>
Checkups & Cleanings	\$ _____
Fillings, Bridges, and Crowns	\$ _____
Root Canals	\$ _____
Dentures	\$ _____
Orthodontia	\$ _____
Oral Surgery	\$ _____
Other:	\$ _____
<b>Subtotal Dental Expenses</b>	<b>\$ _____</b>

### Eligible Vision & Hearing Expenses

	<b>Annual Estimate</b>
Exams	\$ _____
Eyeglasses (Frames & Lenses)	\$ _____
Contact Lenses & Cleaning Solutions	\$ _____
Corrective Eye Surgery (LASIK, Cataract, etc.)	\$ _____
Hearing Exams, Hearing Aids, and Batteries	\$ _____
<b>Subtotal Vision &amp; Hearing Expenses</b>	<b>\$ _____</b>

### Total Medical Expenses

<b>Total Medical Expenses</b>	<b>\$ _____</b>
Your 2024 Contribution Amount (max = \$3,200)	\$ _____
Number of Pay Periods	÷ _____
Per Pay Period Deduction	\$ _____

# Dependent Care Flexible Spending Account

## Dependent Care Flexible Spending Account Overview

A dependent care flexible spending account allows you to budget and save for the payment of qualified dependent care for children up to the age of 13, a disabled dependent of any age or a disabled spouse. To be eligible for a dependent care flexible spending account, you and your spouse (if applicable) must work, be actively looking for employment or be a full-time student. Preschool, after-school care, daycare providers, and summer day camps are some common examples of eligible expenses. For the 2024 tax year, the annual maximum for a dependent care flexible spending account is \$5,000 per household. However, if you are married and file separate returns, you may each elect \$2,500 for the 2024 tax year.

## Eligible Expenses

Child care expenses will qualify for reimbursement from the dependent care flexible spending account if they meet the following requirements:

- Must be an eligible dependent. To be eligible for reimbursement, the dependent must be:
  - Less than 13 years of age and considered your dependent for federal income tax purposes; or
  - Your physically or mentally impaired spouse; or
  - A dependent who is incapable of caring for himself or herself;
- The dependent must spend at least eight (8) hours per day in your home;
- Services may be provided inside or outside your home, but not by someone who is your minor child or your dependent for income tax purposes;
- The service must enable you, and your spouse (if applicable) to be employed;
- Services must be for the physical care of the child, not for education, meals, etc.

To find out more about expense eligibility see IRS Publication 503 (dependent care expenses) at [www.irs.gov](http://www.irs.gov).

## Ineligible Expenses

The following identifies some expense that the Internal Revenue Service considers not eligible for reimbursement through a dependent care flexible spending account.

- Nursing home, respite care or other residential care centers;
- Services provided by one of your dependents;
- Costs already claimed as a dependent care tax credit on your income tax return.

## Planning & Estimating Your Spending

Each year during open enrollment you have the opportunity to enroll in a dependent care flexible spending account. If you are married and file a joint return or single and file as head of household, the maximum amount you can contribute for 2024 is \$5,000. If you are married and file separately, you and your spouse may each elect \$2,500 for the 2024 tax year.

Be conservative. The Internal Revenue Service has a “Use or Lose” rule in place for flexible spending accounts. If you don’t use the money in your flexible spending account within the plan year you are at risk of forfeiting those funds.

Expenses are reimbursed based on the amount that is available in your dependent care flexible spending account. If you submit receipts totaling more than you’ve contributed to your account you will be reimbursed as the funds become available.

Use the Dependent Care Flexible Spending Account Worksheet to help you estimate your annual dependent care expenses.

## Dependent Care Flexible Spending Account Worksheet

January	\$	_____
February	\$	_____
March	\$	_____
April	\$	_____
May	\$	_____
June	\$	_____
July	\$	_____
August	\$	_____
September	\$	_____
October	\$	_____
November	\$	_____
December	\$	_____
<b>Total Dependent Care Expenses</b>	<b>\$</b>	_____
Your 2024 Contribution Amount (max = \$5,000)	\$	_____
Number of Pay Periods	÷	_____
<b>Per Pay Period Deduction</b>	<b>\$</b>	_____

## Additional Information About Medical & Dependent Care Flexible Spending Accounts

### Receiving Reimbursements From My Flexible Spending Account

Fronteer Professional Services processes all medical and dependent care flexible spending account claims. Claims and documentation can be submitted to Fronteer Professional Services via mail, email, or fax. Mail to Fronteer Professional Services, PO Box 1315, Bismarck, ND 58502 · email to [customerservice@fppayroll.com](mailto:customerservice@fppayroll.com) · or fax to (701) 258-1011.

All claims are processed weekly. All claims will be reimbursed into the employee's checking or savings account via direct deposit. Completed claim forms and receipts must be received by Fronteer Professional Services by Wednesday at 5:00 PM CST to receive reimbursement by Friday. Any claims submitted after the deadline will be paid Friday of the next week. A confirmation will be emailed to the email address on your account.

In order to receive reimbursement, services must be incurred. Expenses are considered incurred the day the service is rendered, not when you are billed, charged or pay for the services. When you submit a claim for your medical flexible spending account you will be reimbursed up to the full amount of your annual election, regardless of the amount of money that has been deducted from your paycheck. When you submit a claim for your dependent care flexible spending account you will only be reimbursed based upon the amount that is available in your account. If you prepay for daycare, please submit the charges only as they are incurred. Registration fees cannot be reimbursed until the services are actually incurred.

### What Happens If I Don't Spend All Plan Contributions During the Plan Year?

Any monies left at the end of the plan year will be forfeited. Obviously, qualifying expenses that you incur late in the plan year for which you seek reimbursement after the end of each plan year will be paid first before any amount is forfeited. However, you must make your requests for reimbursement no later than 90 days after the end of the plan year. The plan year ends on December 31 of each calendar year. Because it is possible that you might forfeit amounts in the plan if you do not fully use the contributions that have been made it is important that you decide how much to place in each account carefully and conservatively.

## Making Plan Changes Mid-Year

Your election can be changed each year at open enrollment. Once the plan year has started your election cannot change unless you experience a qualifying event. The following events would be considered a qualifying event and would allow you to make changes to your flexible spending account mid-year:

- Change in marital status – Medical & Dependent Care FSA
- Change in number of dependents (i.e. birth, death, adoption) – Medical & Dependent Care FSA
- Change in employment status – Medical & Dependent Care FSA
- Dependent satisfies or ceases to satisfy eligibility requirements – Medical & Dependent Care FSA
- Judgement, decree or court order – Medical FSA
- Change in residence that affect eligibility of coverage – Medical FSA
- There is a change in your daycare provider – Dependent Care FSA
- There is a change in the cost for your daycare provider – Dependent Care FSA

## Substantiation Requirements

The Internal Revenue Service requires a written statement stating the expenses for which they are requesting reimbursement have been incurred and they have not been reimbursed nor will they seek reimbursement under another Plan. The participant does not have to provide proof that the services were paid for; they only have to prove the services were incurred during the applicable plan year. Supporting documentation must also be submitted.

The Internal Revenue Service requires the following information for medical flexible spending account expenses:

- Date service was received or purchase was made
- Description of service or item purchased
- Dollar amount
- Provider or store name (In some cases a Medical Necessity Form or physician's letter may be required)

For dependent care expenses, the Internal Revenue Service requires you to substantiate the following:

- Date(s) of service
- Dependent's name
- Description of service(s)
- Dollar amount
- Provider's name, address and EIN or Social Security Number

Vague or missing information may cause your reimbursements to be held up or become ineligible. Be sure to hang onto your receipts for documentation.

## HIPAA and Your Privacy

HIPAA (the Health Insurance Portability and Accountability Act) has changed the way we share information. We do not share balances, claims, or payments with spouses or anyone else. If you decide you want us to share information with someone else, you must complete an Authorized Representative Form and return to us. The authorization will remain in effect for one year unless we receive a written request from you to terminate the authorization.

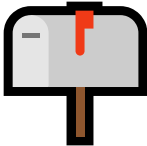
## Choose the Way You Submit Your Claims & Documentation



- Download and print a Flexible Benefit Claim Form from [www.fpspayroll.com](http://www.fpspayroll.com).
- Complete and fax the form along with your substantiation to (701) 258-1011



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- Complete and email the form along with your substantiation to [customerservice@fpspayroll.com](mailto:customerservice@fpspayroll.com).



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- Complete and mail the form along with substantiation to:  
Fronteer Professional Services  
PO Box 1315  
Bismarck, ND 58502