The **Quality** Choice for **Flexible Spending Account** Administration

Our FSA administration services leverage our state-of-the-art technology, innovation and outstanding customer support for a complete FSA solution for employers and their employees. From initial enrollment to ongoing account administration, the QualChoice dedicated account team simplifies administration of spending plans.

**Our FSA Administration Features:**
- Competitive fee structure
- Integration with claim system, so fewer forms to file
- Enrollment, claims and administrative services
- Convenience of a debit card
- Compliance services
- Employee meetings to explain FSAs in easy to understand terms
- Web-based self-service tool that provides access to claims status, claim forms, FAQs, etc.
- Dedicated and reliable customer service support

**What Benefits Can Be Included?**

**Healthcare FSA** A healthcare spending account allows employees to pay for eligible expenses not typically covered by their healthcare plan. Typical expenses may include healthcare co-payments and deductibles, prescription drugs, eye exams, eyeglasses, eye surgery, contact lenses and solutions, dental visits, orthodontic care, and chiropractic services.

IRS publication 502 offers a general guideline of eligible expenses for a Health FSA. Health FSAs are governed by the rules of Section 125 of the Internal Revenue Code and will be administered in accordance with those rules.

**Dependent Care (Adult and Child) FSA** A dependent care spending account covers the cost of care provided by eligible caregivers for dependents under the age of 13, or for a disabled spouse or other dependent who is claimed for tax purposes. Examples of covered expenses are: day care, day camp, and before- and after-school care.

IRS publication 503 offers a general guideline of eligible expenses for a Dependent Care FSA. Dependent Care FSAs are governed by the rules of Sections 125 and 129 of the Internal Revenue Code and will be administered in accordance with those rules.

Flexible Spending Account (FSA)

FSAs are a popular way for employers to empower their employees in the health benefits arena. The FSA portion of Section 125 of the Internal Revenue Code allows for employees to set aside pre-tax contributions. This reduces the company's total taxable payroll and directly lowers payroll-related taxes. Employees reduce their taxable income and pay less in federal, state, and Social Security and Medicare taxes.

**How an FSA Works**

Interested employees decide how much per pay period they want to contribute. That amount is then payroll-deducted from their gross (pre-tax) wages and deposited into the account. Employees must carefully determine how much to budget for medical or dependent expenses. IRS regulations prevent participants from changing their contribution amount or dropping out of the FSA during the plan year unless they experience a change in family status.

Unused money in an employee’s FSA at the end of the year cannot be reimbursed to the employee unless the employer has added a grace period. Funds do not roll over from year to year; any unused funds are forfeited back to the company.

If the employer offers a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA), only a Limited Purpose FSA can be offered to those employees that have an HSA. The Limited Purpose FSA complements the HSA and pays only for eligible vision and dental expenses. Medical expenses are not permitted because the tax-advantaged HSA funds those costs.

For more information or to set up an FSA program, call 800.235.7111 and ask to speak to your Regional Sales Manager.