

Flexible Spending Account (FSA)

A Flexible Spending Account lets employees set aside money from each paycheck into a dedicated account before the employer calculates taxes. The account holder and dependents use these funds for eligible healthcare expenses.

FSA Contribution Limits

Participants can set aside up to a maximum amount set by the IRS each year. **For 2024, that amount is \$3,200**

Tax Savings

On average, FSA participants can save between 30-40% on the money put into their FSA. That's because the money is set aside pre-tax, before Federal, State, and Local income taxes and Social Security/Medicare deductions are calculated.

FSA Fund Rules

FSA fund rules vary by plan, and your employer may choose one of the following:

- **Use it or Lose it** – You must spend all your FSA funds by the plan year's end, or the unused balance is forfeited to your employer.
- **Carryover** – You can use unused funds up to a maximum amount (**\$610 for 2023**) from one plan year to the next.
- **Run-out** – You can continue spending unused funds for 3 months after the plan year ends.

Uniform Coverage Rule

FSA participants can use their entire election amount at the beginning of the plan year. For example, if you elect \$2,500, and soon after the plan year begins, you incur a \$2,500 medical bill, you can use your entire election amount to cover the expense, even though you haven't contributed the total amount yet. Note that your employer will still take paycheck deductions at the same rate throughout the year.

Eligible Expenses

Please ask your HR or benefits administrator for a list of eligible expenses.



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