

# Flexible Spending Accounts

## How do the Flexible Spending Accounts (FSAs) work?

There are two separate FSAs—one for health care and one for dependent care. You can enroll in both.

- **Health Care FSA**—Can be used for eligible out-of-pocket health care expenses (medical, dental, or vision care).
- **Dependent Care FSA**—Covers eligible dependent care expenses so that you (and your spouse, if married) can work or attend school.

Keep in mind that you'll need to choose your annual contributions for each account separately and you can't combine funds from one account with the other to pay for eligible expenses.

## What is the maximum amount I can contribute to an FSA?

- For 2023, the Health Care FSA minimum is \$100, and the maximum election is \$3,050.
- For the Dependent Care FSA, the minimum is \$120, and maximum is \$5,000. If both you and your spouse are enrolling in a Dependent Care FSA, the combined amount in both company plans cannot exceed \$5,000. Also, your election may be reduced to comply with the required annual testing for this plan.

## How do I know how much to contribute?

Use the FSA estimator on Your Benefits Resources (YBR) during Annual Enrollment to help you estimate your expenses. Another way to determine your Health Care FSA contribution is to talk to your medical, dental, and vision providers. Each can help you budget your expenses for the upcoming year. Also, if you have recurring medical, dental, or vision expenses, you likely already know how much you'll need to contribute to cover those expenses.

The same formula can be used for Dependent Care FSA expenses as well. If you know you'll have expenses that are eligible, talk to your dependent-care providers to determine the contribution that is right for you.

## What is the cutoff date for using the money in my 2022 FSA?

The Health Care FSA allows you to carry over \$610 each plan year. Any amount above the \$610 will be forfeited if not spent. The Dependent Care FSA does not have this carry-over feature. Any amount left in your Dependent Care FSA at the end of the plan year will be forfeited. Plan your expenses wisely.

## What is the deadline to submit all my 2022 FSA claims?

You have until April 30, 2023, to submit eligible 2022 claims for reimbursement from any remaining 2022 Health Care or Dependent Care FSA contributions.

## Will I receive a refund if I don't use all the money in my FSA by the end of the calendar year?

No. Therefore it's important to understand what expenses are eligible and to conservatively estimate your anticipated eligible Health Care and Dependent Care FSA expenses for the coming year. During Annual Enrollment, FSA estimators are available on Your Benefits Resources (YBR) to help you in the decision-making process.

## Do I have to enroll in the FSA during Annual Enrollment to participate for 2023?

Yes. If you don't enroll during Annual Enrollment, you will not have the opportunity to take advantage of the program unless you [experience a qualifying life event](#) during the year.

## Can I quit the FSA or change my election at any time?

Your contribution can't be changed (increased or decreased) during the year unless you experience a [qualifying life event](#) (e.g., the birth of a child) and notify Your Benefits Resources (YBR) of the change within 30 days of the event. The YBR team can answer your questions about qualifying life events and if you can change your contribution election as a result.

### Whose expenses are eligible for reimbursement?

- **Health Care FSA:** You may submit eligible expenses incurred by you, your spouse, your children, and any other person who can be claimed as a qualified dependent on your federal income tax return. Domestic partner expenses are not covered.
- **Dependent Care FSA:** You can submit expenses for qualifying dependents, including your children under age 13 and any other person, regardless of age, who is incapable of caring for him or herself and can be claimed as a qualified dependent on your federal income tax return.

### What expenses are eligible for reimbursement?

- **For a Health Care FSA,** deductibles, coinsurance amounts, copays, and other expenses that are described in [IRS Publication 502—Medical and Dental Expenses](#) are considered eligible or a qualified expense. Premiums for health and other insurance aren't eligible expenses.
- **For a Dependent Care FSA,** eligible expenses include a babysitter or nanny to provide care while you're at work, daycare provider or after-school care, and preschool tuition. Expenses must be incurred for the care of eligible family members as described in [IRS Publication 503—Child and Dependent Care Expenses](#). All expenses must take place within the benefit plan year.

### What is the maximum reimbursement amount from a health and/or dependent care FSA?

- The entire Health Care FSA annual election is available at the beginning of the plan year. Your Health Care FSA balance is reduced by any reimbursements made throughout the year.
- The Dependent Care FSA balance accumulates throughout the year. The annual Dependent Care FSA amount is only available as funds are deposited and available in the account.

### How do I access my Health Care FSA funds?

If you enroll in the Health Care FSA, you'll receive a debit card\* in the mail. You can use this card to pay for eligible expenses anywhere the debit card is accepted.

Or you can pay for covered items and then submit those expenses for reimbursement. In either case, keep your receipts! You'll need to send your receipts in with your reimbursement request, or you could be asked to verify the purchases made with your debit card. Debit cards will be mailed in mid-December to participants who choose to enroll in the Health Care FSA for 2023.

\*Debit cards are available if you elect to contribute \$100 or more. Your card is good for three years from date of issue. If you are enrolled in the CDHP with HSA medical plan, eligible expenses are limited to dental and vision, and you will NOT receive a debit card if you enroll in the Health Care FSA.

### How do I submit a claim?

You'll need to submit your receipts for reimbursement online on the Your Spending Account (YSA) website. You can also quickly request reimbursement on your smartphone through the Reimburse Me mobile app. Eligible claims are typically processed within 3-5 days. You can activate direct deposit with YSA online, which will expedite your reimbursement directly to your bank account.

### I've enrolled in the Dependent Care FSA in the past and have not been allowed to contribute the full \$5,000. Why is that?

Under federal tax law, PayPal's FSA programs must pass certain nondiscrimination tests each year. These tests are designed to ensure that highly compensated employees do not receive disproportionately greater benefits. If necessary, the maximum participant contribution may be reduced mid-year to comply with federal law. If you think you'll fall into that category, and your spouse also has a Dependent Care FSA available, you might want to consider splitting the maximum between the plans.