

Flexible Spending Account

The Plan Year: January 1st—December 31st
Pinnacle's Maximum Contribution is set at \$2,550

What is an FSA?

An FSA is a reimbursement account that allows you to set aside a certain amount of money each paycheck, **PRE-TAX**, to help pay for out-of-pocket healthcare or dependent care expenses for you and your family. Since you use pre-tax dollars you lower your taxable income, and you use tax-free money for expenses.

Two kinds of FSAs and their eligible expenses

Health Care FSA

A Health Care FSA helps you pay for eligible out-of-pocket expenses. The entire annual Health Care FSA election is available to you on day one of the plan year.

- ✚ Copays, Coinsurance and Deductibles
- ✚ Prescriptions
- ✚ Eyeglasses and Contact Lenses
- ✚ Orthodontia and Dental Care
- ✚ Laser Eye Surgery

Note: The maximum salary reduction is **\$2,750** per the IRS and Healthcare Reform Act. Consistent with this rule, if each of two spouses is eligible to elect salary reduction contributions to an FSA, each spouse may elect to make salary reduction contributions of up to \$2,750 to his or her Health FSA, even if both participate in the same Health FSA sponsored by the same employer.

Dependent Care FSA

A Dependent Care FSA helps you pay for child or adult day care costs. Unlike a Health Care FSA, Dependent Care expenses are reimbursed only as the money accumulates in your account. You may not be reimbursed more than the amount contributed to the account at any given time.

- ✚ Day Care (child and adult)
- ✚ Summer Day Camp
- ✚ Before and After School Programs
- ✚ Nursery School and Preschool

Note: The maximum you may contribute is up to **\$5,000** annually if you are a single parent or married filing joint taxes. If you are married and filing separate taxes then you can only contribute up to **\$2,500** annually.

Things to remember...

- ❖ The **DEADLINE** for filing claims is 30 days after the end of the plan year (December 31st). This means all claims for eligible expenses must be submitted for payment before January 30th following the end of the plan year.
- ❖ This Plan will include a Rollover. This means any remaining balance from the previous plan year up to \$550.00 will rollover into the new plan year on April 1st.

