

> Health Savings Account

Why should I choose a health savings account (HSA)?

An HSA is a benefit that allows you to choose how much of your paycheck you'd like to set aside, before taxes are taken out, for healthcare expenses or use as a retirement savings tool. This plan offers tax savings that a 401(k) and IRA don't, making it a powerful option for diversifying your retirement portfolio.



It's yours

Think of your HSA as a personal savings account. Any unspent money in your HSA remains yours, allowing you to grow your balance over time. When you reach age 65, you can withdraw money (without penalty) and use it for anything, including non-healthcare expenses.



Flexibility

Save for a rainy day. Invest for your future retirement. Or spend your funds on qualified expenses, penalty free.



Easy to use

Swipe your benefits debit card at the point of purchase. There is no requirement to verify any of your purchases. We recommend keeping any receipts in case of an IRS audit.



Smart savings

The HSA's unique, triple-tax savings means the money you contribute, earnings from investments and withdrawals for eligible expenses are all tax-free, making it a savvy savings and retirement tool.



Investment options

You can invest your HSA funds in an interest-bearing account or our standard mutual fund lineup. Savvy investors may opt for a Health Savings Brokerage Account powered by Charles Schwab, giving you access to more than 8,500 mutual funds, stocks and bonds.

Can I enroll?

You must be enrolled in a high-deductible health plan (HDHP) in order to enroll in the HSA. You're not eligible for an HSA if:

- You're claimed as a dependent on someone else's taxes.
- You're covered by another plan that conflicts with the HDHP, such as Medicare, a medical flexible spending account (FSA) or select health reimbursement arrangements (HRAs).
- You or your spouse are contributing to a medical FSA.

What does it cover?

There are thousands of eligible items. The list includes but is not limited to:

- Copays, coinsurance, insurance premiums
- Doctor visits and surgeries
- Over-the-counter medications (first aid, allergy, asthma, cold/flu, heartburn, etc.)
- Prescription drugs
- Birthing and lamaze classes
- Dental and orthodontia
- Vision expenses, such as frames, contacts, prescription sunglasses, etc.

View our searchable list of eligible expenses at www.wexinc.com/insights/benefits-toolkit/eligible-expenses/



**My HSA
Planner**



**Why should
I get a HSA
(video)**

> Medical FSA

Why should I choose a medical flexible spending account?

A medical FSA is a benefit that allows you to choose how much of your paycheck you'd like to set aside, before taxes are taken out, for healthcare expenses. This saves you money by reducing your taxable income.



Funds on Day 1

Schedule that surgery, buy those eyeglasses or finally get those braces. All of your FSA funds are available to spend right away. Use your benefits debit card at the point of purchase.



Discount

Think of it like a discount on healthcare expenses at stores such as Amazon, Target, CVS, Walmart, Walgreens and more. Dollars you contribute are taken out of your paycheck before tax which means a \$100 purchase would actually cost you over \$130 without a medical FSA.*



Plan ahead

Think about the money you spent on healthcare expenses last year. Plan ahead and set those funds aside in a medical FSA and save 30%.*

*Based on a 30% tax bracket.

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There are thousands of eligible items, including:

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- Doctor visits and surgeries
- Over-the-counter medications (first aid, allergy, asthma, cold/flu, heartburn, etc.)
- Prescription drugs
- Birthing and lamaze classes
- Dental and orthodontia
- Frames, contacts, prescription sunglasses, etc.

View our interactive eligible expense list at

www.wexinc.com/insights/benefits-toolkit/eligible-expenses/

Can I enroll?

Yes, as long as you or your spouse aren't actively enrolled and contributing to a health savings account (HSA).



Fast fact

Don't know how much to elect? Determine how much you spent on healthcare expenses last year and estimate the amount you'll spend this year using our eligible expense list. Any funds you contribute to the medical FSA must be spent by the end of the plan year.

> Dependent Care FSA

Contribution Limits & IRS Regulations

The IRS sets the maximum dollar amount you can elect and contribute to a dependent care flexible spending account (dependent care FSA). The annual contribution limit is:

Per household: \$5,000

Per person (if married and filing separately): \$2,500

Although most people incur more than the limit per year, we recommend reviewing how much you spend on eligible dependent care expenses every year to determine your election.



Funds available as you contribute

Funds will be available to you as they're deducted from your paycheck and contributed to the plan. This means when payroll is processed and your paycheck is available to you, your dependent care FSA contributions will be applied to your account and available for reimbursement.



Use-or-lose

Don't forget to spend your FSA dollars. If you have not used all of your FSA dollars before the end of the plan year, you will forfeit any money left in your account. (Check with your employer to confirm how many days you have to submit claims for reimbursement after the plan year ends.)



Fast Fact

A great way to set it and forget it is to use our Recurring Dependent Care Form that allows you to submit one claim for the entire year and you will be reimbursed after each payroll.

Changing your dependent care FSA election

In order to make changes to your election after open enrollment, you need to experience a qualifying life event. These events include:

- Change in marital status
- Change in the number of dependents
- Increase due to birth, adoption or marriage
- Decrease due to death, divorce or loss of eligibility
- Gain or loss of eligibility due to a change in participant, spouse or dependent employment status
- Change in daycare providers
- Child turning age 13
- Increase or decrease in the cost of qualifying daycare expenses
- Judgement, decree or order requiring a change in coverage

If you experience a qualifying life event, contact your employer to make changes to your election.

HSA, FSA & DCFSA Comparison

	Health Savings Account (HSA)	Flexible Spending Account (FSA)	Dependent Care Flexible Spending Account (DCFSA)
Description	A tax-advantaged medical savings account available to employees enrolled in a High Deductible Health Plan	An account to reimburse with pre-tax dollars for eligible expenses	An account to reimburse with pre-tax dollars for eligible dependent expenses
Who Can Contribute to the Account?	Employer and eligible employees	Employee	Employee
Age Limit	Yes, contributions are not allowed for those enrolled in Medicare	None	Funds can only be only used on • Dependents who are younger than 13 • Disabled Spouse or dependent of any age
Limits on Amounts	2025 Limits: Single: \$4,300 Family: \$8,500 • For those 55 and older, the limit is increased by \$1,000 • Spouses are limited to combined family maximum if either has family coverage	2025 limit: \$3,300	\$5,000
Consequences for Excess Contributions	Subject to income tax and 6% excise tax	N/A	N/A
Reimbursable Medical Expenses	All Section 213(d) medical expenses (including over-the-counter drugs with a prescription) and long-term care expenses but not health insurance premiums (subject to exceptions)	All Section 213(d) medical expenses (including over-the-counter drugs with a prescription) and long-term care expenses	A wide variety of child and adult care services including after school programs, day camp and elder care. A full list of covered expenses can be found in the IRS' Publication 503.
Distributions for Nonqualified Medical Expenses	Subject to income tax and a 20% penalty (distributions after death, disability or reaching age 65 are exempt from the 20% penalty)	Not allowed	Not allowed
Are Premiums for Medical Coverage Reimbursable?	Yes, COBRA and qualified long-term care coverage, health plan coverage while receiving unemployment compensation and health plan coverage (other than Medicare supplemental insurance) for those age 65 or older	No	No
Can Dollars Rollover?	Yes	Yes, through March 15th	No
Is it Portable?	Yes	No	No
When are Funds Available for Use?	Funds are only available as contributions are made to the account	Funds are available on the first day of plan year	Funds are only available as contributions are made to the account
Can I have Another Account with it?	Yes, but ONLY a limited purpose FSA (LPFSA). A limited purpose FSA can only be used for qualified dental and vision expenses	No	Yes - you can have an FSA as well