

Important Flex Spending Information

Flex spending is a voluntary supplemental plan available to all employees. There are three kinds of Flex spending accounts:

1. **Medical Flex Account**- For employees who do NOT contribute to a Health Savings Account (HSA). An employee can contribute to medical Flex to be reimbursed for qualified expenses if they are NOT on a consumer driven high deductible health plan (like Nebo School District's insurance plan). A Medical Flexible Spending Account allows an employee to pay for qualified medical, dental, and vision expenses with pre-tax dollars. The benefit of paying for your expenses before taxes is that it will reduce your taxable income. Therefore, the employee pays less federal, state, Medicare and social security taxes, which in turn increase the employee take home pay.

Maximum amount that can be contributed to a medical flex account is **\$2,850** per year.

2. **Limited Purpose Flex Account** - For employees on a Consumer Driven High Deductible Health Plan (like Nebo School District's plan). The employee can be reimbursed for dental and/or vision expenses only.

A limited-purpose health Flex Account has all the same tax benefits of a general purpose FSA, however; this account is exclusively limited to dental and/or vision expenses. These accounts are generally used in conjunction with a Health Savings Accounts and a high deductible health plan to maximize the additional tax benefit of qualified medical expenses and to allow funds to grow in the HSA plan for future retirement expenses.

Maximum amount that can be contributed to this account is **\$2,850** per year.

3. **Dependent Care Flex Account** - For all employees. The funds set aside in this account can provide additional tax savings for expenses incurred for the daycare of a child (under the age of 13) or the care of a tax dependent that is incapable of self-care. The expenses must enable the employee and spouse to be gainfully employed. Those amounts paid for food, lodging, clothing, and education generally won't qualify for reimbursement under this Plan.

Maximum amount an employee can contribute is **\$5,000** if you are filing single or married jointly and **\$2,500** if married but filing separately.

Remember.....

Only \$570 per plan year can be carried over to use in the next plan year. You must reimburse yourself for all but \$570 by August 31. Any amount over \$570 in your account will be lost.