

Fidelity HealthSM

Health Care Flexible Spending Account (HCFSA)



What is a Health Care FSA?

A Health Care Flexible Spending Account allows you to set aside pre-tax dollars that you can use to reimburse yourself for eligible out-of-pocket medical, dental, prescription, and vision expenses.

Using a Health Care FSA is a great way to stretch your benefit dollars because the amount of your paycheck that goes into the health care FSA does not count as taxable income, so you will have immediate tax savings and increased take-home pay.

With a Health Care FSA, you elect an annual contribution amount that is deducted from your paycheck each pay period, in equal installments throughout the year, until you reach the amount you have specified. The maximum amount you may elect is set by your employer and cannot exceed the IRS limit for the year.

Your annual contribution amount is available to you on the first day of the coverage period; you do not need to wait to accrue the funds. Plus, the convenience of the NetBenefits AccessCard[®] allows you to easily pay for qualified medical expenses.

Qualified Medical Expenses

Use your Health Care FSA to reimburse yourself for certain eligible expenses, as allowed by the IRS. Some examples include¹:

- Out-of-pocket expenses like co-pays, coinsurance, or deductibles for medical, prescription, dental, or vision plans
- Health conditions that require the purchase of prescription medications on an ongoing basis
- Purchasing glasses, contact lenses, or laser eye surgery
- Orthodontia care such as braces, or dental expenses



Health Care FSA

Planning Ahead



Decide how much you want to contribute.

Before you enroll in the Health Care FSA, you will need to decide how much you want to contribute to your account. You can use your funds to pay for qualified medical expenses for yourself, your spouse, or your eligible dependents. Spend time estimating your anticipated eligible medical, prescription, dental, and vision expenses for the year.



Health Care FSAs are use-it-or-lose-it accounts.

The funds you contribute don't roll over from year to year.



Make sure your expenses qualify for Health Care FSA spending.

It is important to ensure that the funds being used from the HCFSAs are for qualified medical expenses. Tracking receipts and reimbursements is a best practice. Refer to [IRS Publication 502](#) or your summary plan description, for a complete list of qualified medical expenses.

Easy Access

You can submit Health Care FSA claims as often as qualified medical expenses are incurred. Expenses must be incurred during the plan year, and any reimbursement must be requested before the end of the run-out period.

NetBenefits AccessCard®

- You will receive a NetBenefits AccessCard to make it easy to pay for eligible services and products. When you use the NetBenefits AccessCard, payments are automatically withdrawn from your account.
- Most expenses can be validated through the card transaction, but you may be required to provide a copy of the receipt for certain transactions, in accordance with IRS rules. When necessary, receipts can be easily uploaded to [NetBenefits](#).

Reimburse Yourself

- You can submit a claim by logging in to [NetBenefits](#) and selecting the "Flexible Spending and Reimbursement Accounts" tile. From there, you can select the "Reimburse Yourself" tile.
- Request a check disbursement or link a bank account for faster transfers. Reimbursements can only be processed for expenses that have already been incurred.



Frequently Asked Questions

How do I participate in a Health Care FSA?

To participate you must enroll during your employer's annual enrollment or as the result of a qualifying life event. Contact your benefits administrator for more information.

How do I change my Health Care FSA deduction amount?

Employers only allow changes to your election during annual enrollment or a qualifying life event, such as the addition or loss of a dependent. Contact your benefits administrator for more information.

Can I enroll in both an HSA and an FSA?

If you enroll in both an HSA and an FSA, you cannot make contributions to the HSA for that coverage period if the FSA is a "full purpose" Health Care FSA that pays or reimburses for qualified medical expenses. However, you will be able to make contributions to an HSA and an FSA if you are covered under a Limited Purpose FSA because that kind of FSA restricts reimbursements to certain qualified medical expenses such as vision, dental, or preventive care benefits.

When are my funds available?

The full benefit amount that you elect is available at the beginning of the coverage period, regardless of how much has been contributed at that point. Once you submit a claim, a review occurs within two business days, and reimbursement can take as little as three business days through direct deposit once the claim is approved. Visit [NetBenefits](#) for more information and instructions on linking your bank account.

What do I do if I requested HCFSA funds in error or a provider refunds me for an expense that I paid for with my HCFSA?

A refund can be submitted via check along with the claim number to the standard address listed on claim notifications. You can also contact our call center to have the corresponding claim denied so you can repay the claim on [NetBenefits](#). If the provider refunds your NetBenefits AccessCard® then the account will be repaid, but you may need to contact the call center if the claim is unresolved. At that point, we can have the refund applied to that claim.



Frequently Asked Questions

How much will I really save in taxes by contributing to an HCFSA?

No payroll or income taxes are withheld from contributions to an FSA.

The amount you may save depends upon:

- The amount you put into your HCFSA
- The tax percentage you would normally pay on that money (tax bracket)

Let's say you want \$2,000 taken out of your paycheck this year to put into your HCFSA. The money you direct to your HCFSA is taken out of your check before taxes are taken out. That reduces your taxable income by \$2,000.

Let's say you normally pay 30% in federal, Social Security, and state taxes on your income. In this example, you would have a tax savings of 30% of the \$2,000. In other words, you could get an estimated tax savings of \$600 on the \$2,000 you directed to your HCFSA.

What happens if I terminate employment?

The health care FSA on your NetBenefits AccessCard® will be deactivated, and you will have a run-out period to submit claims for eligible expenses incurred while you were still actively employed. Your employer determines the length of the run-out period. After the run-out period ends, any remaining funds in your account will be forfeited to your employer.

Typically, Health Care FSAs can be continued under COBRA. If you wish to enroll in COBRA coverage for your health care FSA, please contact your benefits administrator for more information.

¹For a complete list of health care expenses, see [IRS Publication 502](#).

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