

Flexible Spending Accounts (FSA)

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Arkansas State University offers flexible spending accounts to benefits-eligible employees. The plan is administered through Optum Financial. You may check your account and submit expenses [online](#).

Once enrolled, you will receive an Optum payment card. You may use your card to pay eligible expenses at IRS-approved vendors. You may use your card anywhere that accepts credit cards for reimbursement balances that have been credited to your card. Active employees enrolled in the medical FSA plan have until 75 days after the end of the plan year to incur expenses (March 15) and until March 31 to submit.

Employees who retire or terminate during the year do not have a grace period. Their last day of work is the last day they can incur expenses, and they have 60 days to submit expenses.

Qualified Expenses

Flexible spending accounts give you the opportunity to tax-shelter income that you can use to pay for qualified health care or childcare expenses. The money you tax shelter is not included in your federal, state, or FICA wages.

- Health Care: Tax shelter between \$240 and \$3,200 per employee for eligible out-of-pocket health care expenses.
- Dependent Day Care: Tax shelter between \$240 and \$5,000 per household of annual childcare (daycare) costs.

How do I start a Flexible Spending Account?

You may enroll within your first 31 days of employment for the current calendar year. Current employees who wish to participate must enroll during the open enrollment period each fall for the next calendar year. Any funds not claimed during the grace period are forfeited.

How much can I contribute to my FSA?

You can contribute up to \$3,200 into a **Healthcare FSA** for eligible health, dental, vision, or certain over-the-counter expenses. These expenses can be for you or your eligible tax dependents, whether or not they are covered on the health plan. **You must re-enroll every year.**

You can contribute up to \$5,000 (per household) into a **Dependent Care FSA** for child and adult day care expenses for eligible dependent expenses that allow you and, if you are married, your spouse to work, but you must re-enroll every year.

Can I use a Health Care Flexible Spending Account (FSA) with the Classic or Premier Plan?

Yes. The Classic Plan and Premier Plan may be paired with a health care Flexible Spending Account (FSA) that can be used for qualified medical expenses during the plan year. You choose the amount to contribute and then make pre-tax contributions up to the annual IRS limits. The funds in a health care Flexible Spending Account do not roll over from year to year.

How is an FSA different from an HSA?

- FSAs and HSAs both offer tax benefits and have annual contribution limits.
- Funds in an HSA roll over from year to year. There is no “use it or lose it” rule.
- FSAs are “use it or lose it.” That means you'll lose any funds you don't spend by the end of the grace period.
- You can use your FSA to cover eligible healthcare costs at the start of the year. The entire amount is available on day one.
- With the HSA, you cannot spend more than the funds deposited in your HSA. However, you can save receipts for qualified medical expenses and file for reimbursement after your balance has grown.
- You can't contribute to an HSA and an FSA in the same year.

Additional flexible spending account (FSA) information can be found through the [ASU System Benefits Page](#)

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