

Learn about Flexible Spending Account changes

Flexible Spending Accounts (FSA)

Money that is deposited into a Flexible Spending Account (FSA) is contributed on a pre-tax basis, lowering your taxable income for the year. FSA contributions are optional and must be specified each year (they do not rollover). UnitedHealthcare will administer FSA plans, which is a change for legacy Qwest employees.



How FSAs Work

When you put money into an FSA to pay out-of-pocket eligible health care or dependent day care expenses, you save money on taxes. That is because the money you use to fund an account comes out of your pay *before* federal income and Social Security taxes are deducted. The result? You pay less in taxes and have more take-home pay.

FSA Accounts

There are two types of FSA accounts that can be used to set aside funds to pay for health care and dependent day care expenses. If you are enrolled in both the health care and the day care FSA, you will elect the specific amount you want to contribute to each account, from \$150 up to \$5,000 a year.

- 2012 FSA dollars can be used for expenses incurred from January 1, 2012 through March 15, 2013. **Note: Qwest bargaining employees can use available FSA dollars for expenses incurred from January 1, 2012 through December 31, 2012.**
- Expenses incurred after March 15, 2013 (or December 31, 2012 for Qwest bargaining employees) are not eligible for reimbursement from 2012 FSA dollars.

For any claims incurred between January 1, 2012 and March 15, 2013 (or December 31, 2012 for Qwest bargaining employees), you have until April 30, 2013 to submit a reimbursement request to UnitedHealthcare. Claims received after April 30, 2013 that do not have a U.S. Postal Service postmark on or before April 30 will not be considered for payment. Claims sent by fax must be received by UnitedHealthcare by close of business April 30, 2013.

Health Care FSA

Health care FSA dollars can be used to pay for eligible medical expenses (doctor's visits, prescriptions), co-insurance and other expenses (eye glasses) for you and your covered dependants.

- Over-the-counter (OTC) medications are only eligible for reimbursement **if you have a doctor's prescription**, including antacids, allergy medicines, pain relievers and cold medicines. There are some exceptions, such as bandages, crutches, etc. which do not require a prescription.
- The Consumer Account Card (CAC) cannot be used to purchase over-the-counter medications.
- You will need to pay for the medication out-of-pocket and submit a claim to your FSA. Your claim must include the prescription for the medication.

Day Care FSA

Dependent day care expenses apply to dependents who live in your home. You can contribute to a Day Care FSA if care for a dependent permits you (if single) or you and your spouse (if married) to work full-time, work part-time or attend school full-time. Employment includes self-employment.

Eligible dependent day care expenses include payment for:

- a qualified child day care center
- a babysitter while you are working
- a nursery school or pre-school
- a day camp

- either in-home or adult day care for an incapacitated spouse or dependent parent, excluding nursing home charges
- the cost of before or after-school care for dependents under age 13

Mental health and counseling services

FSA dollars can be used to pay for mental health/counseling services that fall outside of the Employee Assistance Program (EAP). These expenses are also covered under your HRA if you enroll in the CDHP plan.

Paying for Health Care and Day Care Expenses from your Flexible Spending Account

If you enroll in a health care or day care FSA account, you will receive a Consumer Account Card (CAC) to pay for eligible expenses. Employees who enroll in the Consumer Driven Health Plan (CDHP) for medical coverage will be able to access both HRA and FSA dollars on the CAC card. For eligible medical and prescription expenses, HRA dollars are used before FSA dollars.

Your HRA only reimburses eligible covered medical and prescription expenses. Your health care FSA can reimburse other eligible medical, prescription drug, dental, vision and certain over-the-counter (OTC) health items if prescribed by a physician.

Direct Deposit

You have the option to set up direct deposit and have any FSA reimbursements deposited directly into your bank account for expenses that are not directly charged to your CAC card. Direct deposit can be set up on the UnitedHealthcare website after January 1 if you are a new UHC member.