

# Flexible Spending Accounts

Consider whether the Health Care Flexible Spending Account (“FSA”) or Dependent Care FSA could save you money.

FSAs give you a way to pay for qualified health care and dependent care expenses with pre-tax dollars. FTI Consulting offers two types of tax-advantaged FSAs: the Health Care FSA and Dependent Care FSA.

## Health Care FSA

You are eligible to participate in the Health Care FSA if you enroll in a Gold or Platinum medical option or waive medical coverage through FTI Consulting.

The Health Care FSA contribution limit, set by the IRS, is \$3,200. Unlike an HSA, once you set your annual contribution during your enrollment period, you cannot change that amount during the year (except in the case of certain qualified life events).

And, with the Health Care FSA, you lose any unused money that exceeds \$640 at the end of the year, so it’s important that you carefully estimate your anticipated eligible expenses for the coming year.

## Use Your Health Care FSA Easily

It’s your money, so it should be easy to access — and it is! In addition to being able to manage your account online, there are two ways to use your FSA to pay for expenses. You can use your Health Care FSA debit card or pay for your expenses up front and submit a claim to pay yourself back from your account.

Find a complete list of qualified expenses at [irs.gov/publications/p502](https://www.irs.gov/publications/p502).

## Dependent Care FSA

A Dependent Care FSA may be used to reimburse yourself for qualified child and dependent care expenses. You may use this account without being enrolled in medical coverage. But remember, a Dependent Care FSA does not reimburse you for the medical expenses for your dependents.

The Dependent Care FSA contribution limit, set by the IRS, is \$5,000 (or \$2,500 if you are married and filing taxes separately) for 2024. Once you set your annual contribution during your enrollment period, you cannot change that amount during the year (except in the case of certain qualified life events).

And, you lose any unused money at the end of the year, so it’s important that you carefully estimate your anticipated eligible expenses for the coming year.



### Health Care FSA Claims and Reimbursement

You’ll receive additional information after you enroll on how to use your Health Care FSA debit card and submit claims online for reimbursement.

You can use your Dependent Care FSA to pay for dependent care expenses if you meet any of the following conditions:

- You have one or more dependents under the age of 13 (age 13 or over, if mentally or physically challenged) or a disabled dependent, spouse or parent living in your home and incapable of self-care; or
- If you are married, your spouse must work full- or part-time, must be looking for employment, must be a full-time student for at least five months of the year, or must be disabled.

Only the portion of expenses which enable you to remain employed are eligible. Educational expenses are not eligible. Eligible dependent care expenses include:

- Licensed nursery school and daycare centers for preschool children;
- Daycare centers for other qualifying dependents (elder care centers, for instance);
- Housekeepers, cooks or maids who provide dependent care in your home; and
- Individuals 18 years and older, other than your dependents, who provide daycare for young qualifying dependents, either inside or outside your home.

In order for your FSA contributions to be eligible for reimbursement, you must obtain a tax identification number from your providers which will be reported on your tax return.

## Tax Credit vs. Flexible Spending Account

You may be eligible for a dependent care tax credit on your income tax return. Please note you cannot use your Dependent Care FSA and the tax credit for the same expenses. If you use a combination of tax credits and FSA, the tax credit will be reduced, dollar for dollar, by the amount you put into your account. To determine whether you are eligible for this tax credit, it is recommended that you seek guidance from a tax specialist or refer to the IRS website at [irs.gov](https://www.irs.gov).



### Currently Have an HSA?

If you currently have an HSA but you aren't eligible to contribute to an HSA in 2024, you can still enroll in a Health Care FSA if you enroll in the Gold or Platinum medical option, or waive medical coverage through FTI Consulting. Although you cannot contribute to both a Health Care FSA and an HSA in the same plan year, you can spend the funds in an existing HSA while contributing to a Health Care FSA.



### Dependent Care FSA Claims and Reimbursement

You may submit claims for reimbursement by submitting them through the FTI Benefits Center website. You may make a request for reimbursement at any time during the plan year. To be eligible for reimbursement, expenses must be incurred while you are a plan participant during the plan year. You will have 90 days after the end of the plan year to file a claim for expenses incurred during the plan year. If you request a reimbursement for more money than is currently in your Dependent Care FSA, you will be reimbursed with the total balance of your account.

## Things to Consider

When deciding whether to enroll in FSAs, be sure to consider the following:

### ✓ **Your medical option**

You can participate in a Health Care FSA if you enroll in the Gold or Platinum medical option, or if you waive medical coverage through FTI Consulting.

If you enroll in a high deductible option — Bronze Plus or Silver — you cannot enroll in a Health Care FSA; however, you could enroll in an HSA which may be a better option.

### ✓ **Tax savings**

Do you have moderate to high health care or dependent care expenses? If so, an FSA could help reduce how much you pay in taxes.

### ✓ **Your expected expenses**

Because you could lose unused FSA money at the end of the year, you need to carefully estimate your anticipated eligible expenses for the coming year. You should only set aside FSA dollars for eligible expenses you know to expect.

### ✓ **If you leave the company**

Your participation in the FSAs will end on the date of your termination of employment. You will have 90 days from the date of your termination to submit for reimbursement for qualified expenses incurred while you were a plan participant. You will be provided the opportunity to continue this benefit on a post-tax basis through COBRA.