FLEXIBLE SPENDING ACCOUNT - TASC

Note: If you enroll in BlueCare (HMO) 128/129, you cannot participate in the General-Purpose Health Care FSA.

You have the opportunity to pay for out-of-pocket Medical, Dental, Vision, and/or Dependent Care expenses with pre-tax dollars through the Flexible Spending Account (FSA).

A **General-Purpose Health Care FSA** is used to reimburse out-of-pocket medical, dental and/or vision expenses incurred by you and your eligible dependents, whether you cover them or not. Eligible expenses include deductibles, coinsurance, copays, etc. **You can pledge to contribute up to $3,400 into the Health Care FSA.**

A **Dependent Care FSA** is used to reimburse expenses related to care of eligible dependents (children under age13 or any disabled adult dependent that lives with you) while you and your spouse work. Qualified expenses include nannies, babysitters, housekeepers, nurse's fees and registration fees to a daycare facility. The cost of pre-K or nursery school, before and after school care, and day camp also qualify. **You can pledge to contribute up to $5,000 into the Dependent Care FSA.**

Contributions to your FSA come out of your paycheck before any taxes are taken out. This means that you don't pay federal income or FICA taxes on the portion of your paycheck you contribute to your FSA. Depending upon your tax bracket, your savings could range between 25% and 40%.

You should contribute the amount of money you expect to pay out-of-pocket for eligible expenses incurred during the plan year: **July 1, 2026 - June 30, 2027**.

If you still have money in the FSA at the end of the plan year, you will have a 2.5 month extension to incur additional eligible expenses. Any money remaining in the FSA after September 15, 2027 is forfeited.

Following is a comparison of the Health Savings Account and Health Care Flexible Spending Account:

	Health Savings Account (HSA)	Flexible Spending Account (FSA)
Plan Requirements	Qualified HDHP	N/A
Other Requirements	Cannot be enrolled in any other health insurance, including a general-purpose health care FSA	N/A
Account Owner	You	Employer
Qualified Expenses	Medical, Dental & Vision, and some Medicare, Long-Term Care & COBRA Premiums	Medical, Dental & Vision
2026 Annual Contribution Limits	$4,400 Individual $8,750 Family Plus $1,000 Catch-Up at age 55+	$3,400
Access to Funds	Available balance only	Full pledge available up front
Ability to Use Funds for Non-Qualified Expenses	Yes, but taxable and subject to a 20% penalty (no penalty after age 65)	No
Ability to Change Pledge	Same as all Direct Deposit Banking	Open Enrollment or Qualifying Events only
Rollover of Funds	Yes - unlimited	No, but 2.5 month extension
Recordkeeping	Retain receipts in case of IRS audit	Submit receipts when requested by Plan Administrator
Eligible Dependents	Legal spouse and dependent children	Legal spouse and dependent children