HealthEquity | HCFSA, HSA, LPFSA & DCFSA

RRD BENEFITS
HEALTH | WEALTH | LIFE

# Benefits Bootcamp: Understanding your HealthEquity HSA and FSAs

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# Pay less for healthcare and maximize tax savings

## Both FSAs and HSAs let you spend tax-free on eligible medical expenses.

FSAs and HSAs are never taxed at a federal income tax level when used appropriately for qualified medical expenses. Also, most states recognize FSA and HSA funds as tax deductible with very few exceptions. Please consult a tax advisor regarding your state's specific rules.

# Tax-free contributions for FSA and HSA

**$50**

earned income

| FSA or HSA | Without FSA or HSA |
|---|---|
| **Not taxed** | **Taxed** |
| Keep all your money | $10 to Uncle Sam |
| **$50** | **$40** |
| Spending power | Spending power |

Estimated savings are based on an assumed combined federal and state income tax bracket of 20%. Actual savings will depend on your taxable income and tax status

# FSA

## Healthcare Flexible Spending Account

# Surprising health savings

A healthcare Flexible Spending Account lets you use tax-free money to pay for eligible medical expenses helping you realize significant savings on healthcare costs.

FSAs are never taxed at a federal income tax level when used appropriately for qualified medical expenses. Also, most states recognize FSA funds as tax deductible with very few exceptions. Please consult a tax advisor regarding your state's specific rules.

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# Get more flexibility with your FSA

- ✓ Access annual contribution amount on day one
- ✓ Fast, hassle-free payments and reimbursement
- ✓ Pay for your spouse and eligible dependents too

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# Tax-free spending on eligible expenses

## Medical care

- Doctor visits and copays
- Hospital services
- Telehealth

## Vision

- Eye exams
- Prescription glasses/contacts
- LASIK surgery

## Dental

- Teeth cleaning
- Dental reconstruction
- Orthodontia

## Personal health

- Over-the-counter pain relievers
- Period care products
- Crutches

## Alternative care

- Chiropractic care
- Acupuncture
- Massage*

## Mental health

- Therapy sessions*
- Prescriptions
- Treatment for substance abuse disorder

*May require letter of medical necessity

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FSA store®

# Smart spending starts with thoughtful planning

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# Pro-tip:

## You only save if you spend it all

# HSA

Health Savings Account

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# Invest in your healthcare

HSAs are tax-advantaged accounts that let you put aside money for current and future healthcare costs while saving on taxes.

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# Get the 'triple-tax advantage' only with HSA

- ✓ Tax-free contributions
- ✓ Tax-free account growth
- ✓ Tax-free spending for qualified medical expenses

HSAs are never taxed at a federal income tax level when used appropriately for qualified medical expenses. Also, most states recognize HSA funds as tax deductible with very few exceptions. Please consult a tax advisor regarding your state's specific rules.

# HSA funds roll over year after year

- ✓ No ‘use-it-or-lose-it’
- ✓ Funds don’t expire at the end of a plan year
- ✓ Keep your HSA forever

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# Tax-free spending on qualified medical expenses

## Medical care

- Doctor visits and copays
- Hospital services
- Telehealth

## Vision

- Eye exams
- Prescription glasses/contacts
- LASIK surgery

## Dental

- Teeth cleaning
- Dental reconstruction
- Orthodontia

## Personal health

- Over-the-counter pain relievers
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## Alternative care

- Chiropractic care
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## Mental health

- Therapy sessions*
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- Treatment for substance abuse disorder

*May require letter of medical necessity

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HSA store®

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# The more you contribute the more you save

| Coverage | 2026 Contribution limit |
| --- | --- |
| Individual | **$ 4,400** |
| Family | **$ 8,750** |

Members 55+ can contribute an extra $1000.

*Employer contributions will be included in your total maximum contribution limit.

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# If you love a 401(k), meet your new best friend

| 401(k) | HSA |
|---|---|
| FICA taxed contributions | 100% tax-deductible contributions |
| Tax-free earnings | Tax-free earnings |
| Medical expenses taxed as ordinary income | Tax-free distributions for medical expenses |
| Regular expenses taxed as ordinary income | Regular expenses taxed as ordinary income |
| Minimum distributions required | No minimum distributions |

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# LPFSA

## Limited Purpose Flexible Spending Account

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# Save more for dental and vision expenses

A Limited Purpose Flexible Spending Account (LPFSA) lets you use tax-free money to pay for eligible dental and vision expenses.

LPFSAs are never taxed at a federal income tax level when used appropriately for qualified dental and vision expenses. Also, most states recognize LPFSA funds as tax deductible with very few exceptions. Please consult a tax advisor regarding your state's specific rules.

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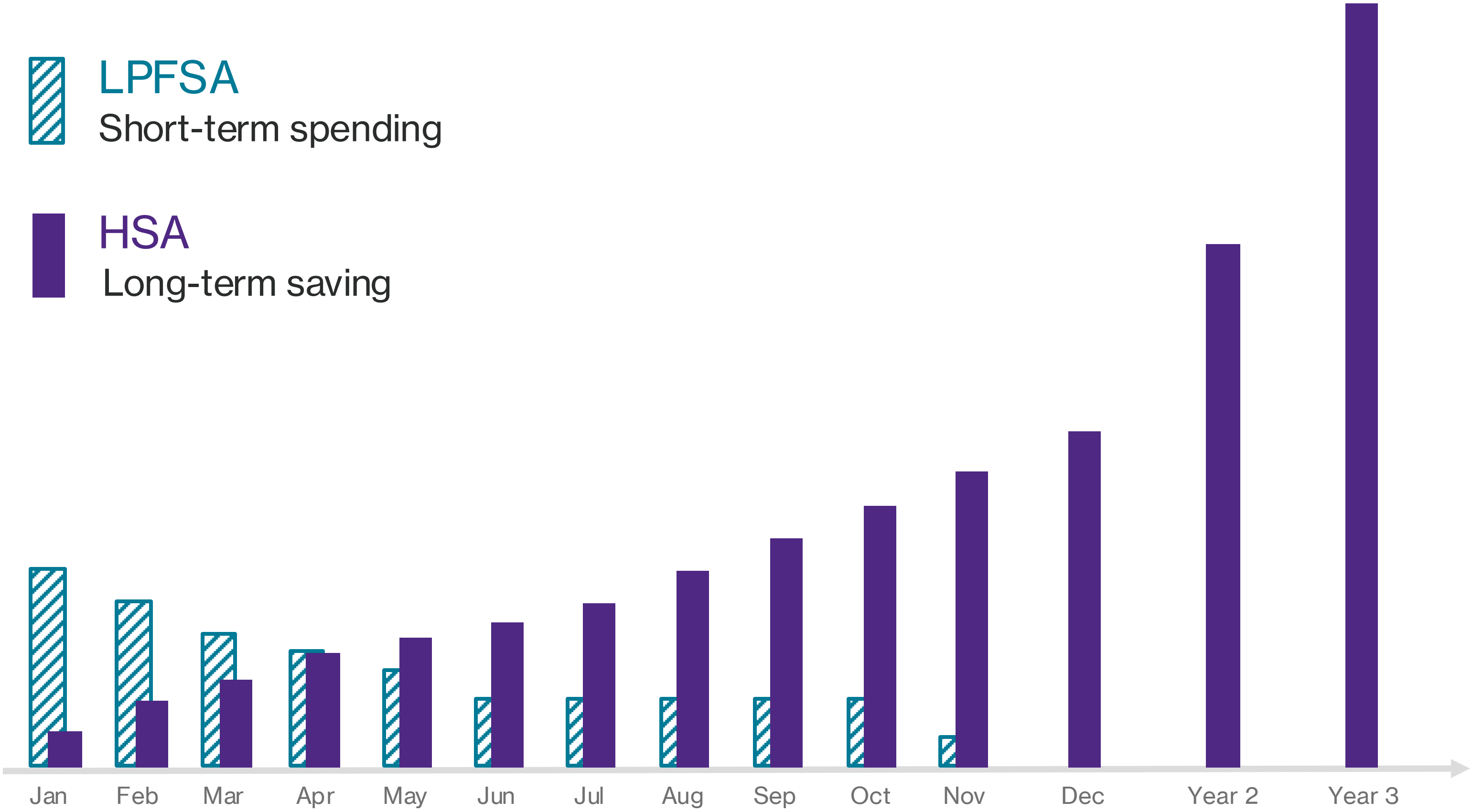
# A LPFSA can complement your HSA nicely if you are saving for the long-term

## Consider these questions:

1. Do you need funds at the start of the plan year for dental and vision expenses, which an LPFSA provides?

2. Do you plan to maximize your HSA contributions in order to have long-term savings?



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# Get more flexibility with your LPFSA

- ✓ Access annual contribution amount on day one
- ✓ Fast, convenient payments and reimbursement
- ✓ Pay for your spouse and dependents too

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# Save on LPFSA eligible expenses

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lpfsa-qme

## Preventive care

- Teeth cleaning
- Wisdom teeth removal
- Eye exams

## Vision

- LASIK surgery
- Prescription glasses and contacts
- Prescription sunglasses
- Eyedrops

## Dental

- Orthodontia
- Fillings and sealants
- Mouth guards
- Crowns and caps

# Tips to spend smarter

- ✓ Plan your spending
- ✓ Save receipts
- ✓ No double dipping

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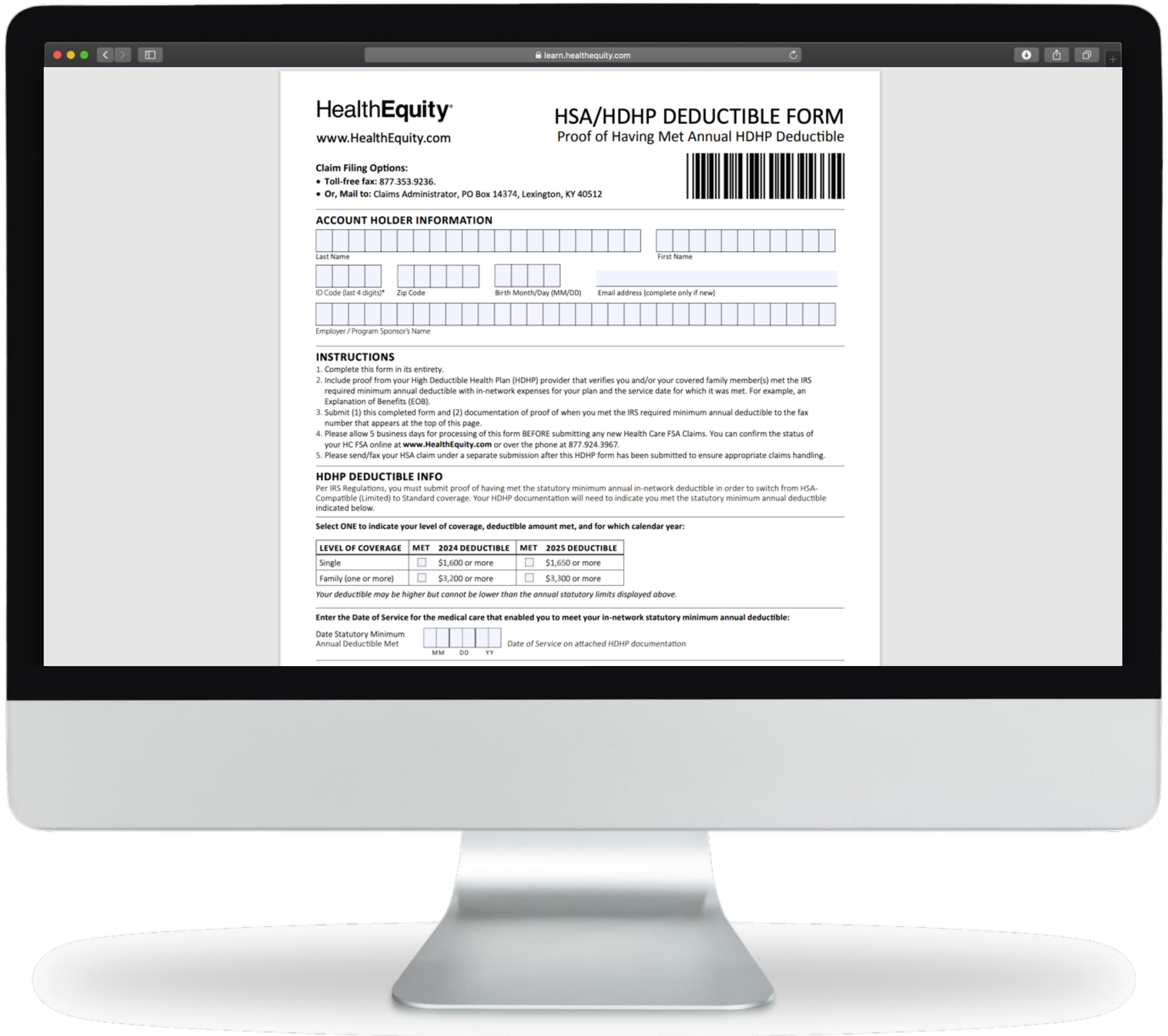
# HSA/HDHP Deductible Form

1. Visit the HSA/HSHP Deductible Form link:

**www.HealthEquity.com/doclib/hsa/hdhp_deductible_form.pdf**

2. Complete the form

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www.HealthEquity.com

## HSA/HDHP DEDUCTIBLE FORM

Proof of Having Met Annual HDHP Deductible

**Claim Filing Options:**

- **Toll-free fax:** 877.353.9236.
- **Or, Mail to:** Claims Administrator, PO Box 14374, Lexington, KY 40512

### ACCOUNT HOLDER INFORMATION

Last Name

First Name

ID Code (last 4 digits)*

Zip Code

Birth Month/Day (MM/DD)

Email address (complete only if new)

Employer / Program Sponsor's Name

### INSTRUCTIONS

1. Complete this form in its entirety.
2. Include proof from your High Deductible Health Plan (HDHP) provider that verifies you and/or your covered family member(s) met the IRS required minimum annual deductible with in-network expenses for your plan and the service date for which it was met. For example, an Explanation of Benefits (EOB).
3. Submit (1) this completed form and (2) documentation of proof of when you met the IRS required minimum annual deductible to the fax number that appears at the top of this page.
4. Please allow 5 business days for processing of this form BEFORE submitting any new Health Care FSA Claims. You can confirm the status of your HC FSA online at **www.HealthEquity.com** or over the phone at 877.924.3967.
5. Please send/fax your HSA claim under a separate submission after this HDHP form has been submitted to ensure appropriate claims handling.

### HDHP DEDUCTIBLE INFO

Per IRS Regulations, you must submit proof of having met the statutory minimum annual in-network deductible in order to switch from HSA-Compatible (Limited) to Standard coverage. Your HDHP documentation will need to indicate you met the statutory minimum annual deductible indicated below.

**Select ONE to indicate your level of coverage, deductible amount met, and for which calendar year:**

| LEVEL OF COVERAGE | MET | 2024 DEDUCTIBLE | MET | 2025 DEDUCTIBLE |
|---|---|---|---|---|
| Single | ☐ | $1,600 or more | ☐ | $1,650 or more |
| Family (one or more) | ☐ | $3,200 or more | ☐ | $3,300 or more |

*Your deductible may be higher but cannot be lower than the annual statutory limits displayed above.*

**Enter the Date of Service for the medical care that enabled you to meet your in-network statutory minimum annual deductible:**

Date Statutory Minimum Annual Deductible Met — MM DD YY — *Date of Service on attached HDHP documentation*

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# HSA vs FSA

| | HSA | FSA/LPFSA |
|---|---|---|
| **Health plan type** | HSA-qualified | Traditional |
| **Premiums** | Lower | Higher |
| **Deductibles** | Higher | Lower |
| **Fund availability** | As you contribute | Start of plan year |
| **2026 Contribution limits** | $4,400 single**<br>$8,750 family** | $3,300** |
| **Fund expiration** | Funds roll over year after year | Funds expire at end of plan year |

**2026 contribution limits

Go to: Comparemyhsa.com and use our plan comparison tool.

# Ability to adjust contributions

| HSA | FSA/LPFSA |
|---|---|
| Yes | Generally only with qualifying event |

# Eligible expenses

| | HSA | FSA/LPFSA |
|---|---|---|
| Deductibles/ copays | ✓ | ✓ |
| Vision and dental | ✓ | ✓ |
| Qualified medical expenses | ✓ | ✓ |

# DCFSA

## Dependent Care Flexible Spending Account

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# Turn caregiving into tax savings

A Dependent Care Flexible Savings Account (DCFSA) lets you use tax-free money to pay for eligible dependent care expenses.

DCFSAs are never taxed at a federal income tax level when used appropriately for eligible dependent care expenses. Also, most states recognize DCFSA funds as tax deductible with very few exceptions. Please consult a tax advisor regarding your state's specific rules

# Save on eligible dependent care expenses

- ✓ Pre-tax payroll contributions
- ✓ Fast, convenient payments and reimbursement
- ✓ Enjoy a full year to spend your account funds

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# Save $1,000

Members who contribute the max to their DCFSA can save $1500 each year* on eligible expenses.

| | |
|---|---|
| | $7,500 |
| x | 20% |
| | **$1,500** |

*The example used is for illustrative purposes only; actual savings may vary. The figure is based on average tax rate of 20%, including state, federal and FICA taxes. Savings based on contributing the maximum family amount of $5,000.

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# Determine eligible dependents

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# Save on DCFSA eligible expenses

**HealthEquity.com/dcfsa-qme**

## Childcare for children under age 13

- Nanny and au pair services
- Summer day camp
- Preschool
- Babysitting

## Eldercare

- Elder day care
- Work-related custodial elder care

## Care-associated costs

- Transportation costs to and from eligible care
- Late pick-up fees

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# Qualifying life events

- ✓ Marital status
- ✓ Number of dependents
- ✓ Employment status
- ✓ New childcare or eldercare provider

Generally these are qualifying life events. Check your plan to determine what are permissible qualifying life events.

# Use funds as they accrue

# What’s needed for reimbursement

Documentation that includes the following should be provided:

- ✓ Names of providers
- ✓ Names of persons who received care or service
- ✓ Dates of service or care
- ✓ Descriptions of services
- ✓ Costs of service or care

# Transition: Williams Lea employees

- ✓ **2025 Flexible Spending Accounts are administered by Inspira**
  - ✓2025 runout claims for healthcare and dependent care FSAs must be submitted to Inspira
- ✓**2026 FSAs are administered by HealthEquity**

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# Transition: Williams Lea employees

## ✓Health Savings Accounts are administered by HealthEquity

✓Your previous HSA with Inspira will stay active, but may incur monthly admin fees which will be billed directly to you

✓If you contribute to an HSA in 2026, a HealthEquity account will be opened for you

✓Once the account is opened, consider closing the Inspira account and transferring funds to the HealthEquity account

✓**Why?** You don't lose track of the funds AND you save the admin fee to Inspira

✓**How?** Form is available on the HQY website and on **myrrdbenefits.com**

**https://resources.healthequity.com/Forms/Transfer_Request_Form.pdf**

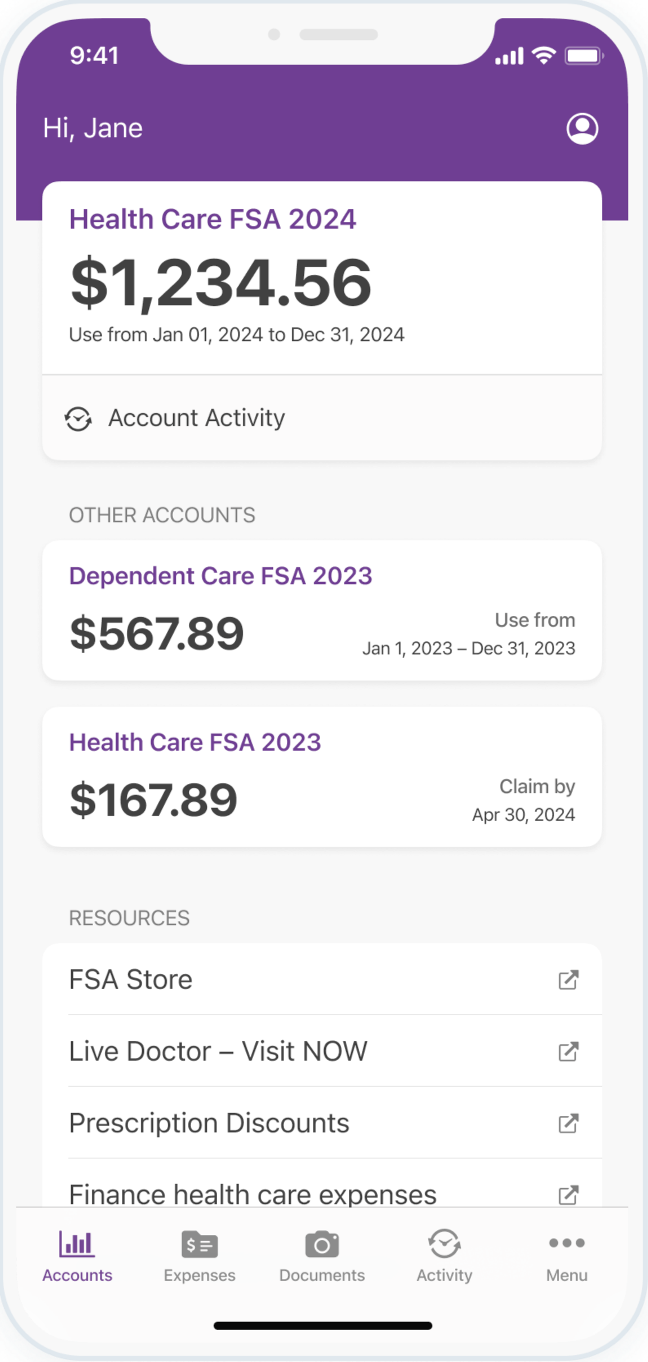
# Download the HealthEquity mobile app

- Home screen where you can check your account balance
- Submit and track claims
- Fast, convenient payment and reimbursement
- Get on-demand, 24/7 support

HealthEquity app

Download on the App Store

GET IT ON Google Play




[1]Accounts must be activated via the HealthEquity website or mobile app in order to use the mobile app.

# Questions?

We’re here for you 24/7

866.735.8195

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