

FSA Budgeting

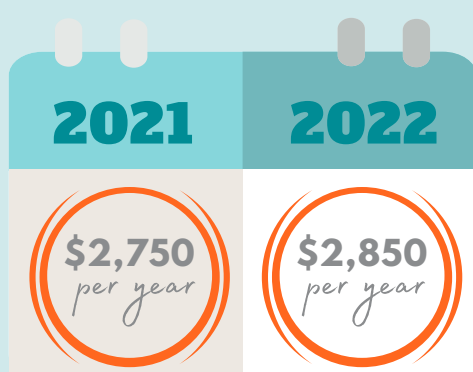
7 tips for building a successful Flexible Spending Account (FSA) budget

An FSA is a benefit account that allows you to set aside tax-free money to pay for out-of-pocket healthcare expenses. While there is no magic formula to determine how much you should contribute, here are seven tips you should to know.

1

IRS CONTRIBUTION LIMITS

The IRS limits how much you can contribute to your FSA annually. While the IRS sets the maximum, the contribution limit varies by employer.



2

THINK ABOUT YOUR BUDGET

Review your finances and determine how much you can afford to contribute.

If you can only afford \$20 per month, then contribute \$20 per month.

Remember that contributions are deducted from your paycheck pre-tax.

3

CONSIDER LAST YEAR

Think about how much you spent on healthcare last year...then ask yourself:

Was this a typical year?

Are there circumstances or upcoming events that may cause my spending to increase or decrease this year?



4

THINK ABOUT NEXT YEAR

Predict the health expenses your family will incur this year. At a minimum, contribute what you know you'll spend.

Add up your family's estimated expenses: Don't forget events such as:

- Prescriptions
- Doctor visits
- Dental and vision care
- Over-the-counter medications
- Personal protective equipment (PPE)
- Menstrual care products
- Childbirth
- Surgery
- Medical procedures

5

CONSIDER YOUR DEDUCTIBLE

Do you think you'll meet your deductible next year?

If you're not exactly sure what you'll spend, having enough in your FSA to cover your deductible is a great strategy.



6

PLAN FOR THE UNEXPECTED



Are you typically a high healthcare user?

It may benefit you to add some buffer funds on top of what you know you will spend.

OR

Are you generally healthy and a low healthcare user?

You may consider forgoing additional wiggle room.



7

BE PREPARED TO USE REMAINING FUNDS

At the end of the year, you may find yourself with unused funds in your account.

No worries - your FSA can be used for thousands of common, everyday use healthcare products and services.

