

What is a Flexible Spending Account (FSA)?

An FSA is an account set-up through an employer which allows an employee to set aside income pre-tax thereby reducing an employee's taxable income. It can then be used for a plethora of IRS-qualified medical and dependent care expenses. Medical expenses eligible using FSA dollars include, but are not limited to, deductibles, coinsurance, co-pays for office visits or prescription drugs, eye glasses, contact lenses and many over-the-counter medications and products such as allergy medications and band-aids. Covered dependent care expenses are for those dollars spent to care for dependents that live with you while you are working. This can include both child care as well as adult day care. Claims can be filed by paper or via the use of an FSA debit card which can be swiped at the point of purchase automatically debiting the account.