

AvMed Consumer FSA and DCFSA

Diversify your Benefit Package

The AvMed Consumer FSA and DCFSA is a simple solution: easy administration and easy use

With the AvMed Consumer Flexible Spending Account (FSA) and Dependent Care Flexible Spending Account (DCFSA), our clients benefit from reduced payroll taxes, in addition to a higher employee retention because they are offering a more robust benefits package.

What is an FSA and DCFSA?

Employees contribute pre-tax money to the health care FSA, which they later withdraw funds from to pay for qualified expenses such as doctor's bills, prescriptions, dental care and vision care. AvMed Health Plans also offers a DCFSA, which allows employees to set aside funds to pay for childcare and adult day care expenses.

How the FSA works

- You determine the annual maximum dollar amount your employees can elect to contribute to their FSA and/or DCFSA.
- At the beginning of the year, your employees make their annual healthcare FSA election
- The annual election is divided by the number of payroll cycles you have during the plan year to determine a per-pay period amount.
- This amount is deducted from your employee's income prior to taxes.

How the DCFSA works

A Dependent Care Flexible Spending Account can be used to pay for eligible daycare expenses for children age 12 and under or for adult daycare expenses for a disabled spouse or disabled dependent. The maximum tax year deduction is \$5,000 (or \$2,500 if married and filing separately) per household.

- Similar to the FSA, employees make an annual DCFSA election that is divided by the number of payroll cycles and deducted from your employee's income prior to taxes
- When dependent care expenses are incurred, your employees will submit a completed claim form along with appropriate supporting documentation for reimbursement.

Note: Employees cannot be reimbursed more than the balance in their account.

Want to learn more?

To learn more about AvMed Consumer FSA and DCFSA, please contact your AvMed representative, call **1-800-51-AVMED** or visit us at **www.avmed.org**.



FSA ADVANTAGES

Tax savings

Not only do your employees save on their taxes by funding their FSA with pre-tax money, you benefit too because your total payroll costs decrease. This is due to the fact that you will not pay FICA, state, and federal unemployment taxes related to employee contributions to the FSA. Therefore, the more your employees contribute, the greater your tax advantage.

Increased employee involvement

FSAs help employees budget for future health and dependent care expenses and encourage them to spend wisely.

Easy to use

AvMed Consumer FSA participants pay for health care expenses directly from the healthcare FSA with a debit card. For dependent care expenses, employees simply keep receipts and then file a claim for reimbursement.

The FSA is funded through payroll deduction

FSA funds cannot be carried over from year to year, so any remaining funds revert back to you after the claims filing deadline.