WHAT IS A FLEXIBLE SPENDING ACCOUNT?

ADMINISTERED BY HORACE MANN

1. **Healthcare FSA** (*for those enrolled in the PPO plan*)
   - A Healthcare Flexible Spending Account, or "FSA," is a pre-tax benefit account that you can use to pay for eligible medical, dental, and vision care expenses that are not covered by your health insurance plan.

2. **Limited Purpose FSA** *(for those enrolled in the HDHP)*
   - A Limited FSA is a type of FSA that only covers certain expenses that typically include vision, dental, or OTC dental and vision products. A Limited FSA is often designed to be compatible with a Health Savings Account.

3. **Dependent Care FSA**
   - The Dependent Care FSA allows employees to set aside tax-free money toward dependent care costs. These costs could be toward daycare, care for elderly or disabled dependents, or toward before and after school care. Dependents include children up to age 13 or your spouse or qualifying child or relative who is incapable of self-care (mentally or physically).

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A Flexible Spending Account (FSA) covers common types of expenses:

• **Medical**	• **Orthodontics**	• **Prescription drugs**
• **Dental**	• **Vision**	• **Day care**



Other Benefits

- 2027 Annual FSA maximum is $3,400
- Annual Dependent Care FSA maximum is $7,500
  - $3,750 for married couples filing separately
- FSA funds can be accessed immediately
- FSA allows you to set aside funds for qualifying healthcare/ dependent care
  - Funds are pre-taxed
- Expenses **must be incurred** within the plan year (1/1/2027 – 12/31/2027)
- Reimbursement requests **must be submitted** prior to 12/31/2027
- Funds are “use it or lose it”
- A dependent care flexible spending account provides tax savings on day care
  - Dependent care funds are available once deposited into account

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