

FLEXIBLE SPENDING ACCOUNTS AND HEALTH SAVINGS ACCOUNT

When it comes to paying for expenses using pretax dollars, Harvard offers:

- Health FSA that lets you pay for eligible medical, dental, and vision care expenses for you and your eligible dependents
- Limited Purpose FSA, which covers dental and vision care expenses only
- Dependent Care FSA that lets you pay for eligible expenses for the care of a dependent child or adult
- Health Savings Account (HSA), which is paired with the Harvard High Deductible Health Plan (HDHP) and can be used to pay out-of-pocket medical, dental, and vision

FLEXIBLE SPENDING ACCOUNT (FSA) DETAILS

Contributing to an FSA helps you save money because your contributions are deducted from your pay before federal and state income taxes and FICA taxes, lowering your taxable income while helping you pay eligible expenses.

When electing an FSA, you should estimate your expenses carefully, because any money that is not used by the annual deadline will be forfeited. With a 2017 FSA, you have until March 15, 2018 to incur eligible expenses and until March 31, 2018 to file claims.

Benefit Strategies administers the FSA program for Harvard. If you elect an FSA, Benefit Strategies will provide you with a debit card to pay expenses. You can check your FSA balances, file claims, enroll in direct deposit for reimbursements and learn more about eligible expenses on the Benefits Strategies website at <https://benstrat.com> or by going to <http://hr.harvard.edu> and selecting the link to Benefit Strategies at the bottom of any page of this website.

Health FSA

A Health FSA provides a way to pay for anticipated out-of-pocket health care expenses for you and your eligible dependents with pretax dollars you contribute. Paying for health expenses with an FSA can save you money in taxes, but you should estimate your health costs for the year carefully because the IRS requires that you forfeit any money in your account that is not spent by the deadline (March 15th of the following year). You may contribute between \$120 and \$2,600 per calendar year to a Health FSA and must actively elect this benefit within 30 days of becoming eligible.

Examples of Eligible Health FSA Expenses

- Copayments, coinsurance, and deductibles
- Orthodontia and dental expenses
- Medical supplies and equipment
- Eyeglasses, lenses, contact lenses and supplies
- Mental health and substance abuse treatments

The Limited Purpose FSA

The Limited Purpose FSA works like the Health FSA, but can only be used by employees who are enrolled in a High Deductible Health Plan (HDHP). Funds in a Limited Purpose FSA can be used to cover out-of-pocket dental and vision care expenses (but not medical expenses) for you and your eligible dependents. If you enroll in a High Deductible Health Plan and elect a "Health FSA," you will automatically be enrolled in the Limited Purpose FSA.

You may contribute between \$120 and \$2,600 per calendar year.

Dependent Care FSA

If you have predictable, anticipated expenses for the care of a dependent child or adult while you (and your spouse) work or look for work, you may want to consider signing up for a Dependent Care FSA. The Dependent Care FSA covers eligible dependent child or adult care expenses, not health care expenses for dependents. You may contribute between \$120 and \$5,000 to your Dependent Care FSA for the calendar year, unless one of the following IRS guidelines applies to you:

- If you are married and your spouse files a separate income tax return, the most you may contribute is \$2,500.
- If you are married and your spouse also contributes to a dependent care FSA through his or her employer, the \$5,000 annual maximum is the total amount that you and your spouse may contribute combined.
- If you or your spouse earns less than \$5,000 a year, you can contribute up to the lower of your two incomes.
- If your spouse has no income but is a full-time student or disabled, you can contribute up to \$3,000 per year if you have one eligible dependent; up to \$5,000 if you have two or more eligible dependents.

Examples of Eligible Dependent Care FSA Expenses

- Care provided to a child under age 13
- Care provided for your spouse or a dependent of any age who normally spends at least eight hours in your home each day and cannot care for himself or herself because of a physical or mental disability
- Payment for someone who provides care in your home as well as related taxes
- Payment to an eligible day care facility, including a senior center
- Payment to a summer day camp (some specialty camps may be excluded) and for after-school care

Paying for Eligible Expenses with Your FSA

When you enroll in a Health or Dependent Care FSA, you automatically receive a debit card for easy, convenient payment at participating providers or merchants. Although you do not need to file for reimbursement when using your debit card, you may be required to submit supporting documentation; therefore you must save your receipts for eligible expenses. If you have more than one kind of FSA, you will receive one debit card that can be used for all accounts. If the expense meets basic eligibility requirements, the provider is paid directly. Benefit Strategies (Harvard's FSA administrator) will review the purchase and may require you to submit receipts.

- With the Health or Limited Purpose FSA, you can spend up to the full amount of your annual election as soon as your account has been set up.
- With the Dependent Care FSA, you can only spend up to the amount in your account at the time you request reimbursement.

If a provider doesn't accept a debit card, you should pay for expenses out of pocket and submit receipts for reimbursement to Benefit Strategies. To be reimbursed for eligible expenses, submit an [FSA claim form](#) along with original receipts. Reimbursement forms for 2016 FSA expenses must be postmarked by March 31, 2017. Submit to:

Harvard University FSA Plan
c/o Benefit Strategies
P.O. Box 1300
Manchester, NH 03105-1300

Fax: 603-232-1854 Email: info@benstrat.com

Online: <https://benstrat.com> Phone: 855-HVD-FLEX (855-483-3539)

HEALTH SAVINGS ACCOUNT (HSA) DETAILS

If you're enrolled in the Harvard HDHP and meet other eligibility requirements, you may contribute to an HSA.

HSA Overview

With an HSA, you can make tax-free contributions via payroll deductions (up to federal limits described below). Harvard will also make a tax-free contribution to your HSA of \$500 for individual coverage or \$1,000 for family coverage for eligible, active faculty and nonunion staff members.

The HSA can be used to pay out-of-pocket medical, dental, and vision expenses today or even in retirement. That's because HSA funds remain in your account and roll over from year to year. You will also receive a debit card so you can access your funds quickly and easily.

2016 HSA MAXIMUM CONTRIBUTIONS		
COVERAGE LEVEL	HSA CONTRIBUTION	HSA CONTRIBUTION FOR AGE 55+
Individual	\$3,400: Total includes \$2,900 employee contribution + \$500 Harvard contribution	\$4,400: Total includes \$3,900 employee contribution + \$500 Harvard contribution
Family	\$6,750: Total includes \$5,750 employee contribution + \$1,000 Harvard contribution	\$7,750: Total includes \$6,750 employee contribution + \$1,000 Harvard contribution

HSA Details

You are not required to make your own contributions, but you must elect HSA coverage in order to receive the tax-free contribution from Harvard.

You will get a debit card from Benefit Strategies, Harvard's HSA administrator, to use when paying medical expenses. You can also save the funds in your HSA for future expenses.

You are not taxed on HSA funds you spend on eligible expenses. The money in your HSA rolls over from year to year, and because the HSA is fully owned by you, the money remains yours when you leave the University. After retirement, HSA funds can even be used to pay medical premiums with tax-free dollars.

Once the balance in your HSA reaches \$2,100, you may select from a choice of investment options and your funds will automatically be directed to your investment account.

Please note: Eligible retirees under age 65 may enroll in the HDHP, but cannot enroll in Harvard's HSA.

