



**HARVARD**  
Human Resources  
**BENEFITS**

## Flexible Spending Accounts 101: What You Need to Know

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# What is a Flexible Spending Account?

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- A Flexible Spending Account (FSA) is a special account you put money into that you can use to pay for certain out-of-pocket health care or dependent care expenses.
- With the Harvard-sponsored FSAs, you fund the account through pre-tax payroll deductions, thereby reducing your taxable income.
- FSAs are use-it-or-lose-it. Any money not used by the end of the annual filing deadline will be forfeited.



# Why Should I Choose a...?

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**Dependent Care FSA:** Because you have **qualified day care expenses** for your dependent child under age 13, disabled spouse, elderly parent, or other qualified dependent who is physically or mentally incapable of self-care.



**Health Care FSA:** Because you and/or your eligible dependents have eligible out-of-pocket expenses tied to your medical, dental, and vision care.



**Limited Purpose FSA:** Because you are enrolled in the High Deductible Health Plan (HDHP), elected to contribute to the Health Savings Account (HSA),\* have eligible out-of-pocket expenses tied to your dental and vision care. (Medical expenses are covered through the HSA, not this FSA).

\*[An HSA](#) is another type of health care savings account. The Harvard-sponsored HSA is only available to employees who are enrolled in the Harvard-sponsored HDHP.

You can view [detailed brochures for each program and a list of some of the eligible expenses](#) on Voya's website.

# Dependent Care FSA

- You can use dependent care FSA funds to pay for **qualified day care expenses** for your dependent child **under age 13**, disabled spouse, elderly parent, or other qualified dependent who is physically or mentally incapable of self-care.
- You can contribute \$120 up to \$5,000 **per household** (up to \$2,500 per spouse if you are married and file separately) per calendar year.
- You can be reimbursed up to the amount in your account at the time you request reimbursement.

**Eligible** expenses include, but are not limited to:

- ✓ Day care centers
- ✓ Nursery schools
- ✓ Summer day camps
- ✓ Adult day care centers
- ✓ Before/after school programs



**Non-Eligible** expenses include, but are not limited to:

- ✗ Health care expenses for your dependents
- ✗ Activities fees
- ✗ Overnight camp
- ✗ Dance lessons

Visit [Voya's website](#) for a more detailed list of eligible and ineligible dependent care FSA expenses

# Health Care FSA

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You can use health care FSA funds to pay for qualified healthcare expenses for you, your spouse, or any person you claim as a dependent on your income tax returns.

**Note:** If you or your spouse are contributing to an HSA in the same plan year, you **are not eligible** to enroll in a health care FSA.

## Benefits of a health care FSA include:

- Your full election is available to you as of the effective date of your enrollment.
- Pre-tax deductions are taken throughout the calendar year.
- Pre-tax deductions reduce your taxable income.



## Eligible expenses include, but are not limited to:

- ✓ Medical, dental, and vision copays, coinsurance, and deductibles
- ✓ Eyeglasses and contact lenses
- ✓ Orthodontia
- ✓ Bandages

Visit [Voya's website](#) for a more detailed list of eligible and ineligible health care FSA expenses

# Limited Purpose FSA

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A limited purpose FSA is available to employees enrolled in the Harvard-sponsored Health Savings Account (HSA).\* You can use these funds to pay for qualified dental and vision care expenses for you, your spouse, or any person you claim as a dependent on your income tax returns.

## **Benefits** of a limited purpose FSA include:

- Your full election is available to you as of the effective date of your enrollment
- Pre-tax deductions are taken throughout the calendar year
- Pre-tax deductions reduces your taxable income



## **Eligible** expenses include, but are not limited to:

- ✓ Bridges & crowns
- ✓ Dental copays
- ✓ Orthodontia
- ✓ Eyeglasses
- ✓ Contact lenses
- ✓ Lasik

\*You must be enrolled in the Harvard-sponsored High Deductible Health Plan (HDHP) to enroll in the HSA. Go to [HARVie](#) for more details on the HDHP and HSA.

# Considerations When Electing an FSA

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- Enrollment periods - 30 days from your date of hire, the date you are first eligible for benefits, or the date of an IRS-defined [change in status](#) (change must be consistent with the event); or annually at Open Enrollment.
- Calculate your election carefully as unused funds will be forfeited.
- If your spouse is also electing a dependent care FSA, make sure your combined contributions don't exceed the annual household maximum.\*
- If you are making a midyear election and have already contributed through another employer, be sure your combined elections don't exceed the annual maximum contribution limit.
- If you or your spouse are contributing to an HSA through another employer in the same plan year, you are not eligible to contribute to the Harvard-sponsored health care FSA.
- **Dependent care FSA funds CANNOT be used for dependent health care expenses.**

\*\$5,000 if married and filing jointly; \$2,500 if married and filing separately





# Additional Resources

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- [Harvie](http://hr.harvard.edu) – hr.harvard.edu
- [Voya](http://benstrat.com/clients/harvard) – benstrat.com/clients/harvard
- Harvard Benefits Office
  - [Benefits@harvard.edu](mailto:Benefits@harvard.edu)
  - 617-496-4001
    - Mon, Tue, Thu, and Fri from 9:00 a.m. to 5:00 p.m.
    - Wed from 10:00 a.m. to 5:00 p.m.
- [Life events](#) that allow you to make changes to your benefits