

Flexible Spending Account

What is a Flexible Spending Account?

An employer-sponsored flexible spending account (FSA) allows an individual to put aside pre-tax dollars for qualified health, vision, dental or dependent care expenses, reducing taxable income and saving for goods and services you already use.

Types of FSA

- A **Health FSA** is for qualifying out-of-pocket medical expenses including co-pays, coinsurance, expenses applied to deductibles, dental, vision, prescriptions, over-the-counter medications, and menstrual care products.
- A **Dependent Care FSA** is for pre-tax reimbursement of dependent care expenses while you are away at work, such as childcare for an eligible tax dependent under age 13 or an elderly tax dependent parent who requires care.
- A **Limited Purpose FSA** is for eligible dental and vision expenses ONLY. A LPFSA can be used alongside an HSA for additional pre-tax benefits for eligible expenses like orthodontia and Lasik.

How it Works

- Start by determining the annual election amount. Pre-tax contributions will be made in equal installments from your payroll.
- Pay for eligible medical, dental, vision, over the counter medications and menstrual care products with your Pinnacle | Health & Benefits “smart” debit card. The card knows which account type to pull from first.
- Upload and save receipts to the online portal or mobile app using the camera on your smartphone to use as documentation that your expense is FSA-eligible. Explanations of Benefits (EOBs) make good receipts, as they have all the required information: Patient and provider name, date and service, and amount.
- If you paid with another source, submitting a claim is simple. Use a receipt or EOB to submit a claim via the online portal, mobile app or U.S. Postal Service.
- Check claims status via the online portal, mobile app or phone call to the client service center.
- Use the mobile app’s eligible expense bar code scanner to determine eligible purchases.

Annual IRS Contribution Limits?*

FSA and Limited Purpose FSA	2025	2026
Maximum Annual Contribution Limit	\$3,300	\$3,400
Dependent Care FSA	2025	2026
Maximum Annual Contribution Limit; married and filing jointly or single parent	\$5,000**	\$7,500**
Maximum Annual Contribution Limit; married and filing separate	\$2,500**	\$3,750**

* Source: IRS.gov

** Your maximum annual contribution to a DCFS may be subject to limitations based on factors such as you or your spouse’s earned income or your employer’s plan limit. Please consult your tax advisor for details.