

## What does it stand for?

Flexible Spending Account

## Who is eligible?

The employer determines who is eligible to participate.

## Who owns the account?

The employer.

## What type of corresponding health plan is required?

An FSA can only be offered along side an employer-sponsored group health plan.

## How is the account funded?

A set amount of pre-tax wages determined by the employee &/or the employer is held to help pay claims for eligible expenses.

## Can account funds be used for non-medical expenses?

No. The health/medical portion of the FSA can only be used for expenses defined under section 213(d) of the IRC.

## Is it a personal account?

Yes.

## What is the tax treatment for the account?

Contributions to these accounts are made on a pre-tax basis, and funds may be used tax free for qualified health care expenses.

## Is the account portable?

No. Once the employee terminates employment with the employer, eligibility ends. The plan may provide a short window after employment ends (known as a Run Out period) for participant to be reimbursed expenses incurred prior to the termination date. Any funds remaining in the account are forfeited to the plan.

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