

# SAVE SMART WITH FLEXIBLE SPENDING ACCOUNTS

Flexible Spending Accounts (FSAs) allow you to pay for eligible health and dependent care expenses with before-tax contributions you make to your FSAs during the Plan year (January 1 – December 31).

HealthEquity is our FSA administrator.

By using an FSA, you can lower your taxable income, which means you'll pay less in annual taxes. You can save up to 40% or more on eligible expenses, depending on your tax bracket.

## HOW FSAs WORK

**PARTICIPATE** in either or both the Health Care FSA and Dependent Care FSA. You cannot transfer money between accounts.

**ESTIMATE** how much you'll spend on health care and dependent care. For information on FSA rules and eligible expenses, see publication 969 at [irs.gov](https://www.irs.gov).

**PRE-TAX** contributions to an FSA are deducted in equal installments from your paychecks during the Plan year.

**REIMBURSEMENTS** are made from your account when you file a claim.

## HEALTH CARE FSA

Contribute from \$200 to \$3,050.



Pay for eligible health care-related expenses such as:

- Deductibles and coinsurance
- Charges for eye exams, prescription glasses, contact lenses, laser eye surgery
- Dental expenses
- Expenses that exceed reasonable and customary limits
- Prescription drug expenses
- Certain over-the-counter medical products
- Menstrual care products

For a complete list of eligible expenses, see Publication 502 at [irs.gov](https://www.irs.gov).

You may receive reimbursement even before sufficient payroll contributions are in your account, up to your annual election.

**IMPORTANT:** The Health Care FSA may be a limited-use FSA, depending on the Medical Program option you choose. See page 2.

## DEPENDENT CARE FSA

Contribute from \$200 to \$5,000.



Pay for child day care and dependent elder care that enables you and your spouse to work, look for work or attend school full-time.

Eligible expenses include:

- Tuition for nurse school and licensed day care center
- Day care expenses (including dependent elder care) for the care of disabled dependents while you are working (center must follow state/local laws)
- Before- or after-school programs while you are working.

For a complete list of eligible expenses, see Publication 503 at [irs.gov](https://www.irs.gov).

You may receive reimbursement only after there are sufficient payroll contributions in your account.

**IMPORTANT:** You can contribute up to \$5,000 a year if you are married and filing jointly for taxes. If married and filing separately, you can contribute up to \$2,500 a year. Also, you'll be notified if the amount you elect to contribute is reduced to comply with government requirements for high-income employees.

**NOTE:** The descriptions in this document are to provide general information and resources. LSC cannot provide tax or legal advice. If tax or legal advice is required, please seek the services of a licensed professional.

*Continued*

Updated for January 1, 2024

# LIMITED-USE HEALTH CARE FSA

## Special Rules for HSA Core and HSA Value Participants

The IRS has rules for what qualifies as an eligible health care FSA expense based on the type of Medical Program option you have.

Basically, if you enroll in HSA Core or HSA Value **and** you enroll in the Health Care FSA, **you will participate in a “limited-use Health Care FSA,”** which has more restrictive rules on eligible expenses than the regular, full-use FSA.

These rules may affect how much you want to contribute to your Health Care FSA.

The limited-use Health Care FSA can be used to pay for:

- Eligible out-of-pocket dental and vision expenses BEFORE or AFTER you meet your medical/Rx deductible.
- Eligible medical and prescription drug expenses AFTER you meet your medical/Rx deductible.

**NOTE:** Use your limited-use Health Care FSA to pay for expenses *not* covered under the Medical and Prescription Drug Program only AFTER you have met your deductible.

**IMPORTANT NOTE ABOUT ELIGIBILITY:** Use your full-use or limited-use Health Care FSA to pay for expenses for eligible dependents, even if they are **not** covered under your Medical Program option.

## THINGS TO CONSIDER ABOUT FSAs

<b>ENROLL</b>	If you want to continue or begin participating in the FSA programs, you must enroll during Annual Enrollment or when you are newly eligible to enroll.
<b>PLAN CAREFULLY</b>	IRS rules require that you forfeit any money remaining in your FSAs at the end of the Plan year (i.e., December 31, 2024). However, you have until March 31, 2025, to submit claims for services incurred during 2024. <b>NOTE:</b> <ul style="list-style-type: none"><li>• If you are hired during the Plan year, expenses must be incurred after your benefits eligibility date.</li><li>• If you leave the company during the Plan year, you can only submit Health Care FSA claims for services incurred up to your termination date, unless you elect to continue your Health Care FSA coverage during your COBRA eligibility period. For the Dependent Care FSA, you may submit claims for services incurred following termination through December 31, up to the amount you contributed through your termination date. COBRA does not apply to the Dependent Care FSA.</li></ul>
<b>DEBIT CARD</b>	<ul style="list-style-type: none"><li>• Both the full-use and limited-use Health Care FSAs provide a debit card.</li></ul>
<b>GET REIMBURSED</b>	When you pay for an eligible FSA expense, file a claim with the receipt and the Explanation of Benefits (EOB), if applicable. You'll be reimbursed from your account. <ul style="list-style-type: none"><li>• To access account-related tools and information, visit <a href="https://healthequity.com/wageworks">healthequity.com/wageworks</a>.</li><li>• Your reimbursements can be automatically deposited into your bank account.</li><li>• Download the EZ Receipts® mobile app (in the App Store or Google play) to manage your account on the go.</li></ul>
<b>QUESTIONS?</b>	Call HealthEquity at <b>1-877-924-3967</b> , 24 hours a day, 7 days a week.



The descriptions provided in this document are based on the official LSC Group Benefits Plan and LSC Flexible Benefits Plan (collectively, the “Plan”) documents. Every effort has been made to ensure the accuracy of this material. In the unlikely event there is a discrepancy between this document, the Summary Plan Description (SPD), Summaries of Material Modifications (SMMs), Summary of Benefits and Coverage (SBC) or any other materials summarizing the Plan and the official Plan documents, the official Plan documents will control. LSC Communications LLC reserves the right to amend, change or terminate any or all of the benefit plans it sponsors, including without limitation, the Plan and the LSC Separation Pay Plan, in whole or in part, at any time.