



Healthcare FSA

Do you want to save 30% on health-related expenses this year? Enrolling in a healthcare flexible spending account (FSA) can save you up to \$900 a year.

What is a healthcare FSA?

A healthcare FSA is an account that lets you set aside money before taxes to pay for many medical expenses for yourself, your spouse, or eligible dependents.

What can it be used for?

Eligible expenses include things like insurance copayments and deductibles, prescription drugs, vision and dental expenses.

How does it work?

1. During open enrollment, sign up for a healthcare FSA.
2. Choose how much money you'd like to set aside for medical expenses.
3. The amount you've chosen is divided equally and deducted from your paycheck over the course of the year.
4. When paying for eligible expenses, you can use your Benefits Debit Card to pay direct or use your personal funds and get reimbursed.

When can I use it?

Conveniently, the total amount you've chosen to put in your FSA is available to start spending on the first day of your plan.

Helpful Tips

Plan ahead to maximize your healthcare FSA and use all your funds each year.

- Review what you paid for health-related expenses last year – are there any reoccurring items?
- Think about the upcoming year – does anyone in your family need orthodontia or vision care? Are you thinking of having a child?
- Use the information to figure out how much you'd like to have in your FSA.

Did You Know?

You can use your FSA for:

- Medical procedures and surgeries
- Family planning and care
- Prescription drugs and over-the-counter medication
- Dental and Vision expenses

Sign up for a healthcare FSA and start saving today!

<https://bac.wealthcareportal.com/>

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Employee FAQ

Flexible Spending Account (FSA)

What is an FSA?

An FSA is an account that lets you set aside money before taxes to pay for medical, dental and vision expenses for yourself, your spouse and eligible dependents

Who is eligible for an FSA?

An FSA covers eligible expenses for you and your dependents, even if they are not covered under your primary health plan.

What expenses are eligible through an FSA?

Health plan co-pays, deductibles, over-the-counter medications, eyeglasses, dental care, and certain medical supplies are covered. The IRS provides specific guidance regarding eligible expenses. (See IRS Publication 502).

How do I contribute money to my FSA?

The amount you elect as your annual contribution will be divided by the number of paychecks for the year. This pay period amount will be deducted from each paycheck before taxes.

How do I get the funds out of my FSA?

If you have a benefits debit card, simply swipe it at the register. Otherwise, file a claim including the receipt documenting the type, amount and date. Once approved, your reimbursement check will be mailed or deposited into your bank account.

How soon can I start spending my FSA funds?

Your entire annual election amount is available on the first day of the plan year.

What happens if I don't spend all of my FSA by the end of the plan year?

Be sure to only allocate dollars for predictable medical expenses. Any unused funds at the end of the plan year are forfeited, also called the use-it-or-lose-it rule. You will have 90 days after the end of the plan year to submit for eligible expenses with dates of service for the prior year.

Can I change my election amount mid-year?

Elections can only be altered if you experience a change in status as defined by IRS regulations, such as marriage, divorce, birth, or death in your immediate family.

What happens to my FSA if my employment is terminated?

Participation in your FSA is also terminated. This means that only expenses that were incurred prior to your termination date are eligible for reimbursement.

Can I deduct healthcare expenses paid for by my FSA?

No, any expense paid for with FSA dollars cannot be claimed as a deduction.

Can over the counter (OTC) medications be purchased with my FSA?

Yes, OTC medications are eligible to be bought with your FSA.

Questions?

Contact CustomerService@FirstHillTrust.com.





Dependent Care FSA

Do you want to save 30% on daycare or caregiving expenses? Enrolling in a dependent care flexible spending account (FSA) can save you up to \$1,500 a year.

What is a dependent care FSA?

A dependent care FSA is an account that lets you set aside money before taxes to pay care providers who watch your children and eligible dependents while you're at work.

What can it be used for?

Eligible expenses include before- or after-school care for children 12 or younger, custodial care for dependent adults, licensed daycare centers, a nanny or au pair, preschools, and day camps.

How does it work?

1. During open enrollment, sign up for a dependent care FSA.
2. Choose how much money you'd like to set aside for daycare or caregiving expenses.
3. The amount of money you've chosen will be divided equally and deducted from your paycheck over the course of the year.

When can I use it?

Reimbursement won't be processed until you have enough funds in your account.

Helpful Tips

Plan ahead to maximize your dependent care FSA and use all your funds each year.

- Calculate how much you would normally spend on your dependents' care for 12 months.
- Note that there is an annual contribution limit.
- Set up direct deposit to receive reimbursements faster.
- Download the BAC My Benefits Mobile to check your account balance and send your claim by uploading a photo of your detailed receipt.

Did You Know?

- You can also use funds for a licensed after-school program or summer camp if your child is age 12 or younger or is disabled.
- If you experience a qualifying event, like having a baby or assuming care for an elderly person, you can sign up outside of the annual enrollment period.
- If your care provider changes rates or fees, you may also adjust the amount you set aside.

Sign up for a dependent care FSA and start saving today!

<https://bac.wealthcareportal.com/>

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Employee FAQ

Dependent Care FSA (DCFSA)

What is a dependent care FSA (DCFSA)?

A dependent care FSA (DCFSA) is an account that lets you set aside money before taxes to pay care providers who watch your children and eligible dependents while you're at work.

Why should I enroll in a DCFSA?

The money you put into a DCFSA is set aside from your paycheck before taxes. On average, participants enjoy a 30% tax savings on their annual contribution. This means you could be saving up to \$1,500 per year on dependent care expenses!

How do I contribute money to my dependent care FSA?

The amount you elect as your annual contribution will be divided by the number of paychecks for the year. This pay period amount will be deducted from each paycheck before taxes.

You can then use the money in your account to pay for eligible dependent care expenses throughout the plan year.

Who qualifies as a dependent?

Dependents are children under age 13, that you claim as dependents, as well as adults or other relatives that are incapable of caring for themselves (if you provide more than 50% of their support).

When can I use my dependent care FSA?

You can use funds from your dependent care FSA under the following conditions:

- To care for your qualified dependent.
- To allow you (and your spouse if filing jointly) to work or look for work.

Dependent care FSA funds can cover costs for before or after school care for children aged

12 and younger, custodial care for dependent adults, licensed daycare centers, nanny or au pair services, nursery schools or preschools, late pickup fees, and summer or holiday day camps.

What doesn't qualify?

There are certain expenses you cannot pay for using your dependent care FSA. These include expenses from a prior plan year, expenses for non-disabled children aged 13 and older, educational expenses (including kindergarten or private school tuition fees), food, clothing, sports lessons, field trips and entertainment, overnight camp expenses, and late payment fees for childcare.

Can I use my entire dependent care FSA election amount at the beginning of the year?

No, you will only have dependent care FSA funds as they are deducted equally each pay cycle. Funds will accumulate in your account until you file for reimbursement.

Are there any rules about who can care for my dependents?

Yes, you cannot use funds to pay for care provided by a spouse, a person listed as a dependent on your taxes, or your child under the age of 19.

How do I use my dependent care FSA to pay for qualified expenses?

Use personal funds and then reimburse yourself with funds from your dependent care FSA by submitting an online claim through the bac.wealthcareportal.com/ or via the BAC My Benefits Mobile app. You'll need to provide photos of receipts when you submit for reimbursement. Reimbursement will be up to the balance in your account with any remainder pending until another withholding comes out the next pay cycle.

What happens if I don't spend all my dependent care FSA funds by the end of the plan year?

Any unused funds that are in your account at the end of the year will be forfeited, which means you will lose that money. Plan carefully so that you use all the money in your dependent care FSA by the end of the plan year.

What qualifies?

- Before or after school care for children 12 and under.
- Custodial care for dependent adults
- Licensed day care centers
- Nanny / Au Pair
- Nursery schools or preschools
- Late pick-up fees
- Summer or holiday day camps

What doesn't qualify:

- Expenses incurred in a prior plan year
- Expenses for non-disabled children 13 or older
- Education expenses including kindergarten or private school tuition fees
- Food, clothing, sports lessons, field trips, and entertainment
- Overnight camp expenses
- Late payment fees for childcare

Helpful hints

- You must have funds in your dependent care FSA before you can be reimbursed.
- Keep your receipts, you will need an itemized invoice for all reimbursement requests.
- You will need your provider's tax-ID number or SSN for your income tax filing.
- If you have two or more children, you may still qualify for a partial tax credit for childcare.
- The easiest way to manage your account is online at <https://bac.wealthcareportal.com/Page/Home> or through the "BAC My Benefits Mobile" App.

Can I change my election amount mid-year?

You can only enroll or change your election amount mid-year if you have a special event like a birth, death or assume care for an elderly person. If your care provider changes rates or fees, or your child turns 13, you may also adjust the amount you set aside.

What happens to my account if I lose my job or quit?

Unfortunately, participation in your dependent care FSA is discontinued as of your last day of employment. Expenses for services rendered after your termination date are not eligible for reimbursement.

Questions?

Contact CustomerService@FirstHillTrust.com.



Eligible Health Care Expenses

You may include expenses for yourself, your spouse, your children and other Federal tax dependents.
Over-the counter medications and menstrual care products are now eligible.

- **BABY/CHILD TO AGE 13**
 - Lactation Consultant*
 - Lead-Based Paint Removal
 - Special Formula*
 - Tuition: Special School/Teacher for Disability or Learning Disability*
 - Well Baby Visits/Well Child Care
- **DENTAL**
 - Dental X-Rays
 - Dentures and Bridges
 - Exams and Teeth Cleaning
 - Extractions and Fillings
 - Oral Surgery
 - Orthodontia
 - Periodontal Services
- **EYES**
 - Eye Exams
 - Eyeglasses and Contact Lenses
 - Laser Eye Surgeries
 - Prescription Sunglasses
 - Radial Keratotomy
- **HEARING**
 - Hearing Aids and Batteries
 - Hearing Exams
- **LAB EXAMS/TESTS**
 - Blood Tests and Metabolism Tests
 - Body Scans
 - Cardiograms
 - Laboratory Fees
 - X-Rays
- **MEDICAL EQUIPMENT/SUPPLIES**
 - Air Purification Equipment*
 - Arches and Orthotic Inserts
 - Contraceptive Devices
 - Crutches, Walkers, Wheelchairs
 - Exercise Equipment*
 - Hospital Beds*
 - Mattresses*
 - Medic Alert Bracelet or Necklace
 - Nebulizers
 - Orthopedic Shoes*
 - Oxygen*
 - Post-Mastectomy Clothing
 - Prosthetics
 - Syringes
 - Wigs*
- **MEDICAL PROCEDURES/SERVICES**
 - Acupuncture
 - Alcohol and Drug/Substance Abuse (inpatient treatment and outpatient care)
 - Ambulance
 - Fertility Enhancement and Treatment
 - Hair Loss Treatment*
 - Hospital Services
 - Immunization
 - In Vitro Fertilization
 - Lice Removal
 - Physical Examination
 - Reconstructive Surgery (due to a congenital defect, accident, or medical treatment)
 - Service Animals
 - Sterilization/Sterilization Reversal
 - Transplants (including organ donor)
 - Transportation*
- **MEDICATIONS**
 - Insulin
 - Prescription Drugs
- **OBSTETRICS**
 - Breast Pumps and Lactation
 - Supplies
 - Doulas
 - Lamaze Class
 - OB/GYN Exams
 - OB/GYN Prepaid Maternity Fees (reimbursable after date of birth)
 - Pre- and Postnatal Treatments
- **PRACTITIONERS**
 - Allergist
 - Chiropractor
 - Christian Science Practitioner
 - Dermatologist
 - Homeopath
 - Naturopath
 - Optometrist
 - Osteopath
 - Physician
 - Psychiatrist or Psychologist
- **THERAPY**
 - Alcohol and Drug Addiction
 - Counseling (not marital or career)
 - Exercise Programs*
 - Hypnosis
 - Massage*
 - Occupational
 - Physical
 - Smoking Cessation Programs
 - Speech
 - Weight Loss Programs*

Note: This list is not meant to be all-inclusive, as other expenses not specifically mentioned may also qualify. Also, expenses marked with an asterisk (*) are "potentially eligible expenses" that may require a Note of Medical Necessity or Prescription from your health care provider to qualify for reimbursement. For additional information, check your Summary Plan Document or contact your Plan Administrator.

For additional information, please contact your Plan Administrator at FHT at 206.625.1800 Ext. 307 or flexclaims@firsthilltrust.com.



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Note: This list is not meant to be all-inclusive.

Ineligible Health Care Expenses

- Insurance or Warranties on Contact Lens or Eyeglasses
- Cosmetic Surgery/Procedures
- Electric toothbrush/picks
- Electrolysis
- Funeral Expenses
- Insurance Premiums and Interest
- Long Term Care Premiums
- Marijuana
- Marriage or Career Counseling
- Gym Membership
- Missed Appointment or Late Fees
- Personal Trainers
- Sunscreen (SPF less than 15)
- Swimming Lessons
- Teeth Whitening
- Warranties

How will you use your FSA this year?

TIP: You can fund up to \$3,300 for health care related expenses and \$5,000 for dependent care expenses (\$2,500 if you are married filing separate returns).

TIP: A question to ask yourself when planning your health care expenses is whether the expense is for a specific medical issue or your overall health. If it's for your overall health, like a gym membership, vitamin supplements, or massage therapy, it's generally not eligible, unless you have a note of medical necessity from your health care provider.

TIP: If you have two or more qualifying children and your child care expenses are at least \$6,000, you may be able to take advantage of both the FSA and the Child Care Tax Credit. See your tax advisor for more information.

Eligible FSA Expense	Example	Estimated Cost
Dental Care		
Annual dental plan deductible		\$
Crowns, bridges, dentures, implants	\$ 200	+ \$
Orthodontia (including braces)		+ \$
Vision Care		
Prescription glasses and sunglasses	400	+ \$
Contact lenses and solution		+ \$
Laser eye surgery (LASIK)		+ \$
Medical and Alternative Care		
Doctor visits		+ \$
Prescription drugs & OTC items		+ \$
Flu shots and immunizations		+ \$
Massage therapy ⁽¹⁾		+ \$
Smoking cessation or weight loss		+ \$
Menstrual care products		+ \$
Chiropractor & Naturopath visits		+ \$
Dermatologist visits		+ \$
Personal Protective Equipment (PPE)		+ \$
Dependent Care		
Child daycare	1,200	+ \$
Babysitting		+ \$
Before and after school programs		+ \$
Summer day camp		+ \$
Elder care		+ \$
Total FSA Amount	1,800	= \$
x 25%	x 0.25	x 0.25
Estimated Savings ⁽³⁾	\$ 450	= \$

⁽¹⁾ Requires a note of medical necessity from your health care provider to qualify for payment.

⁽²⁾ Tax savings are for illustrative purposes only. Actual results will vary depending on your income tax rate, personal financial situation, and other facts and circumstances.

This document does not constitute tax or legal advice. Please consult your financial or tax advisor to determine whether an FSA is right for you.