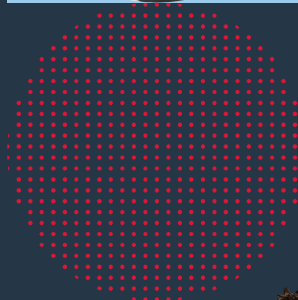




# Simplifying Benefits for Everyone



HSAs



HRAs



FSAs



VEBAs



COBRA



ICHRAs



Wellness



Commuter



Billing Plans

# Flexible Spending Account - Contribution Limits and IRS Regulations

- What is it? A benefit that allows you to choose how much of your paycheck you'd like to set aside, before taxes are taken out for healthcare expense.
  - This saves you money by reducing your taxable income.
- The IRS sets the maximum dollar amount an individual can elect and contribute to the FSA. The annual contribution limit is \$3,200.
- Funds are available on day 1
  - All of the FSA dollars are available on the very first day of the plan year.
- Use-it or lose-it
  - FSA dollars will be forfeited at the end of the plan year if there is money left over.
- In order to make a change in the election after open enrollment, there needs to be a qualifying event.
  - Change in marital status
  - Change in number of dependents
  - Increase due to birth, adoption or marriage
  - Decrease due to death, divorce or loss of eligibility
  - Gain or loss of eligibility due to a change in participant, spouse or dependent enrollment

## 2024 medical FSA contribution limit

**\$3,200/per year**

Tax bracket (state and federal): 30%

### Total Savings

**\$80**  
a month

or

**\$960**  
a year

## 10 medical FSA costs you could save on:

- Over-the-counter meds
- Prescription drugs
- Chiropractor
- Physical therapy
- Feminine hygiene products
- Doctor copays
- Vision correction procedures
- Dental procedures & services
- Pre and post-natal care
- Hospital services & fees

# Health Savings Account

## Smart spending

Think of the HSA as a personal savings account for medical, dental, and vision expenses, including copays, dental and vision exams, over-the-counter medications, prescription drugs, and more.

## HSAs aren't just for spending

They are a powerful, yet under-utilized investment and retirement tool. HSAs have comparable — or better — perks than a 401(k) or IRA. However, only about 7 percent of HSA participants invest.



HSA contributions reduce taxable income.



HSA contributions made through payroll are not subject to the 7.65% FICA tax.



Withdrawals for HSA eligible medical expenses are tax-free.



HSA funds can be invested, and earnings through investment accumulate tax-free.



Flexibility to withdraw funds for eligible medical expenses when needs emerge.



All HSA funds carry over from year to year.



Generally, contribution amounts can be changed at any time.

## By the numbers

**\$104 billion**

total HSA assets

**35+ million**

total HSAs open

**6%**

year-over-year increase  
in assets

**9%**

year-over-year increase  
in accounts

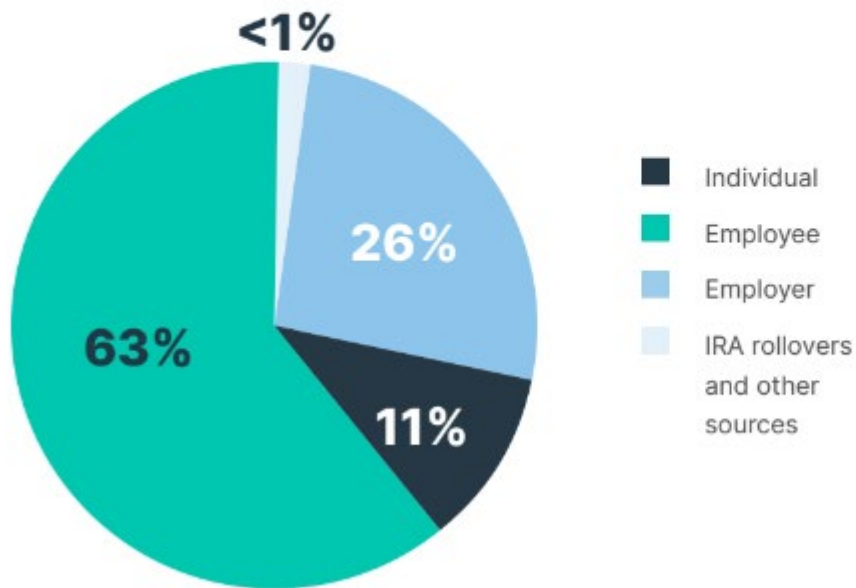
**\$33.8 billion**

total HSA investment assets

# Health Savings Account

## HSA industry benchmarking

Average HSA contribution breakdown



## Average annual HSA contribution

**\$2,147** Employees

**\$869** Employers

## Average HSA balance

Investors:

**\$16,397**

	Health Savings Account (HSA)	Flexible Spending Account (FSA)
<b>Am I eligible?</b>	You must be enrolled in a HDHP in order to open and contribute to an HSA. If you are covered by a non-HDHP, medical FSA, 213(d) HRA or Medicare, you are not eligible to open or contribute to an HSA.	You must be offered a group health plan by your employer, but do not need to participate in their health plan to participate in the FSA
<b>Who “owns” the account?</b>	Individual/employee	Employer
<b>Who can contribute to the account?</b>	Employee and/or employer	Employee and/or employer
<b>Pre-tax payroll deductions allowed?</b>	Yes, up to the annual IRS limit.	Yes, up to the amount you “elect” during open enrollment
<b>Can funds roll -over from year to year?</b>	Yes	Depends on plan design. If the plan includes a carry over, up to \$640 can be rolled over into the next year.
<b>Tax benefit</b>	Contributions are tax-free, interest and investment gains are tax-free, and withdrawals are tax-free when used for qualified medical expenses.	Employer/payroll deposits and claim payments are tax-free.
<b>Access to funds after termination</b>	Since the HSA is an individually owned account, and not owned by your employer, you keep your HSA and all funds regardless of where you are employed.	You will be given a pre-determined number of days after your last day of employment to submit claims. Access to your FSA may be offered through COBRA.

# Health Reimbursement Account

	213(d) HRA	Deductible Expense HRA	One Threshold HRA
<b>Eligible Expenses</b>	General purpose, healthcare expenses (213(d))	Medical deductible, coinsurance, copay and prescriptions	Medical deductible, coinsurance, copay and prescriptions
<b>EOB required</b>	No	Yes	Yes
<b>Debit Card</b>	Yes	Not recommended.	No
<b>Mara's HRA experience</b>	<p>The HRA offers \$2,000 on day one of the plan year.</p> <p>Mara's story: Mara gets in an accident. Their medical bill is \$1,500 (\$500 deductible, \$20 copay, \$980 coinsurance).</p> <p>They use their debit card to pay their bill.</p>	<p>The HRA offers \$2,000 on day one of the plan year.</p> <p>Mara's story: Mara gets in an accident. Their medical bill is \$1,500 (\$500 deductible, \$20 copay, \$980 coinsurance).</p> <p>They file a claim and receive a \$1,500 reimbursement via direct deposit or paper check.</p>	<p>The HRA offers \$2,000 on day one of the plan year. The threshold is \$500.</p> <p>Mara's story: Mara gets in an accident. Their medical bill is \$1,500 (\$500 deductible, \$20 copay, \$980 coinsurance).</p> <p>They file a claim and receive a \$1000 reimbursement via direct deposit or paper check. Mara is responsible for the first \$500 before the HRA is available.</p>
<b>Contributions</b>	<p>Standard: Choose one of the following, Full amount on day one Quarterly/monthly proration Payroll frequency proration</p> <p>Variable: The employer loads a contribution file based on their preferred frequency.</p>		

# COBRA

Look for a COBRA administrator that offers:



**Proven experience  
& integrations**



**A mobile app for  
members**



**Online account  
access for members**

## **Who is required to offer COBRA?**

Employers with 20 or more employees on more than 50% of business days in the previous calendar year are typically required to offer COBRA.

## **What is a qualifying event?**

Common qualifying events that trigger COBRA eligibility for your employees are termination (for any reason other than gross misconduct) and a reduction in hours. Other qualifying events will require you to offer COBRA to spouse and dependent children.



# Marketplace by WEX

## Perks for qualified beneficiaries

- They'll potentially save money by finding more affordable coverage.
- They can search for coverage that's more tailored to their needs.

## Perks for employers

- You'll potentially reduce your COBRA premiums, since fewer COBRA elections can mean lower premiums.
- You'll minimize risk, since the risk associated with beneficiaries' claims is taken on by the provider.
- You'll build goodwill because your qualified beneficiaries often save with marketplace.

**Thank you for your time!**