



Senior Spouse Forum

November 2024

 **Flexible Spending Accounts**
 **FOR SERVICE MEMBERS**



U.S. Department of Defense



Health Care Flexible Spending Account Overview



U.S. Department of Defense

WHAT IS IT?

- Health Care Flexible Spending Accounts (HCFSAs) allow Service members to set-aside pre-tax earnings to pay for eligible health care expenses.
- Contribute between \$100 – \$3,300.*
- \$660 carries over to the next Plan Year (if Service member re-enrolls.)

**Contribution limits are set by the IRS and indexed to inflation.*

HCFSA ADVANTAGES

Service members or their families sometimes must pay out-of-pocket for certain healthcare expenses to supplement the comprehensive coverage offered through TRICARE. HCFSAs allow members to save while paying for those costs.

1. Lower taxable income.
2. Full election available following enrollment, providing Service members and families greater flexibility in planning care.

HCFSA ELIGIBILITY

- Service members in the regular (active) component; and
- Members of the reserve component performing Active Guard Reserve (AGR) duty.
- Members of the National Guard performing Active Guard Reserve (AGR) duty
- Retirees and annuitants are not eligible.

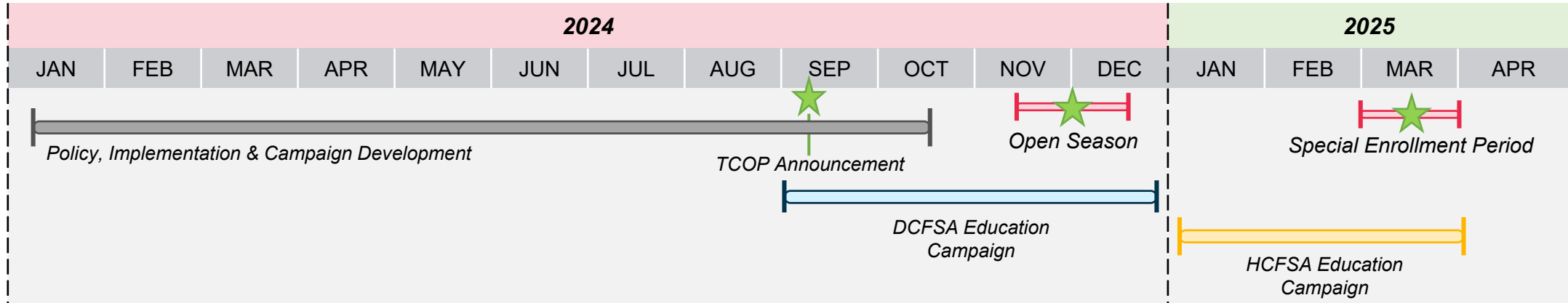
HCFSA ELIGIBLE EXPENSES

- **Preventative and Specialty Care.** Copayments, Point of Service fees, annual deductibles
- **Dental and Vision Care.** Orthodontia, glasses and contact lenses
- **Wellness.** Chiropractic care, massage, acupuncture
- **Assisted Reproductive Technology.** IVF, Cryopreservation
- **Drugstore products.** Sunscreen, over the counter medicine, band-aids

Implementation Timeline



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- KEY DATES :**
- **Jan. 1.** FINRED HCFSAs Landing Page Live, all HCFSAs campaign materials loaded to website
 - **Mar. 3 – 31.** HCFSAs Special Enrollment period for all members of the Uniformed Services
 - NOAA, USCG, and PHS offering access to HCFSAs for 2025 Plan Year

Flexible Spending Account Campaign



U.S. Department of Defense

FSA education campaign is designed to support Service members in making informed decisions about participating in the benefit. Campaign organized across the following P&R focus areas to leverage existing channels and show how FSAs complement existing programs.

ENHANCE FINANCIAL READINESS

- Launched FSA landing page on FINRED
- Trained Service Personal Financial Managers and Personal Financial Counselors
- Issued FINRED newsletters to 28,504 subscribers on a monthly basis
- Integrate 18+ additions to FINRED curriculum for service members

DCFSA & HCFSA

STRENGTHEN MILITARY LIFECYCLE FAMILY SUPPORT

- Leave and Earnings Statements provided to 2M+ recipients
- Provided Military OneSource FSA benefits multi-media content
- Provided DCFSA toolkit via multiple program managers
- Provided 50+ Open Season toolkits to Department leaders across services

DCFSA & HCFSA

SUPPORT MILITARY SPOUSE CAREERS

- Provided three FSA briefings to Senior Spouses
- Provide tailored FSA guide to SECO career coaches
- Co-lead FSA live event on SECO social media
- Inclusion of FSA in SECO newsletter and e-blasts

DCFSA

SUPPORT EFMP FAMILIES

- Developed a guide to EFMP help families use FSAs,
- Created an FSA podcast episode for families in EFMP
- Provided FSA briefings to EFMP programs

HCFSA

MAKE CHILD CARE MORE AFFORDABLE

- Posters and materials distributed to Navy, Army, Air Force CDCs around the globe
- Briefed 30+ CYP program managers across all Services
- Platform DCFSA informational video for Space Force families

DCFSA

COMPLEMENT DHA AND TRICARE

- FSA Posters and materials distributed to DHA MTFs and pharmacy locations
- Coordinated with TRICARE to ensure HCFSA materials are distributed to families by DHA public affairs personnel

HCFSA

Educational Resources



U.S. Department of Defense

Request your support in providing Service members and military families information on DCFSA's and HCFSA's on how these benefits can help them save on family care.

2 WAYS TO SAVE ON CARE

DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT Open Season 2024

- Set aside \$100 - \$5,000*
- Use for day care, elder care, before and after school care, summer day camps, and more.

HEALTH CARE FLEXIBLE SPENDING ACCOUNT Coming March 2025

- Set aside \$100 - \$3,200*
- Use for dental, vision, family copays, drugstore items, and more.

Choice. Convenience. Tax-Free.

*Contributions are capped by the IRS.

LEARN MORE [www.fired.usalearning.gov/FSA](#)

Poster

DCFSA FACTSHEET FOR MILITARY SPOUSES

WHAT IS A DCFSA?
A Dependent Care Flexible Spending Account (DCFSA) is a pre-tax benefit account that helps parents and caregivers pay for child and adult care while they work, look for work or attend school full-time.

HOW DOES DCFSA SUPPORT MILITARY SPOUSE EMPLOYMENT?
This program is designed to support families so that both parents can work or look for work. Per the Internal Revenue Service (IRS), exceptions to this rule are:
1 Full-time Students
2 Incapacitated Adults, who are mentally or physically incapable of self-care

HOW MUCH CAN I ELECT?
Each household can contribute a minimum of \$100 and a maximum of \$5,000. Contribution amounts are tied to household income. Your household's maximum contribution is limited to the yearly income of the lower-earning spouse.

For example:
I am married to an active component E-6, and we have two young children. I work part-time and make about \$3,000 total for the year. Since I am the lower-earning spouse, our maximum DCFSA contribution is \$3,000.

CAN I MANAGE THE ACCOUNT ON BEHALF OF MY SERVICE MEMBER SPOUSE?
Yes, if you have a valid power of attorney you can sign up on behalf of your spouse. A spouse (or anyone) may also be added as an authorized user on the account, allowing for access to make changes, file claims, and more.

YOUR TAX FILING STATUS WILL AFFECT THE AMOUNT YOU ARE ABLE TO ELECT IN YOUR DCFSA:

- Married Filing Jointly:** If you are married filing jointly, you may contribute your household maximum of \$5,000 (or the yearly income of the lower-earning spouse, if less than \$5,000).
- Married Filing Separately:** If you are married filing separately, you may only contribute up to \$2,500 per taxpayer.
- Keep in mind:** your dependent must be claimed on your tax return to be an eligible DCFSA dependent.

HAVE MORE QUESTIONS?
Visit our FAQ to learn more about:
- Tax implications
- Spousal considerations and more DCFSA topics...
Download your estimated 30000025 factsheet using the FSAFAQS benefit calculator tool.

Factsheet for Military Spouses

HEALTH CARE FLEXIBLE SPENDING ACCOUNT

HCFSA FACTSHEET

WHAT IS AN HCFSA?
A Health Care Flexible Spending Account (HCFSA) is an optional benefit that enables uniformed service members to use pre-tax earnings to pay for health care expenses.

Who is it for?
Eligible uniformed service members include:
- Members of the regular (active) component
- Members of the reserve component performing active Guard and Reserve (AGR) duty pursuant to 10 USC 12301(i) or Coast Guard Reserve Component Manager (RCM) duty.

How much can I contribute?
Each uniformed service member can contribute between \$100 to \$3,200 per year*. Households where both spouses are eligible for an HCFSA through their employer can maintain two separate accounts and can contribute between \$200 to \$6,400 total per year*.

What expenses are covered?
Some common items that HCFSA funds can be used for include:
- Medical expenses - copays, co-insurance, and deductibles
- Dental expenses - exams, cleanings, X-rays, and braces
- Vision expenses - exams, contact lenses and supplies, eyeglasses, and laser eye surgery
- Wellness services - physical therapy, chiropractic, and acupuncture
- Prescription and over-the-counter medications
- Over-the-counter health care items - band-aids, pregnancy tests, blood pressure monitors

What expenses are not covered?
Some ineligible expenses include:
- Insurance premiums
- Diet foods
- Teeth whitening or bleaching
- Toothpaste, toothbrush or floss
- Cosmetic procedures or surgeries (unless medically necessary)
- Snipers

The IRS determines what expenses are considered eligible or ineligible. A complete list of eligible and ineligible expenses can be found at [IRS.gov/efsa](#).

Factsheet

Frequently Asked Questions about the DCFSA Benefit

Below are FAQ about the DCFSA benefit for Department of Defense service members and civilian employees. Questions are categorized by subject for easy searchability. While the FAQ may provide answers to your DCFSA questions, it is recommended to consult a **personal financial manager or counselor** or **tax consultant** for a comprehensive understanding of how the DCFSA benefit can affect your family's financial and tax situation. These services are available free of cost for service members and their families through Military OneSource and the Office of Financial Readiness (OFR).

About FSAFAQS
About DCFSA
Enrollment & Elections
Eligibility & Eligible Expenses
Planning & Budgeting
Spouse Employment Considerations
Tax Implications

Start typing to search

What is FSAFAQS?

Who administers FSAFAQS?

If a service member does not have access to the internet (e.g., due to deployment or training), can a spouse or other individual be

FAQs

FSA CLAIMS 101
A Service Member's Guide to Claim Submissions

To be reimbursed for your Flexible Spending Account (FSA) eligible expenses and avoid forfeiting funds, you must submit a claim for reimbursement. Claim submission occurs through FSAFAQS. Use the below guide to learn everything you need to know about submitting a claim.

HOW IT WORKS
Understanding and managing your HCFSA or DCFSA is easy as outlined in the below four simple steps.

- 1 ENROLL**
Enroll in an FSA on FSAFAQS.com. Choose the amount you'd like to contribute.
- 2 FUNDS DEPOSITED INTO FSA**
Funds are subtracted from your paycheck before taxes and deposited into your FSA account.
- 3 FILE A CLAIM**
Spend the money in your account on FSA eligible expenses and submit a claim for reimbursement. Claims processed in 1-2 business days.
- 4 GET REIMBURSED**
Once your claim is approved, you will be reimbursed for expenses. Claims processed by direct deposit or check.

WAYS TO FILE A CLAIM
FSAFAQS offers simple and easy ways to submit claims for reimbursement.

- 1 ONLINE
- 2 VIA FSAFAQS APP
- 3 MAIL OR FAX

RECEIPT REQUIREMENTS
Before you file a claim, make sure you have your receipt. Whichever method you choose, you will be required to provide necessary documentation such as a receipt or explanation of benefits (EOB).

RECEIPTS MUST INCLUDE THE FOLLOWING:

- Patients Name:** Name of the person who received the service (or the person who purchased for HCFSA expenses).
- Type of Service:** Description of the service provided (or item purchased for HCFSA expenses).
- Cost:** Amount paid for the service or product (or the portion that is not reimbursed by your insurance for HCFSA expenses).
- Date of Service:** Date when services were provided (or the month when the item was purchased for HCFSA expenses).

PRO TIP: FSAFAQS strongly encourages members, just make sure it contains a signature and the above required information.

Claims 101

HCFSA Resources will launch in January 2025. Visit fired.usalearning.gov/FSA to access FSA education resources.