

Deschutes County

Flexible Spending Account Summary

January 1, 2026 – December 31, 2026

A Flexible Spending Account (FSA) is a type of plan that allows you to receive certain benefits on a pretax basis. This means you will not have to pay Social Security/Medicare taxes or federal/state income taxes on the money. Think of it as a tax-free, interest-free loan to yourself.

The Plans The following FSA components are available through your employer. These expenses are for your tax dependents. Examples include you, your spouse, or child(ren), even if they are not covered on your employer's group insurance plan.

Insurance Premium Component

- If your employer charges you to have yourself and/or any dependents enrolled on the employer-sponsored benefits, your cost will automatically be deducted from your paycheck on a pre-tax basis.

Health FSA Component – includes the following account(s)

Maximum Election **\$3,300** annual

- You can use this account for healthcare expenses for you and your taxable dependents, including medical, dental, and vision expenses that are either not covered or only partially covered by your insurance plan.
- Your full election amount is available at the start of the plan year.
- When you have a qualified change in status—such as if you add or remove dependents from your insurance plan—you cannot change your election.

Health Related Expense Account (HRE) - the General Purpose FSA

- Eligible expenses include medical, dental, and vision expenses not paid for by insurance: copays, coinsurance, deductibles, etc.
- Over the counter medicines and supplies are eligible, examples include pain relief and allergy medications, bandages, thermometers, etc. Some vitamins and supplements may be eligible with a Letter of Medical Necessity or doctor's prescription.

Dependent Care Assistance Plan (DCAP) Component

Maximum Election **\$7,500** annual (**\$3,750** annual max if married filing separately)

- You can use this account for childcare expenses for your tax dependents under 13 or disabled taxable dependent who is unable to care for themselves, including elder care expenses.
- This account is accrual-based, and reimbursements will be issued as funds are posted and claims received.
- When you have a qualified change in status—such as if your spouse's employment changes—you can increase or decrease how much you put into your account.

Claims Reimbursement

Reimbursement Time Frame

- Dates of service must be between **January 1, 2026** and **December 31, 2026**
- Reimbursements may be requested during the plan year or after it ends.
- The last date to submit claims is **March 31, 2027**

Submitting Claims

Claims can be submitted through manual submission, or using your Prepaid Benefit Card. If you're reimbursed for a claim and it is later determined that the expense was not eligible for reimbursement, you will be liable for repaying the money to your FSA. Additional information is listed below.

Manual Claims

We offer several ways you can submit your claims for reimbursement:

1. Submit your claim online using the online portal
2. Submit your claim via the Mobile App
3. Mail or fax a Request for Reimbursement Form.

Prepaid Benefit Card

A Prepaid Benefits Debit Card gives you an easy, automatic way to pay for qualified healthcare expenses. Simply swipe your benefits card as you would a credit/debit card (and select "credit" rather than "debit"). When you use the card to make a purchase or payment, it deducts funds directly from your FSA.

Date of service is important! It's assumed the date of service is the day the card is swiped. If you are paying for a prior service, only use your card if the service date is within your current plan year. Prior year services need to be submitted as manual claims for reimbursement.

When you use your debit card, you should request an itemized receipt for reimbursement in case we need you to substantiate a charge. (*You must save all expense documentation, such as itemized receipts, per IRS regulations.*) You may occasionally receive a notice if your transaction is ineligible or needs additional documentation. You will be required to submit the documentation, refund the account, or "offset" the expense as indicated in the notice. If the transaction issue hasn't been resolved within the allotted time, the card will be suspended. Amounts for transactions that aren't properly documented or that have been deemed ineligible may be included as wages on your W-2.

Funds Remaining After the Plan Ends

Health FSA Carryover: If the plan year ends before you've used all your Health FSA funds, you're allowed to have up to \$680 carry over to the next FSA plan year. If you have more than \$680 remaining, you'll lose those additional funds, along with all other account balances. To have up to \$680 carryover, you will be required to make a salary reduction contribution in the new Plan Year. Carryover funds will be automatically rolled after the prior plan year ends.

What Happens if I Terminate Employment during the Plan Year?

If you terminate employment or lose eligibility, your participation in the plan will end on the date your employment status changes or with your final payroll contribution – whichever offers the greater period of eligibility. You may be eligible to continue the Health FSA under COBRA or by making an additional pre-tax contribution out of your last paycheck.