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Flexible Spending Account (FSA) Education Collateral

Flexible Spending Account (FSA) Overview:

Fundamental FSA attributes, types of FSAs, benefits / advantages, account management, and capabilities.

YOUR BENEFITS

PNC BENEFIT PLUS FLEXIBLE SPENDING ACCOUNT OVERVIEW

The PNC BeneFit Plus Flexible Spending Account (FSA) is a smart way to pay for your out-of-pocket qualified healthcare and/or dependent care expenses. You can enjoy tax savings and a convenient debit card for your eligible expenses.

Throughout the year, you are likely to face expenses when taking care of yourself and/or your family that insurance does not cover. An FSA can reduce your taxable income and your out-of-pocket expenses when you use your FSA to pay for healthcare items or dependent care expenses you would purchase anyway.

What is an FSA?

An FSA is a tax-advantaged account offered by your employer that allows you to pay for eligible out-of-pocket healthcare and dependent care expenses, with pre-tax dollars, for you, your spouse and your eligible dependents.[1,2,3] During benefit enrollment, you decide the annual amount you want to contribute, which effectively lowers your taxable income.

Most Common Types of FSAs

- **Health Flexible Spending Account (Health FSA)** allows for reimbursement of qualifying out-of-pocket medical expenses. For a list of eligible Health FSA expenses, please refer to the FSA and HSA Eligible Expenses List (see the "Tools & Support" tab on the PNC BeneFit Plus Consumer Portal at participant.pncbenefitplus.com).[1,2,3]
- **Limited Purpose Flexible Spending Account (LPFSA)** allows reimbursement for preventive care and vision and dental expenses. The LPFSA is used in conjunction with a qualified High Deductible Health Plan (HDHP) and Health Savings Account (HSA).[1,2,3]
- **Dependent Care Flexible Spending Account (DCFSA)** allows for reimbursement of dependent care expenses (e.g., daycare) incurred by eligible dependents.[1,5]

Please check with your employer to see which Plans are offered.

Is an FSA Right for Me?

An FSA is a great way to pay for expenses with pre-tax dollars. A **Health FSA** could save you money if you or your dependents:

- Have out-of-pocket expenses like co-pays, coinsurance, or deductibles for health, prescription, dental or vision plans.
- Have a health condition that requires the purchase of prescription medications on an ongoing basis.
- Wear glasses or contact lenses.
- Receive orthodontia treatments, such as braces, or have dental expenses not covered by your dental insurance.

A **Dependent Care FSA** allows you to set aside pre-tax dollars for out-of-pocket, eligible expenses (e.g., daycare) related to care for a qualified individual.[1,5]

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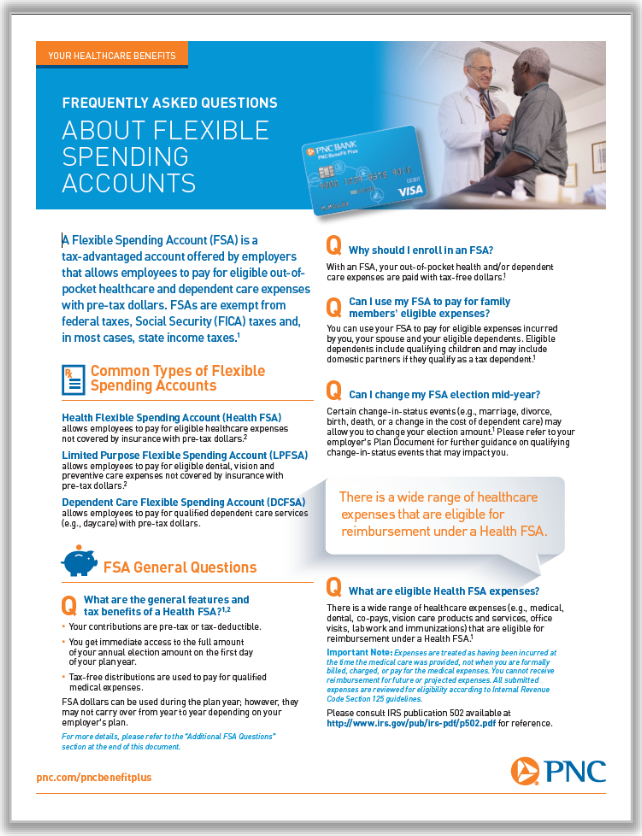
Link to the PNC BeneFit Plus FSA Overview: Click on the brochure or [here](#) to view or download.

Flexible Spending Account (FSA) FAQs:

Questions and answers around general FSA attributes, types, rules and how to file claims.



YOUR HEALTHCARE BENEFITS

FREQUENTLY ASKED QUESTIONS

ABOUT FLEXIBLE SPENDING ACCOUNTS

A Flexible Spending Account (FSA) is a tax-advantaged account offered by employers that allows employees to pay for eligible out-of-pocket healthcare and dependent care expenses with pre-tax dollars. FSAs are exempt from federal taxes, Social Security (FICA) taxes and, in most cases, state income taxes.[1]

Common Types of Flexible Spending Accounts

Health Flexible Spending Account (Health FSA) allows employees to pay for eligible healthcare expenses not covered by insurance with pre-tax dollars.[2]

Limited Purpose Flexible Spending Account (LPFSA) allows employees to pay for eligible dental, vision and preventive care expenses not covered by insurance with pre-tax dollars.[2]

Dependent Care Flexible Spending Account (DCFSA) allows employees to pay for qualified dependent care services (e.g., daycare) with pre-tax dollars.

FSA General Questions

Q What are the general features and tax benefits of a Health FSA?[1,2]

- Your contributions are pre-tax or tax-deductible.
- You get immediate access to the full amount of your annual election amount on the first day of your plan year.
- Tax-free distributions are used to pay for qualified medical expenses.

FSA dollars can be used during the plan year; however, they may not carry over from year to year depending on your employer's plan.

For more details, please refer to the "Additional FSA Questions" section at the end of this document.

Q Why should I enroll in an FSA?

With an FSA, your out-of-pocket health and/or dependent care expenses are paid with tax-free dollars.[1]

Q Can I use my FSA to pay for family members' eligible expenses?

You can use your FSA to pay for eligible expenses incurred by you, your spouse and your eligible dependents. Eligible dependents include qualifying children and may include domestic partners if they qualify as a tax dependent.[1]

Q Can I change my FSA election mid-year?

Certain change-in-status events (e.g., marriage, divorce, birth, death, or a change in the cost of dependent care) may allow you to change your election amount.[1] Please refer to your employer's Plan Document for further guidance on qualifying change-in-status events that may impact you.

There is a wide range of healthcare expenses that are eligible for reimbursement under a Health FSA.

Q What are eligible Health FSA expenses?

There is a wide range of healthcare expenses (e.g., medical, dental, co-pays, vision care products and services, office visits, lab work and immunizations) that are eligible for reimbursement under a Health FSA.[1]

Important Note: *Expenses are treated as having been incurred at the time the medical care was provided, not when you are formally billed, charged, or pay for the medical expenses. You cannot receive reimbursement for future or projected expenses. All submitted expenses are reviewed for eligibility according to Internal Revenue Code Section 125 guidelines.*

Please consult IRS publication 502 available at http://www.irs.gov/pub/irs-pdf/p502.pdf for reference.

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Link to the PNC BeneFit Plus FSA FAQ: Click on the brochure or [here](#) to view or download.

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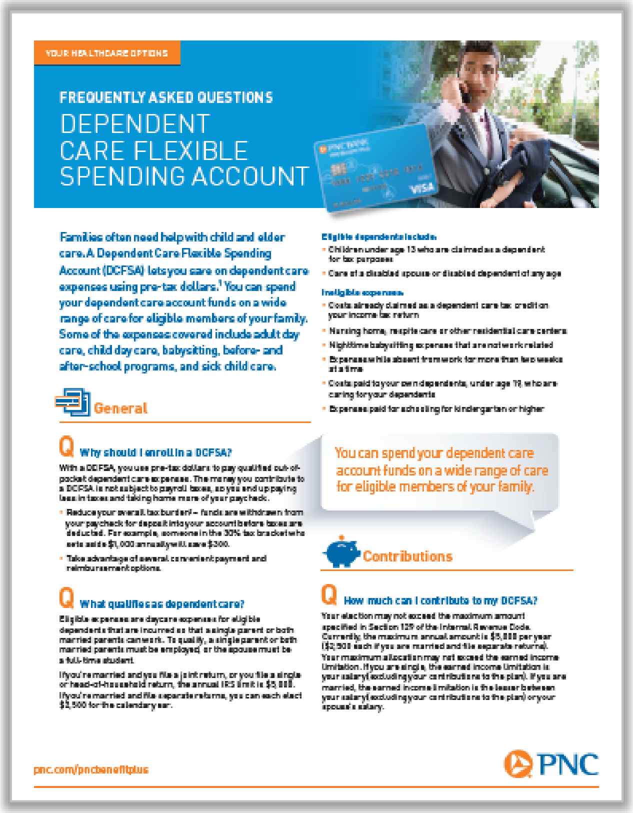
Dependent Care Account Flexible Spending Account (DCFSA) FAQs:

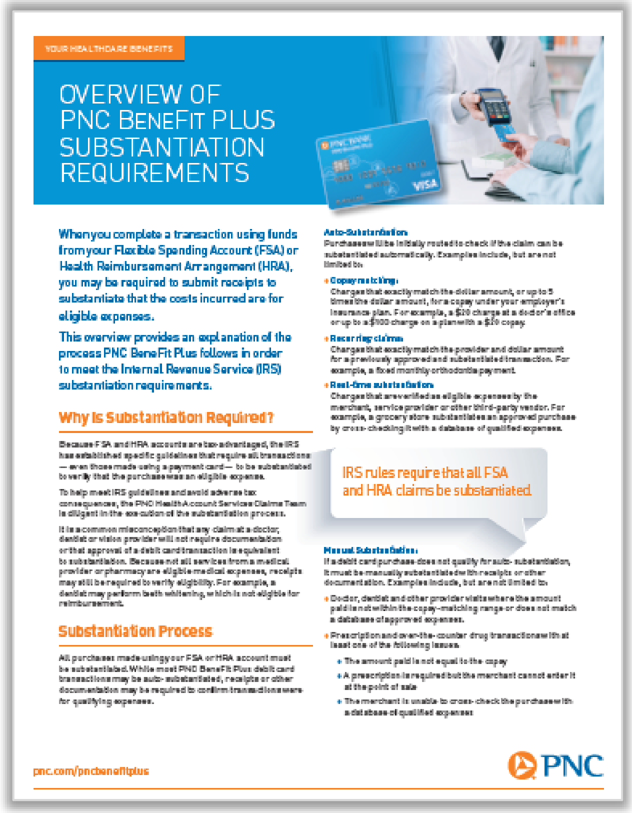
Questions and answers around general DCFSA attributes, benefits / advantages, rules and how to file claims.



Link to the PNC BeneFit Plus DCA FAQ: Click on the brochure or here to view or download.

Flexible Spending Account (FSA) Substantiation Requirements Overview:

An explanation of what documentation is required when you need to substantiate a claim.



Link to the Substantiation Requirements Overview: Click on the brochure or here to view or download.