



# Types of Pre-tax Savings Accounts

## For State Employees



# Health Care Flexible Spending Account (FSA)

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# Health Care FSA Eligibility



NOT Enrolled in a HDHP

- IYC Health Plan
- Access Plan



Health care expenses not covered by insurance\*



\* Eligible medical expenses within the current plan year

Subscriber, spouse, and qualified dependents



Employer-owned account



# Health Care FSA Benefits and Limitations

## Benefits

- Members may use for dependent(s) medical needs
- Carry over to next year, minimal “use-it or lose-it” risk

## Money availability

- Money is available the first of the month of the plan year “front-loaded”

## Limitations

- Limits apply to carryover
- Employer-owned account, unused funds are forfeited when you leave

# Health Care FSA Requirements



## Annual election



- Required during enrollment or re-enrollment
- \$50 minimum required

## Pre-tax contributions



- Deducted from your paycheck throughout the year

## Cancellation Rule



- Cancellations of FSA enrollments will be effective on the last day of the month in which a participating member cancels their coverage or terminates their employment

# Health Care FSA Annual Limits



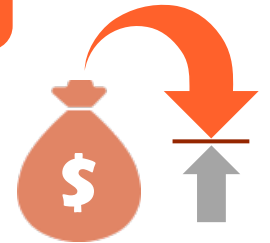
## Contribution limits

- May change yearly



## Carryover limit

- Limited amount may be carried over to the next year
- Use it or lose it



# Health Savings Account (HSA)

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# HSA Nickname



## Triple tax savings account

1. Making pre-tax contributions to your savings
2. Investments are tax-free  
(Additional funds may be invested for retirement)
3. Eligible expenses are tax-free



# Health Savings Account (HSA) Eligibility \$

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## Available to

- Participants enrolled in a High Deductible Health Plan (HDHP)

## Use for

- Current or future eligible medical expenses



# HSA Benefits



## Employee-owned account

- Money stays with you when you leave



## Earns interest

- May be invested



## Money availability

- For member and family
- Money is available as it is deposited



# HSA Requirements



## Employer Contributions

- Employer may contribute to your HSA



## Annual Election

- Annual election required during enrollment or re-enrollment



## Contributions

- Both employee and employer pre-tax contributions are made throughout the plan year



# HSA Annual Limits

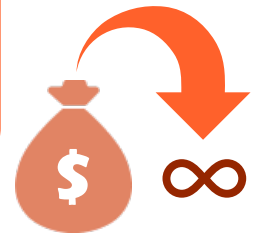


## Contribution Limits



- May change yearly

## No Carryover Limits



- Unlimited carryover

# HSA vs Health Care FSA

Topics	HSA \$	Health Care FSA ⊕
Who owns it?	Account holder	Employer
Who funds it?	Account holder, employer, and others	Account holder, employer
What type of corresponding health plan is allowed?	HDHP Access HDHP	IYC Health Plan Access Plan
Funded with pre-tax salary deduction?	Yes, and post-tax contributions	Yes
Transfers between employers?	Yes, and post-tax contributions	No
Interest accrued? Investing allowed?	Yes, and post-tax contributions	No
Do I need a qualifying life event to make an election change?	No	Yes
COBRA continuation	No	COBRA rights apply

# Limited Purpose Flexible Spending Account (LPFSA)



# LPFSA Eligibility



## Eligibility

- Available to participants enrolled in both:
  - High Deductible Health Plan (HDHP) and
  - Health Savings Account (HSA)

## Limited to:

- Vision
- Dental
- Post-deductible medical expenses

## Benefit

- **Front loaded:** money is available at the beginning of the year
- Supplemental to HSA; allows for additional savings

# LPFSA Requirements



## Requirements

- Annual election required during enrollment or re-enrollment
- Pre-tax contributions are deducted from your paycheck throughout the year

## Annual Limits

- Contribution limits may change yearly
- Carryover Limit
  - Limited amount may be carried over to the next year
  - Use it or lose it



# Dependent Day Care Account



# Dependent Day Care Account Eligibility\*



You or your spouse must be unable to provide dependent day care and/or elder care because you:

- Work full time
- Are actively looking for work
- Enrolled in or attending school full time
- Are physically/mentally incapable of self-care

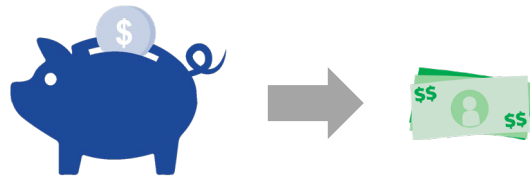
\* Ineligible employees: Employees who are classified as fellows, scholars and research assistants in the University of Wisconsin System, as well as limited term employees, student hourlies, per diems, and other temporary employees

# Dependent Day Care Account Benefits and Limits



## Benefits

- Tax savings for care of your dependents during work hours
- Pre-tax dollars: Money is available as it is deposited



## Annual Limits

- Yearly contribution limit \$5,000
- No carryover
- Use it or lose it



# Dependent Day Care Account Requirements



## Requirements



- Annual election during enrollment or re-enrollment
- Pre-tax contributions are deducted from your paycheck throughout the year
- Money in, money out
- Dependents must be under the age 13, unless the dependent is disabled

# Parking and Transit Accounts



# Parking and Transit Accounts Requirements



## Eligibility

- All active state employees
- Limited term employees

## Enroll or Make Changes

- Any time during the plan year

## Contribution Limits

- May change yearly
- Able to change monthly contribution amount at any time



# Parking Account Benefits

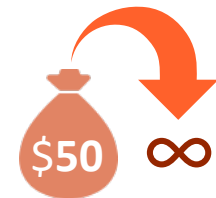


## Benefits

- ✓ Use pre-tax dollars to pay for work-related parking expenses
- ✗ Pre-tax parking deductions are not eligible

## Unlimited Carryover

- Subject to \$50 minimum



# Transit Account Benefits

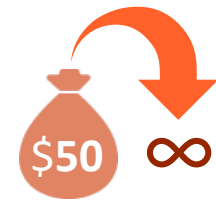


## Benefits

- ✓ Use pre-tax dollars to pay for eligible mass transit expenses related to your commute to and from work
- ✗ Van pool pre-tax deductions are not eligible

## Unlimited Carryover

- Subject to \$50 minimum balance requirement





# Resources

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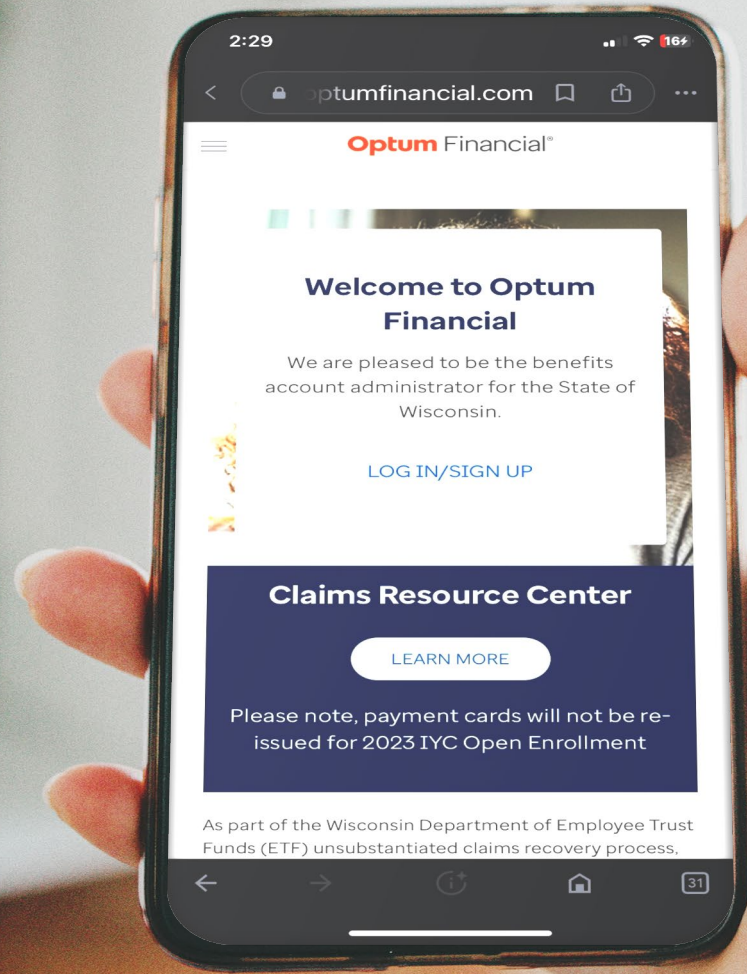
- Optum Website
- Benefits Available to Me



# Optum Website

Access and manage your  
pre-tax savings accounts at:

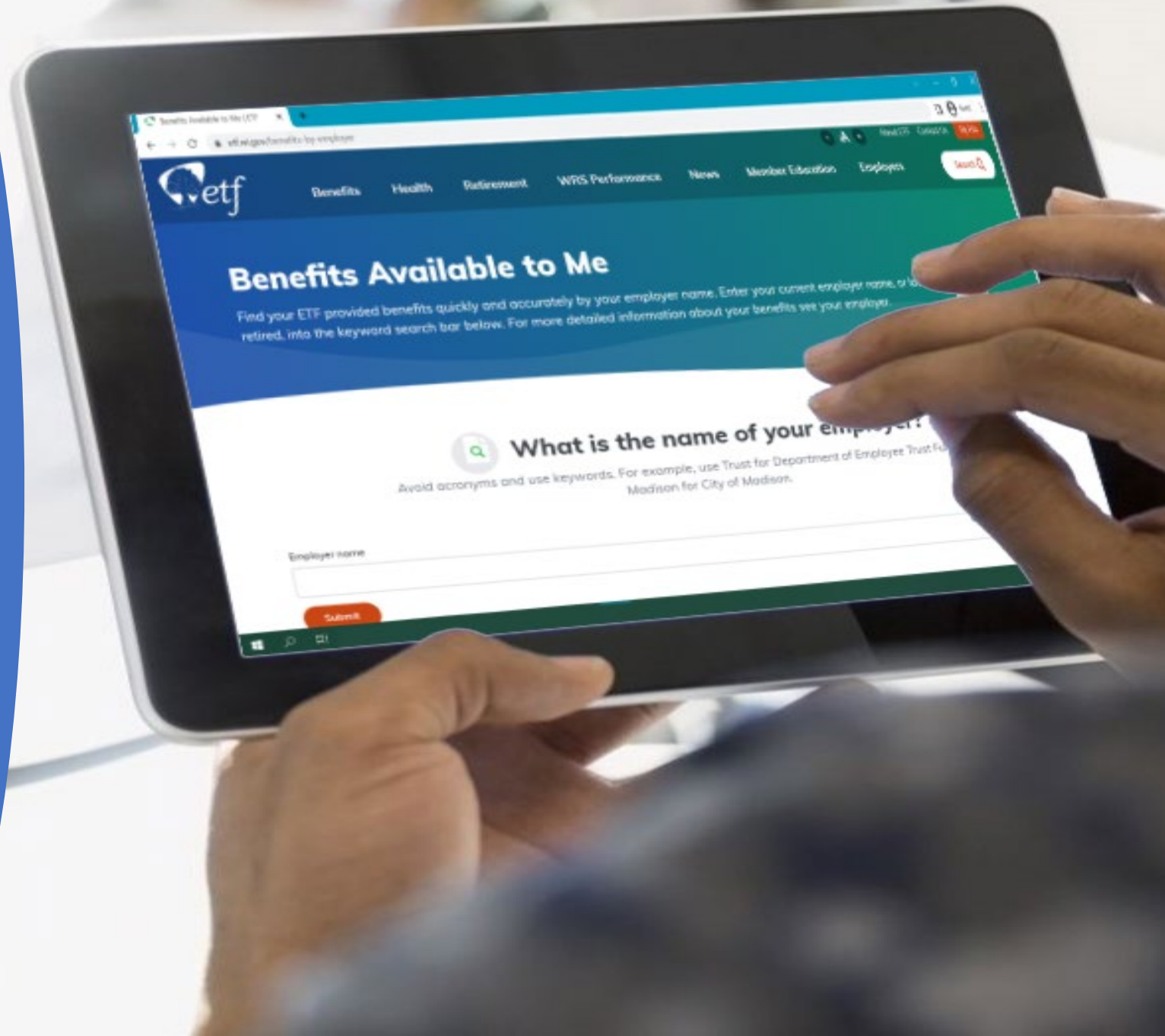
[myoptumfinancial.com/etf](https://myoptumfinancial.com/etf)



# Benefits Available to Me

Find benefits available  
by employer

[etf.wi.gov/benefits-by-employer](http://etf.wi.gov/benefits-by-employer)





# Stay Connected

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