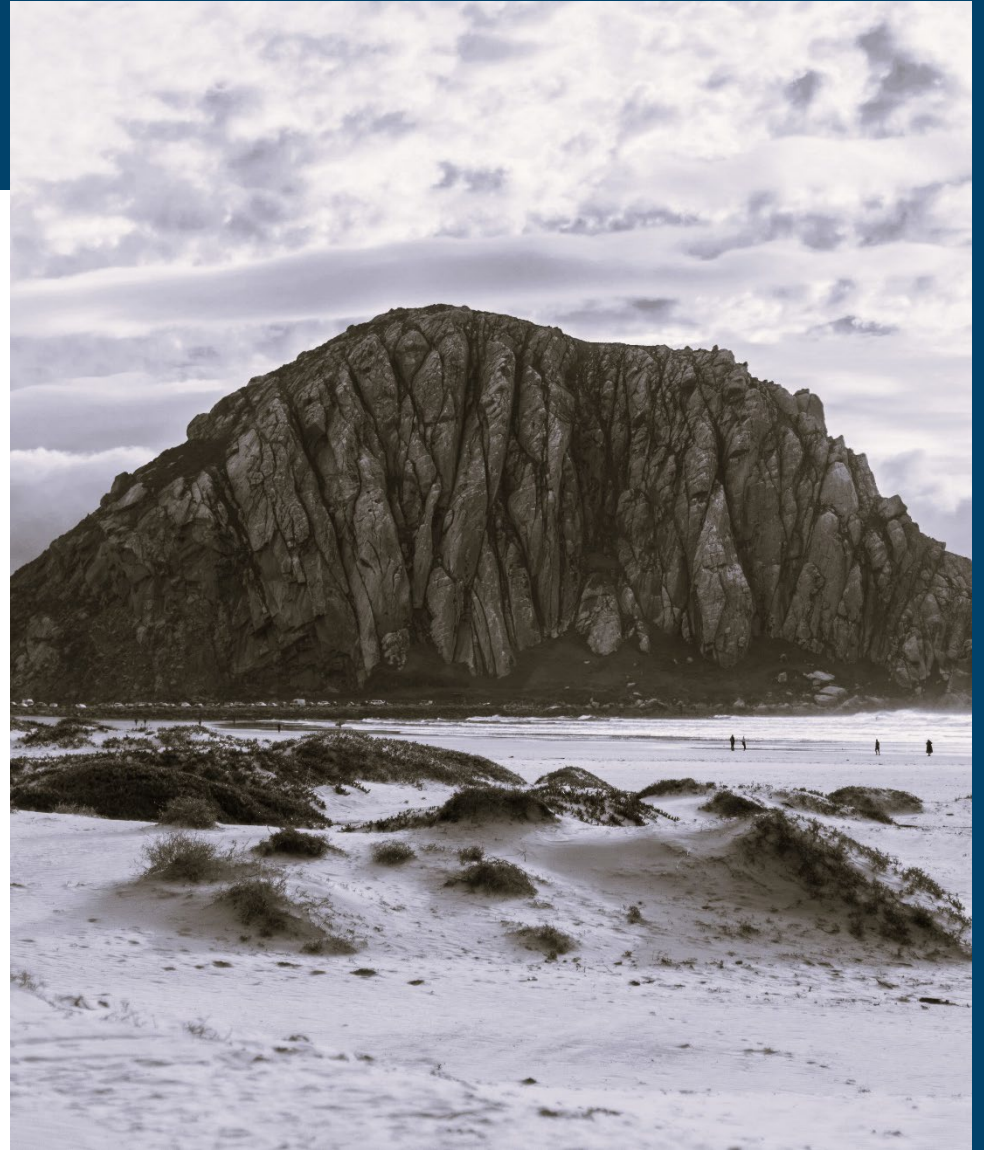


2025 Tax Savings Accounts

County of San Luis Obispo



Agenda

- What are Tax Savings Accounts?
- Healthcare FSA
- Dependent Care FSA
- HSA
- Resources

Open Enrollment October 4-18!



Tax Savings Accounts

- Tax-advantaged (pre-tax) savings accounts offer a financial incentive to save money for important health and childcare expenses.
- If you expect to have health or childcare costs in the next year, funding a tax savings account allows your dollars to be stretched further since your contribution is pre-tax, meaning you set those funds into your account before any taxes are paid on the amount.
- If you use those funds for the specific health and childcare costs, the money does not get taxed.
- All rules set by IRS



Healthcare Flexible Spending Account (FSA)

You elect an amount of money for the year that is set aside, pre-tax for medical, dental, and vision expenses.

- Eligible expenses include:
 - Deductibles, copays, coinsurance amounts
 - Vision expenses such as glasses, contact lenses
 - Dental expenses such as cleanings, major services (ex: root canal)
 - Other health or wellness expenses such as menstrual care products, sunscreen, first aid kits, and over the counter cold & flu medications



Healthcare FSA Requirements

- All eligible expenses must occur before the end of the calendar year
- FSA elections cannot be changed during the year unless you have a specific qualifying life event
- FSA funds can be used for you, your spouse/DP, and tax dependent children only
- A minimum balance of \$10 is required to rollover funds



FSA Maximum and Deadlines

FSA Maximum for 2025: \$3200

2025 Rollover Maximum: \$640

Deadline for 2024 FSA claims due by March 15, 2025

After March 15, any remaining funds beyond the maximum roll over amount is forfeited

**2024 rollover funds will automatically be rolled over on
April 1, 2025**

To rollover funds sooner, or for account password,
benefit card, or claims questions:

Call BCC at (800) 685-6100



Healthcare FSA FAQs

How can I spend my funds?

You will receive a debit card to use for your expenses. If you do not use your debit card, you can still submit a claim via the Smartcare App or a paper claim form found on the County FSA webpage

Do I have to be on a County medical plan to fund an FSA?

You do not have to have County medical insurance to fund an FSA

When is the last day I can use my funds?

You must spend the funds by the end of the calendar year and submit claims by March 15 of the following year

What if I'm retiring or separating from County service?

Your FSA account ends on the last day of your employment. You have 60 days from your termination date to submit claims/receipts for eligible expenses.

Can I change my FSA election mid-year?

No, you can only elect your FSA contribution amount during Open Enrollment unless you have a qualifying life event or are a new hire in your first 30 days from your start date.



Healthcare FSA FAQs

Will my FSA election amount from 2024 roll over to 2025?

No, you must elect your contribution amount in Benxcel.net during Open Enrollment for 2025.

Do I have to wait unless my account has the full amount to use my card?

No, you can use your funds at the start.

I already have an HSA because I'm in the HDHP, can I have an FSA?

No cannot have a regular healthcare FSA; however, you are eligibility to have a Limited Purpose FSA for dental and vision expenses only.

I've lost my debit card or it has expired.

Call BCC to report your card lost and issue a new one. If you debit card has expired and you have continued to fund an FSA account, you will be sent a new card in the mail.



Dependent Care FSA

Use a DC FSA funds to pay for eligible out-of-pocket dependent care expenses with pre-tax dollars, up to \$5,000 per year.

- Eligible expenses may include daycare centers, in-home childcare, and before or afterschool care for your dependent children under age 13.
- All caregivers must have a tax ID or Social Security number to submit a claim.

Dependent Care FSA

Grace Period

Employees have between January 1 – December 31 for expenses incurred; however, claims can be submitted by March 15

After March 15, no claims are accepted and funds are forfeited.

There is no rollover for DC FSA



DC FSA FAQs

Can my spouse and I each fund a DC FSA?

Yes, but the maximum is \$5000 per household, not per person.

Can I change my DC FSA mid-year?

No, you cannot change your DC FSA election for the year unless you have a specific qualifying life event.

Do I have to wait until my account has funds to submit a claim?

Yes, a DC FSA functions differently than a healthcare FSA. You must have enough funds in your DC FSA to submit an expense.

Will my DC FSA election amount from 2024 roll over to 2025?

No, you must elect your contribution amount in Benxcel.net during Open Enrollment for 2025.



DC FSA Maximum & Requirements

DC FSA Maximum for 2025: \$5000 per household

- You do not need to have a County medical plan to fund a DC FSA
- You must make an election for DC FSA during Open Enrollment to have one in 2025

Deadline for 2024 DCFSA claims due by March 15, 2025

There is no roll over for DC FSA



Health Savings Account

A health savings account or HSA, is a tax savings account which allows you to pay for current qualifying health expenses, or future health expenses.

- HSA contributions are pre-tax, allowing you to maximum those funds when used for qualified health expenses.

Eligible expenses include:

- Healthcare services not paid by your insurance for yourself, spouse/domestic partner, and children dependent(s).
- Examples of expenses: Copays, deductibles, prescription drugs, prescription glasses, dental implants



Visit HSA store for eligibility list: hsastore.com/hsa-eligibility-list

HSA Benefits

Triple tax savings

- Money goes in tax free;
- savings grow tax free;
- withdrawals are tax free if used for eligible items

Employees can invest savings for growth, similar to a 457(b) Deferred Comp plan or 401K plan

Your HSA account stays yours, even if retire or separate from County employment



HSA Benefits

The County and employees can both contribute to HSA

- **The County contributes up to \$750 over the course of the year for each employee enrolled in the HDHP every year (as long as you meet IRS HSA eligibility requirements)**
- **Those in BU 31/32:**
 - **The County pays \$1000 for employee only HDHP medical enrollment**
 - **The County pays \$2000 for EE+1 or family HDHP medical enrollment**
- **You can adjust your contribution amount throughout the year, unlike an FSA account.**

Funds don't reset at the end of the year, meaning you never have to worry about forfeiting funds. What you don't spend automatically rolls into the next year!



HSA Requirements

- IRS requires you answer HSA eligibility questions each year; referred to as “Knockout Questions” shown below
- Per IRS rules, you cannot be claimed as a dependent on another person’s tax return, and cannot be covered by another health insurance plan that is not a HDHP.

2025 HSA Eligibility Form

Health Savings Account (HSA) Eligibility Questions

If you enroll in the Blue Shield High Deductible Health Plan (HDHP) medical plan, you have the option to open a Health Savings Account (HSA) if you meet IRS requirements. A Health Savings Account (HSA) allows employees to pay for current health expenses and save for future qualified medical expenses on a pre-tax basis. To determine if you are eligible for the HSA, please answer the following:

1. Are you claimed as someone else’s tax dependent other than a spouse?

2. Are you enrolled in any of the following:

Any non-qualified HDHP health plan; you cannot have other health coverage except what is permitted by IRS (refer to IRS HSA qualifying requirements)

Medicare Parts A and B, C (Medicare Advantage) or D (prescription drug plan)

3. Are you eligible to receive benefits from any of the following:

A general purpose Flexible Spending Account (FSA) or Health Savings Account (HSA), including your spouse’s FSA or HSA

Medicaid (includes Medi-Cal/Cen-Cal)

TRICARE

4. Have you received or will you expect to receive benefits in October, November, or December of 2023 from any of the following:

Veterans Benefits

Indian Health Services Benefits

If you answered yes to any of the following questions, you are **not eligible** to participate in an HSA. If you are not eligible for an HSA and wish to change from the HDHP medical plan to another plan, you can return to the beginning of your Open Enrollment election screen to select a different medical plan. Anyone who elects an HSA & is later determined that they are not eligible, could receive IRS tax ramifications

If you answered No to all of the above, you are **eligible** for a Health Savings Account (HSA).

Answer *

YES I have answered yes to one or more of the questions above NO none of the above applies to me

HSA Requirements & Maximum

Maximums:

\$4,300/individual

\$8,550/family

- If you do not want to contribute to your HSA account, you are still required to select or enter "\$0" in your employee contribution in Benxcel. This will trigger the system to setup the employer contribution for you of \$750 (over the course of the year).
- For those in BU 31/32, the County contribution is 1-2K depending on your HDHP family tier enrollment



HSA FAQs

I have a LP FSA and an HSA, do I get two cards?

No, you will have one card per employee for all accounts. Technology built into the card will determine which account is drawn from when using the card.

I had a HDHP and HSA last year, but switched to a new medical plan this year, what happens to my HSA?

Nothing. The HSA funds are yours to keep forever. You can continue to save those funds, or use them on eligible medical expenses.

I had a health FSA last year, but now have a HDHP and HSA, what happens to my FSA?

If you have a remaining balance in your FSA, it will roll into a Limited Purpose FSA, reimbursing only eligible vision/dental expenses while your HSA will be used for any medical expenses. You can then contribute into the LPFSA in the new plan year along with the HSA.

My spouse and dependents are on my HDHP, do they get their own HSA debit cards?

Each employee will get their own card and the employee can request a card for any dependents over the age of 18, but they would not get a card by default.

HSA FAQs

What happens when I separate from the County? What happens to my funds?

The HSA dollars are employee-owned funds, so the funds stay with you when you separate from the County. Your account gets moved to a retail account with Avidia Bank and they will be in contact to get out a new debit card and login information to view your account.

I'm close to age 65, what should I do?

If you're currently contributing to your Health Savings Account (HSA) and plan to start your Medicare coverage the month you turn 65, here's what you need to know:

End Contributions Before Your 65th Birthday Month: Make sure all HSA contributions end before your 65th birthday month

Consider the Six-Month Lookback Period: When enrolling in Medicare after age 65, there is a six-month lookback period (excluding the month of reaching age 65).

Remember, if you apply for Medicare prior to your 65th birthday month, you can contribute to your HSA up until the day before your Medicare effective date.



Resources on our website

Tax Savings Accounts Benefits and Resources

<u>Flexible Spending Accounts (FSA)</u> <u>Dependent Care FSA (DCFSA)</u> <u>Limited Purpose FSA (LPFSA)</u>	Compare Healthcare, Dependent Care, and Limited Purpose FSAs with account details and eligibility information.
<u>Health Savings Account (HSA)</u>	Learn more about how an HSA help you get more value from your pre-tax dollars. Available for HDHP enrollees only and must be HSA eligible to enroll.
<u>Register Your FSA or HSA Debit Card</u>	Register your Flexible Spending Account (FSA) and Health Savings Account (HSA) debit cards in order to begin using funds.
<u>Submit a FSA or HSA Claim for Reimbursement</u>	Review the reimbursement process when submitting a claim for your FSA or HSA.



Open Enrollment Reminders:

Employee Benefits



[Open Enrollment](#)



[Employee Benefits Brochure](#)



[General Resources](#)



[Medical](#)



[Mental Health](#)



[Dental and Vision](#)



[Pharmacy](#)



[Ancillary Insurance](#)



[Financial Wellness](#)



[Retiree Benefits](#)



[Wellness and Other Benefits](#)

Update Demographic Info

- Cell Phone
- Mailing and email address

Add/Drop Dependents

- Only time outside of a qualifying life event
- Upload required documentation

Opt-out of County Medical

- Answer requires Opt-out Form
- Upload required documentation

Re-elect Tax Savings Account

- FSA & DC FSA
- Employee HSA Contribution

Add/Drop Ancillary Coverage

- Life Insurance
- Aflac Plans

Employee Support

BenXcel Workshops

- Appointments offered:
 - Oct. 9
 - Oct. 15
 - Oct. 17
- In Person at Kimball Computer Lab
- Get help with BenXcel login, uploading documents, or downloading confirmation statement

Or contact your Dept HR person for help!

Visit slocounty.ca.gov/oe for more information



Resources

- Open Enrollment Webpage: slocounty.ca.gov/oe
- [2025 Employee Benefits Brochure](#)
- Out of pocket [calculator](#) on OE website

Monthly Newsletter!



Contacts

- General Questions: Dept HR/Payroll Coordinator
- Health questions: Accolade (866) 406-1275
- [Benefits Team: hrbenefits@co.slo.ca.us](mailto:hrbenefits@co.slo.ca.us)

Questions?

