Gallagher | HealthInvest

FSA | Flexible Spending Account

Overview

An FSA is a **tax-free account** for eligible **healthcare and dependent care bills**. This valuable employee benefit is a smart way to **pay less in taxes** and **keep more of your paycheck**. You save by using **pre-tax dollars** for qualified medical, dental, vision, and childcare costs.



Here's how it works:



During annual open enrollment or when you're first hired, **choose how much you want to contribute** to a Health FSA, Limited Purpose FSA[1], or Dependent Care FSA. Your contribution election(s) will be divided up and deducted from your paychecks before taxes. The 2027 projected IRS contribution limit for Health FSAs is $3,500. The 2027 projected Dependent Care FSA limit is $7,500 (or $3,750 if married filing separately).

[1]You should choose a **Limited Purpose FSA** instead of a Health FSA if you or your spouse will be making or receiving contributions to a health savings account (HSA). To be eligible for HSA contributions, IRS rules require that your FSA coverage be limited to dental and vision care only. Our Limited Purpose FSA is designed to help you meet this IRS requirement. You can use it for expenses like dental and vision exams, fillings, braces, glasses, contacts, laser eye surgery, etc.



Don't overestimate! You must **use your FSA money within the plan year**, unless your plan allows a carryover (2027 projected up to $700) or has a grace period (up to 2.5 months). Your FSA is an annual "spending" account, not a "savings" account. Unused amounts are forfeited and cannot be recovered.



At any time during the plan year, you can spend up to your **entire Health FSA contribution amount** (less what you've already used, if any). Your Dependent Care FSA spending access is always **equal to your current account balance**.

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Tax Savings



FSA contributions are **deducted off the top of your paycheck before taxes are calculated**. This reduces your taxable income and lowers your **income taxes** and **FICA taxes** (Social Security and Medicare). Most save up to 30% or more. The below example shows how Ava uses her FSAs to put **$165 per month** back in her pocket.

EXAMPLE: Ava makes $5,000 per month. Her combined taxes total 30%. She contributes $150 per month to a Health FSA and $400 to a Dependent Care FSA. This drops Ava's taxable income by $550 per month, and she saves $165 in taxes ($550 x 30%). That's $1,980 in total tax savings for the year. Individual situations vary.



Using your FSA

Using your HealthInvest FSA is easier than ever!

- User-friendly **online portal**
- Handy **mobile app**, HRAgo® (for FSAs, too)
- Easy **online or mobile claims** submission
- Free **debit card** for qualified purchases[2]
- Convenient **direct deposit** for claim reimbursements
- Secure quarterly **e-statements**
- Personalized **telephone service** or **secure messaging**

[2]Always save your supporting documentation in case we need copies. If you have a Gallagher HealthInvest FSA, health reimbursement arrangement (HRA) and/or health savings account (HSA), your debit card will use your FSA first, HRA second, and HSA last.

To submit claims, log in online and click **Claims**, or use our mobile app, **HRAgo** (for FSAs, too). With HRAgo, you can quickly snap pics of supporting documentation and submit claims right from your mobile device. We'll process your claim in about five to seven business days. IRS rules require us to verify that every claim is for a qualified medical care expense.

Fees: A monthly plan administrative fee applies in most cases.

Questions? Contact your employer if you need more information about your FSA plan design. If you have questions about using your FSA, call our Customer Care Center at **1-844-342-5505**. Any one of our award-winning representatives will be happy to help you Monday through Friday from 6:00 a.m. to 5:00 p.m. Pacific Time.

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