



# Instructions for using your Flexible Spending Accounts

Medical Care Flexible  
Spending Accounts

Dependent Care Flexible  
Spending Accounts

FAQ's

Requesting Reimbursement

Account Access

## WHAT IS A FLEXIBLE SPENDING ACCOUNT (FSA)?

Under current IRS regulations, an FSA allows you to set aside pre-tax dollars to reimburse yourself for out-of-pocket medical and/or dependent care expenses. You elect an annual amount and the money is divided by the number of pay periods in a plan year and deducted from your paycheck pre-tax. **Pre-tax benefits can help you save 25% - 30%** on items and services you currently purchase!

	Without Account	With Both Accounts
Weekly Earnings	\$ 500.00	\$ 500.00
Account Deposits	\$ 0.00	\$ 20.00 (medical) \$ 96.15 (dependent care) <b>\$ 116.15 (Total)</b>
Taxable Wages	\$ 500.00	\$ 383.85
Taxes <small>*Not all states permit pre-tax withholdings for FSA contributions.</small>	Federal 15% FICA 7.65% State 5%* \$ 138.25	\$106.13
Expense (after tax)	\$ 116.15	\$ 0.00
Net Take Home Pay	\$ 245.60	\$ 277.72
Weekly Savings		<b>\$ 32.12</b>
Annual Savings		<b>\$ 1,670.24</b>

*The tax savings above are for illustrative purposes only.*

## WHO CAN PARTICIPATE?

All benefit-eligible employees.

- You do not need to be enrolled in your organization's health plan to participate.
- You may also use the Medical FSA for expenses associated with your qualified dependents. Your dependents do not need to be enrolled in your health plan to participate in the FSA. See your Summary Plan Description for more information on qualified dependents.

## THERE ARE TWO TYPES OF ACCOUNTS

Your employer may offer one or both accounts and you may elect to participate in either or both accounts. The two accounts work differently.

- **Medical Care FSA**
  - Your employer sets the maximum and/or minimum contribution amounts.
  - You may be reimbursed up to your annual election any time during the plan year.
  - Be sure to elect an amount that you are sure you'll use because any monies left over will be forfeited.
  - This account reimburses you for eligible out-of-pocket medical expenses for you, your IRS-defined spouse and qualified dependents.
  - See the list of eligible expenses accompanying this brochure.
- **Dependent Care FSA**
  - You may use the Dependent Care Flexible Spending Account if you (or you and your spouse, if married) require dependent care so that you and your spouse can work, or so that you can work and your spouse can attend school full-time.
  - If you or your spouse work part-time or attend school full-time, your maximum annual election may be limited. Please refer to your employer's Summary Plan Description for more information.

- You may request reimbursement of eligible expenses for a child who has not yet reached their 13th birthday and who is your qualified dependent.
  - You may also request reimbursement of eligible expenses for a spouse, older child or other individual who is a qualified dependent and is physically or mentally incapable of caring for him/herself. (For example, elder care is an eligible expense if provided for your qualified dependent so that you can work.)
  - Your pre-tax withholdings for this account will be shown in Box 10 of your W-2. You will need to complete IRS Form 2441 with your annual tax return.
  - The IRS sets the maximum (\$5,000 for a single parent or if you are married and file a joint tax return; \$2,500 if you are married and you and your spouse file separate tax returns).
  - You may request reimbursement for expenses up to the amount you have contributed to your account.
  - Be sure to elect an amount that you are sure you'll use because any monies left over will be forfeited.
- **Expenses Eligible for Reimbursement:**
    - Before and after-school care
    - Pre-school
    - Day camps
    - Wages paid to a childcare provider in your home, including employment taxes
    - Child care center
    - Fees charged by a child care provider working out of his or her home
    - Fees charged by your child care provider for transportation to/from place of care
  - **Ineligible Dependent Care Expenses:**
    - Kindergarten
    - Child support payments
    - Overnight camp
    - Deposits for services not incurred
    - Activity fees
    - Meals
    - Incidental babysitting

## FREQUENTLY ASKED QUESTIONS

**May I change my election mid-year?** The IRS prohibits election changes unless you have a qualifying event. A qualifying event is any one of the following life events:

1. You gain or lose a dependent through:
  - Birth, death, marriage, divorce, separation, adoption or a change in eligibility because of age or dependent status.
2. You gain or lose responsibility for a dependent's medical or daycare expense due to a court order.
3. You gain or lose eligibility for the plan during the plan year.
4. If your spouse loses employment, you may enroll in or increase your Medical FSA.

*\*This is a summary of current IRS regulations. Your employer's Summary Plan Description details when and if you may change your elections under the plan.*

**When can I make changes to my Dependent Care Account?** In addition to the qualifying events above, you may also make changes to your Dependent Care Account when there is a change in cost, a change in provider, or a change in the number of hours needed for care.

**What if I lose my check?** Call GDI's Accounting Team at 1-800-626-3539.

**May I transfer money from a Dependent Care FSA to a Medical FSA?** No. IRS regulations prohibit such transfers.

**What happens if my employment terminates?**

1. Medical FSA
  - You are eligible to submit reimbursement requests for services incurred up to and including your last day of work. See your Summary Plan Description for more information.
  - You may have the option to elect COBRA to extend the coverage period for your Medical FSA.
2. Dependent Care
  - You may continue to submit reimbursement requests for services incurred after your employment terminates through the applicable run-out period. See your Summary Plan Description for more information.

**Do I need to report an FSA on my taxes?** If you participate in a Dependent Care FSA, you must file IRS Form 2441 with your annual tax return. There is no obligation to file any additional forms on behalf of your Medical FSA.

**What about the IRS Child Care Credit?**

Obtain a copy of IRS Form 2441 and review the amount of credit due to you in your income bracket. Generally speaking, employees with a combined family adjusted gross income of \$40,000 and higher should benefit more by participating in a Dependent Care FSA.

## REQUESTING REIMBURSEMENT

There are several ways to receive reimbursement from your FSA:

1. **GDI Debit Card (if offered by your employer):** You can use the convenience of your GDI debit card. IRS regulations require that you save your receipts for these expenses in the event you are asked for a copy to substantiate a card transaction.
2. **Online:** Login to your account and select "Accounts" and "File claims" to file an FSA claim.
3. **Paper Claim:** Download an FSA Reimbursement Request Form from the "Forms" tab when accessing your account online. Complete the form, attach documentation and submit your request by one of the following methods:
  - a. **Electronically:** [claims@gdynamic.com](mailto:claims@gdynamic.com)
  - b. **Fax:** 207-781-3841
  - c. **Postal mail:** Group Dynamic, Inc., 411 US Route One, Falmouth, Maine 04105

## CHECKING YOUR ACCOUNT BALANCE

- **Go to [www.gdynamic.com](http://www.gdynamic.com)** and log into your account
- Your temporary **username** is: Your first name/state initials/last 5 digits of your SSN (e.g. [bonnieme12345](#))
- Your temporary **password** is: Your first initial/state initials/zip code (e.g. [bme04105](#))
- You may create a new username and password at any time after this initial temporary login.

**Our Reimbursement Team is available Monday through Friday, 8:00 AM - 5:00 PM Eastern Time**

You may leave a message during non-business hours and your call will be returned by 10 AM the following business day.



Scan the image to the left with your smart phone to connect instantly to our website.