

FLEXIBLE SPENDING ACCOUNTS (FSA):

A Flexible Spending Account (FSA) is a benefit that allows an eligible employee to have funds withheld from his/her payroll before taxes are deducted to use toward health care and/or dependent care expenses. The benefit of using an FSA is that setting funds aside pre-tax gives the employee more purchasing dollars. However, the unused funds in the FSA do not roll forward into the next Calendar year. Unused funds will be forfeited. Therefore, budget carefully.

There are two types of FSA: Dependent Care and Health Care.

- **Health Care:** prescribed medical care items, or over-the-counter medications (e.g. cold medicines, contact lens care solutions).
- **Dependent Care:** child-care, or care of an adult who has been declared disabled. Dependent care expenses are those that are necessary to enable the eligible employee to go to work (e.g. a single parent who must pay for a baby sitter or day care; or spouse/domestic partner who must pay for adult day care).

You can learn more about both Health Care and Dependent Care FSAs and eligible expenses in the [FSA Eligible Expense Guide](#). **Note:** you will need Adobe Acrobat Reader, or another program that can open PDF files, to read this guide.

The minimum annual contribution toward a Flexible Spending Account is \$300 and the maximum annual contribution is \$5,000. An eligible employee may choose both a Health Care FSA **and** a Dependent Care FSA if he/she needs to.

You must submit your receipts for your expenses to SHPS within three months of the following calendar year to receive reimbursement for the expenses. Contact the Health Benefits Call Center at (888) 428-2980 for more information.

To verify your eligibility, go to www.myshps.com and click the link for "Participants/Members". Your login information includes your last name, ID number (your Social Security number, without any dashes or spaces), and your password (your date of birth in MMDDYYYY format, without any dashes or spaces, unless you have changed it).

The [Spending Account Calculator](#) on the MySHPS website can help you decide what your yearly withholding amount should be.

Note: The FSA deduction amount is chosen for the Calendar year. The sum entered is spread over a 10 month period, with an even withholding from 10 pay checks. No deductions are taken during July and August.

HEALTH REIMBURSEMENT ARRANGEMENT (HRA)

LACCD will contribute \$1,500 annually toward health care expenses for each benefited employee. Any unused funds will roll forward to the next calendar year. ***HRA funds must be used before the Health Care FSA can be used***, so it is very important that you carefully determine the amount that you should withhold from your salary to contribute to your Health Care FSA to avoid forfeiting any of your FSA contributions. However, the dependent care FSA is not linked to the HRA. Therefore, you may be reimbursed for dependent care expenses at any time during the calendar year for which you have enrolled.