



# Spending Accounts FAQs



## 1. What is a spending account?

There are different types of spending accounts that allow you to put aside money to help you pay for healthcare and/or daycare expenses.

## 2. The money you contribute is deducted on a pre-tax basis and lowers your taxable income.

The accounts offered through the County are:

- [Health Care Flexible Spending Account](#) (HCFSA),
- [Health Reimbursement Account](#) (HRA),
- [Health Savings Account](#) (HSA) and
- [Dependent Care Flexible Spending Account](#) (DCFSA).

## 3. If I have Flex Credits, does that mean I have a Spending Account?

No. Flex Credits are not the same thing as Flexible Spending Accounts.

- **Flex Credits** are the benefit allowance given to you by the County to help pay for your benefit elections.
- **Spending Accounts** allow you to put aside pre-tax contributions used to reimburse qualified expenses related to healthcare services under a [Health Care FSA](#), [HRA](#) or [HSA](#) or daycare services through a [Dependent Care FSA](#).

## 4. Why does my coworker have a spending account, and I don't?

Benefit elections are personalized based on the individual's situation.

- All benefit eligible employees may sign up for an out-of-pocket spending account.
- Some employees may have a flex-funded spending account due to having excess flex credits.

To see what your current elections are and how flex credits are being used, go to your [Summary of Benefits](#) in Self Service.

## 5. I didn't enroll in a Health Reimbursement Account (HRA). Why is this there a deduction showing on my paycheck?

A Health Reimbursement Account is an employer-funded plan that reimburses you for out-of-pocket eligible health care expenses; the account is funded with excess Flex Credits and doesn't cost you anything out of pocket.

Learn more about how to use your [Health Reimbursement Account](#) (HRA) administered by ASIFlex.

Questions on Flex Credits? [Please review the Flex Credit FAQ to learn more about your Flex Credit allowance.](#)

## 6. Can I start/stop/change a spending account at any time during the year?

- **Health Care and Dependent Care FSA (HCFSA and DCFSA):** You may be allowed to start/stop/change an account if you have an IRS qualifying life event that allows for the change. Learn more about eligibility and instructions here: [Changes to Spending Accounts \(sandiegocounty.gov\)](https://sandiegocounty.gov).
- **Health Reimbursement Account (HRA):** Contributions are based on your excess credits (if applicable) and will generally change following Open Enrollment, a qualifying life event, and job changes that affect your flex credit allowance.
  - HRAs are employer-funded plans.
  - Terminating an HRA will result in forfeiting flex credits; it will not affect take home pay.
    - If you would like to stop your HRA, please email [DHRBenefits.FGG@sdcounty.ca.gov](mailto:DHRBenefits.FGG@sdcounty.ca.gov) with your request.
- **Health Savings Accounts (HSA):** Contribution amounts can change throughout the year (you need to be enrolled in a High Deductible Health Plan to contribute to an HSA).
  - To make a change, email [DHRBenefits.FGG@sdcounty.ca.gov](mailto:DHRBenefits.FGG@sdcounty.ca.gov) with your request. Changes will be effective the 1<sup>st</sup> of the month following your email request.

## 7. What is the difference between the Health Reimbursement Account (HRA) and the Health Care Flexible Spending Account (HCFA)?

The difference between the two is how they are funded. Both accounts may be used for reimbursement for medical, dental and vision expenses for you and your eligible dependents.

The **HRA** is completely funded by excess Flex Credits for those employees enrolled in a County HMO medical plan or a group-sponsored medical coverage that is NOT a high-deductible health plan.

The **HCFA** is funded with your out-of-pocket money.

- The HCFA can have Flex Credits applied to it if you are waiving medical coverage due to having Individual Coverage elsewhere (such as Tricare, Medi-Cal, Medicare or Covered California) and have excess flex credits. Please see the [Waiver FAQ](#) for more information.

## 8. What is a Dependent Care Flexible Spending Account (DCFSA) used for?

A DCFSA is a pre-tax savings account that can be used for eligible expenses related to daycare for your child, disabled spouse, elderly parent, or other dependents that may be physically or mentally incapable of self-care so that you can work. [Visit ASI Flex to determine qualified dependents and expenses.](#)

## 9. I share custody of my child with their other parent, can I have a Dependent Care Flexible Spending Account (DCFSA) ?

You must have physical custody of your child for over half of the year to be eligible for reimbursements through your DCFSA. If custody is exactly equal, then neither parent can use the childcare expenses. The parent who has more than 50% custody is eligible for the dependent care regardless of who claims the tax exemption.

**10. How do I use my spending account? Do I get a debit card?**

Health Care FSA, Dependent Care FSA and Health Reimbursement Account (HRA) with ASI Flex:

You will register your online account with [ASIFlex](#), then download the [mobile app](#) to review balances, submit claims, etc.

The County does not have debit cards for the Health Care FSA, Dependent Care FSA, or Health Reimbursement Accounts. These accounts work as reimbursement accounts so you will make your purchase or payment and then submit a claim with ASI Flex for reimbursement.

Health Savings Accounts (HSA) with Optum Bank:

You will receive a debit card for your Optum Bank HSA that can be used to pay a bill directly. If you do not have your debit card at the time of payment, there is an option to reimburse yourself by check or bank transfer when you log on to your online account: [Financial Products & Health Savings Accounts from Optum Bank](#).

**11. What is a Health Savings Account (HSA)?**

An HSA is a bank account that allows you to put pre-tax contributions aside pay for medical, dental and vision expenses for you any your tax dependents. You must be enrolled in a High-Deductible Health Plan in order to open and deposit money into an HSA. Unspent funds accumulate tax free and roll over from year-to-year (there is no “Use it or lose it” provision).

**12. Can I enroll in a Health Savings Account (HSA)?**

You must be enrolled in a High Deductible Health Plan (HDHP) to open an HSA. However, you may not be eligible to open or contribute to an HSA if you:

- Are enrolled in Medicare or receiving health benefits under TRICARE
- Are enrolled in another non-qualified health plan (such as a spouse’s plan that is NOT an HDHP)
- Can be claimed as a dependent on another individual’s tax return
- Are considered active military
- Have a balance in a standard (not a limited) Health Care FSA

**13. Can I have multiple accounts at the same time?**

Yes, you may have different combinations of accounts, as allowed within IRS regulations:

- You can have [Dependent Care Flexible Spending Account](#) (DCFSA) along with a [Health Care Flexible Spending Account](#) (HCFSA) and [Health Reimbursement Account](#) (HRA) or [Health Savings Account](#) (HSA)
- You can have an HSA and a HCFSA, however, the HCFSA will be a limited purpose account used for dental and vision expenses only
- You cannot have an HSA and an HRA at the same time
- You can have an HRA and HCFSA at the same time, but there is a combined \$5,000 maximum for the plan year

**14. Can I use my HRA/HCFSA/HSA for my dependents’ healthcare expenses?**

Yes, you can use any of these plans for your spouse’s and any tax dependents’ expenses. Please note:

- The IRS does not allow reimbursements for domestic partner’s expenses if they are not a tax dependent.
- You may have a child on your health plans up to the age of 26, but you may only use your spending account for their healthcare expenses if they are a tax dependent.

**15. What is the “Use It or Lose It” provision for Spending Accounts?**

There is a "Use It or Lose It" provision for the HCFSA, DCFSA and HRAs.

It is recommended that you only contribute funds to an FSA for what you “know” is going to happen during the plan year, not what you “think” might happen.

The HCFSA and HRA have a combined rollover maximum every year. Any balance remaining above the rollover maximum will be forfeited. See the County’s website for the current rollover limit.

The DCFSA has no rollover option, any unused funds will be forfeited.

There is no “Use It or Lose It” provision for Health Savings Accounts, balances in an HSA will roll over year to year.

**16. I am enrolled in a spending account this year; will that election continue next year?**

No, you must actively elect an annual pledge every year during Open Enrollment. The County will not automatically continue an annual pledge into a new plan year.

**17. When can I use my spending account through ASIFlex?**

Claims may be reimbursed for expenses incurred while the account is active, between January 1 and December 31 of the year for which you are making contributions, except:

- If an account is opened or closed mid-year, the account may only be used for expenses incurred while the account was active.
- If you leave County employment in the middle of the year, expenses incurred after your termination date will not be reimbursable (unless you continue contributions through COBRA).
- All claims must be submitted to ASI Flex by March 31<sup>st</sup> for the previous plan year.

**18. What are the rollover limitations?**

The [Health Care Flexible Spending Account](#) (HCFSA) and [Health Reimbursement Account](#) (HRA) have a combined maximum roll over for the following year. The rollover will take place if the account is active through December 31st. Any HCFSA/HRA balances over that rollover amount at the end of the year will be forfeited. See the [County’s website](#) for the current rollover limit.

- DCFsAs do NOT have a rollover provision.
- If you enroll in a [Health Savings Account](#) (HSA) for the following plan year, any Health Care FSA rollover funds will be directed into a Limited Purpose Health Care FSA (dental and vision purposes only).
- If you enroll in a [Health Savings Account](#) (HSA) for the following plan year, any remaining Health Reimbursement Account funds will be forfeited.

**19. How do I get the same spending account as last year?**

Spending accounts and annual pledges must be actively elected every year during Open Enrollment.

If you waive the County's medical plan and have excess credits funding a spending account, the County asks you to indicate your reason for waiving medical coverage so that the system will apply your excess Flex Credits to the appropriate spending account. The IRS has specific guidelines related to which type of spending account you are eligible for, based on your medical coverage. Please see the [Waiver FAQ](#) for more information.

**20. I have been waiving medical for years and always had a spending account. Why did my spending account/available balance change this year?**

An incorrect waive reason may have been selected. To see your elections, go to your [Summary of Benefits](#) in Self Service. If the waiver reason is incorrect, email [DHRBenefits.FGG@sdcounty.ca.gov](mailto:DHRBenefits.FGG@sdcounty.ca.gov) to request a Waiver Form update.

Please see the [Waiver FAQ](#) for more information on Waiver reasons.

**21. Can I use my HSA/HRA/HCFSA funds to pay for health insurance premiums?**

No. You can use your Spending Account funds to pay deductibles and copayments, but not for insurance premiums.

**22. What can I use my HSA/HRA/HCFSA funds for?**

You can use your funds for any IRS qualified Medical, Dental, and Vision expenses.

- For information on **HSA** expenses, please visit Optum's website: [FSA & HSA Medical Expense Eligibility | Optum Store](#).
- For information on **HRA/HCFSA** expenses, please visit ASIFlex's website: [ASI Flex Websites](#).

**23. The year is almost over, and I still have money in my [Health Care Flexible Spending Account \(HCFSA\)](#) and [Health Reimbursement Account \(HRA\)](#) , how can I spend this?**

You can use these funds at the online FSA Store using the cardless pay feature: [FSA Store Cardless Pay Flyer.pdf \(sandiegocounty.gov\)](#).

**24. I'm terminating employment with the County; how does that affect my Spending Account?**

Health Care FSA and Health Reimbursement Accounts:

Your account with ASIFlex will terminate the same day of your termination of employment (unless you choose to continue contributions to an HCFSA or HRA through COBRA). When submitting claims, all the current year expenses need to have a date of service shown while the account was active. You have until 3/31 of the following year to submit those expenses.

Dependent Care FSAs:

Any remaining balance can be used for eligible daycare expenses through 12/31 of the current year so that you can work.

Health Savings Accounts:

You will maintain access to the account as you own it. The account can continue to be used for your healthcare expenses in the future.

Please review our FAQ on leaving the County for more information: [Leaving County Employment.pdf \(sandiegocounty.gov\)](#).

**25. I'm turning 65 soon, will that affect any of my spending accounts?**

If you're enrolled in a High Deductible Health Plan and want to continue contributing to an HSA, then you cannot be enrolled in any parts of Medicare. For specific Medicare questions contact [HICAP](#) for assistance.