Benefits of an FSA

2025

Medical and dependent care costs can pile up. You already know that. But did you know there's an opportunity to save on those expenses by taking advantage of pre-tax benefits? **A Flexible Spending Account (FSA) lets you budget and save for qualified medical and dependent care expenses.** Your FSA funds are put aside before taxes, which means more money in your pockets.

One of the best perks of an FSA is that all of your funds are available to use at the start of the plan year. That means if you have a big medical expense at the start of the plan year, you can tap into your FSA funds immediately to help cover the cost.

FSAs Offer Many Benefits

Pre-tax savings. The dollars you contribute to an FSA are added pre-tax. For example, if you contribute $2,500 to an FSA during a plan year and pay a tax rate of 30%, you'd save $750.

Funds available right away. All of your Medical FSA funds are available on the first day.

Provides you with options. There are a few different types of FSAs to choose from. The options available to you depend on the type of health plan you're enrolled in.

How it Works

MEDICAL FSA

($3,300 Annual Maximum)

Pair a traditional health plan with a Medical FSA, which covers eligible medical, dental and vision expenses. The medical expenses must primarily alleviate or prevent a physical or mental defect or illness. Note: If you're enrolled in a Health Savings Account (HSA), you're not eligible for a Medical FSA.

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Examples of eligible expenses: doctor visits, physical therapy, speech therapy, surgeries, hearing aids, ambulance costs, acupuncture and all Limited FSA eligible expenses.

LIMITED FSA

($3,300 Annual Maximum)

If you're participating in a High-Deductible Health Plan and an HSA, you're eligible to enroll in a Limited FSA alongside your HSA to maximize savings. These funds can be used for qualifying dental and vision expenses.

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Examples of eligible expenses: dental exams, vision exams, prescription glasses, laser-eye surgeries, contact lenses, orthodontics and dentures.

DEPENDENT CARE ACCOUNT (DCA)

($5,000 Annual Maximum)

A DCA allows you to put money aside for dependent care for children up to age 13, a disabled dependent of any age or a disabled spouse. To be eligible for a DCA, you and your spouse (if applicable) must work, be looking for work or be full-time students. You can be enrolled in both an HSA and DCA.

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Examples of eligible expenses: preschool and after-school care, daycare providers and summer day camps.