

Optum Financial flexible spending account (FSA) with carryover

A smart way to care for the important things in your life.



Plan for health care expenses.

An Optum Financial FSA is the smart way to save and pay for IRS eligible health care expenses. It's smart because you can set aside pre-tax dollars in your FSA. Whenever you need to pay out of pocket for eligible health care costs, just use your Optum Financial payment card.

Lower your taxes

When you contribute to an FSA, you're setting aside pre-tax dollars. You don't have to pay federal income taxes on the money you put into your account. That means you may actually lower the amount of federal income tax you pay.

Access your funds immediately

The money you choose to put into your FSA is available to you on the first day of your plan year. You don't have to wait until your FSA balance grows to pay for eligible expenses.

The "use it or lose it" rule.

The "use it or it lose" rule means you will lose any money left in your account at the end of the plan year. However your health care FSA includes a provision that allows you to carry over a limited dollar amount from one plan year to the next. You will only forfeit dollars if your balance exceeds the allowable carryover after the run out period has ended.

It's your choice. You decide how much to contribute

With an FSA, you choose how much to contribute. Be sure to plan ahead and create a list of anticipated health care expenses for the coming year.

Expense	Estimated cost
Prescriptions	
• Prescription drugs	\$
Copayments, coinsurance and deductibles	
• Office visit copayments	\$
• Coinsurance payments	\$
• Medical plan deductibles	\$
Dental	
• Eligible dental services	\$
• Orthodontist	\$
Vision and hearing	
• Eye exams	\$
• Eyeglasses and contacts	\$
• Hearing aids	\$
• Other expenses	\$
Your total expenses for plan year	
	\$

You may be able to use your FSA to pay for:

- Alcohol and drug addiction inpatient treatment
- Breast reconstruction surgery following a mastectomy or cancer
- Dental treatment
- Diagnostic tests and devices
- Doctor's visits
- Eye exams
- Eyeglasses and contact lenses
- Fertility enhancements
- Hearing aids and batteries
- (Certain) over-the-counter drugs and medications
- Physical therapy
- Prescriptions
- Smoking cessation programs

You CANNOT use your FSA to pay for:

- Cosmetic surgery
- Diaper service
- Electrolysis or hair removal
- Health club dues
- Teeth whitening
- Toiletries (soap, body lotion)
- Vitamins and nutritional supplements
- Weight loss programs (unless prescribed)

IMPORTANT

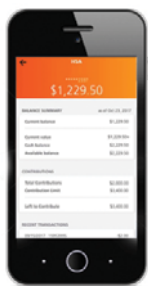
This is only a partial list. For more information, check out the qualified medical expense tool on [optumbank.com](https://www.optumbank.com).

How much money can I save?

If your annual income is \$45,000, you can **save \$593 a year** in taxes.

Check it out:	With FSA	No FSA
Annual pay	\$45,000	\$45,000
Pre-tax FSA contribution	-\$2,000	-\$0
Taxable income	\$43,000	\$45,000
Combined federal, state and Social Security taxes	-\$12,750	-\$13,343
After-tax dollars spent on eligible expenses	-\$0	-\$2,000
Spendable income	\$30,251	\$29,658
Tax savings	\$593*	\$0

Access your account anywhere, any time.



Sign in to your account at optumbank.com or use our mobile app to:

- Check your balance
- View your claims
- Monitor payments
- Receive messages
- Submit receipts

Paying for eligible expenses

With your Optum Financial payment card, you can pay for eligible health care expenses without submitting any paper claim forms. It's fast and convenient. Fill a prescription. Pay and be on your way.

You can also pay for eligible health care expenses with a personal credit card or check. Just submit a claim request online, or on the mobile app, along with the right documents, and receive your reimbursement directly into your bank account. Sign up for direct deposit when you sign in to your account at optumbank.com.

Save your receipts

Be careful how you use your FSA. There are rules. You will want to keep receipts from your doctors, dentists, clinic, pharmacy and hospital for all eligible health care expenses. All receipts should include the date and description of the service, provider's name and amount paid. That way, you have proof if you need to verify that all of your FSA expenses meet IRS requirements for eligibility.

Changing your contributions

In special situations — if you get married or divorced, or if you have a baby — you may be able to adjust the amount you contribute to your FSA. This is called a change in status. If you have a qualifying change in status, your benefits representative can help you adjust your contributions. For specific details, check your employer's plan documents.

If you leave the company during the plan year, you may submit FSA claims for expenses incurred while you were still covered under the plan.



Optum Financial payment card

It's easy to pay for eligible health care expenses with the Optum Financial payment card.

Start saving today

Sign up for an FSA during benefits enrollment. After you enroll, watch the mail for your welcome letter and Optum Financial payment card.

Visit optumbank.com to learn more.

Benefits with a carryover:

- Your carryover balance is in addition to your annual election.
- You can estimate your expenses for the coming year and then add some extra — up to your allowable carryover amount. If you don't spend it next year it rolls to the following year.
- Even if you don't make an election for next year your balance will still carry over.
- The carryover applies to your health care FSA but not your dependent care FSA (DCFSA).
- Check your benefit plan document for details including the amount you may carry over and for the number of years the carryover applies.

See how Jane receives tax benefits and uses the carryover option with her FSA:

Jane budgets:

Glasses	\$400.00
Rx copays	\$300.00
Dental services	\$800.00
Annual election	\$1,500.00

Jane's dental services end up costing **\$1,000** (vs. the **\$800** she budgeted) and her annual Rx is **\$300**, so she spends the **\$1,300** and decides to wait and purchase her glasses next year when she can put additional dollars into her FSA. Jane has **\$200** to carry over to next year.

\$550* Total tax savings	\$360 Federal
	\$75 State
	\$115 FICA

She needs **\$700** to pay for glasses and Rx copays next year. With her carryover of **\$200**, she should elect **\$500** for next year, however, with the carryover feature in her plan she decides to add a little more to her election knowing that she will not lose it at the end of the year. Jane elects **\$800** in next year's plan.

Hypothetical example is for illustration purposes only. Costs, circumstances and tax rates may vary.

Take control. Start using your account today.

An Optum Financial™ FSA is a great way to pay for eligible health care expenses that your insurance plan doesn't cover. It's simple to enroll:

- 1** Decide how much you want to set aside for eligible health care expenses during the plan year.
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- 2** Sign up during your annual benefits enrollment period. Your contributions will be withheld from each paycheck before taxes and credited to your FSA.
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- 3** Use your Optum Financial payment card to pay for eligible health care expenses. If you prefer, you can use a personal check or credit card and submit a claim request. It's simple and fast. Either way, you'll enjoy the tax-advantaged savings.



*Based on 22% federal, 5% state, 7.65% FICA tax rates. Results and amount will vary depending on your particular circumstances.

Flexible spending accounts (FSAs) and health reimbursement arrangements (HRAs) are administered by Optum Financial, Inc. and are subject to eligibility and restrictions. The content of this communication is not intended as legal or tax advice. Federal and state laws and regulations are subject to change.

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