Save Money on Your Health and Dependent Care Expenses – It's Easy!

UCOR offers **two Flexible Spending Accounts (FSAs)** to help you set aside money (pre-tax) for eligible health care and dependent care expenses – for you and your eligible IRS dependents. The money is deducted from your paycheck before taxes are taken out, just like your medical premiums (or other pre-tax deductions). You can elect to contribute up to the current IRS limits of $3,400 in the Health Care FSA and up to $7,500 in the Dependent Care FSA for the 2027 plan year.

ACTION REQUIRED! For the 2027 plan year, current employees must enroll or re-enroll for the Health Care FSA and/or Dependent Care FSA during 2027 Annual Benefits Enrollment**.** New hires must enroll when eligible for benefits during the new hire enrollment period to participate in FSAs for the current year, and then they must enroll during Annual Benefits Enrollment for the upcoming year.

You can use an FSA for the following eligible expenses (sample list)

Health Care FSA*

- Any costs above what your health plan pays, including deductibles and copays
- Prescriptions
- Over-the-counter drugs prescribed by your doctor
- Certain non-drug over-the-counter items, such as contact lens cleaner and bandages

Dependent Care FSA

- Licensed nursery school and childcare centers
- Private day care providers and nannies
- Licensed care for disabled dependents
- Care for an elderly parent whom you claim as a dependent on your federal income tax return
- Education expenses for a child not yet in the first grade, such as day care expenses

You cannot use the Health Care FSA to pay for dependent care expenses, and you cannot use the Dependent Care FSA to pay for health care expenses. If you expect to incur expenses like those shown above, you should consider enrolling in an FSA. Call HSA Bank at **1-800-357-6246**, visit **www.hsabank.com** or refer to IRS Publications 502 and 503, to get a full list of eligible expenses for both FSAs.

See how you save

FSAs reduce your taxable income.

Consider how Susan saves. She sets aside **$1,500** in an FSA for the year. She incurs **$1,500** worth of eligible expenses.

Susan saves

Susan's tax savings mean she pays only **$1,170** for **$1,500** of expenses.

$330 *22% federal income tax*	**Susan pays $1,170**

This hypothetical illustration is for educational purposes only. Dollar amounts or savings will vary depending on income, state and city tax rules, and other factors.

Note: Health Care FSA contributions may be limited for highly compensated employees (HCE). HCEs are not eligible to participate in the DCFSA. For 2027, the 2026 HCE gross earnings threshold is $160,000. For more information, visit **www.hsabank.com**.

*If you elect a Consumer Directed Health Plan (CDHP) option for your 2027 medical coverage, you will not be eligible to elect a Health Care FSA.

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Ready to contribute? Key things to know!

If you elect $1,500 for the year, you'll see a deduction of $31.25 per paycheck.

Participating in an FSA takes a little planning.

You'll need to think about expenses you may have for each account when deciding how much to contribute. Remember, if you have a Health Care FSA balance left from 2026, it will carry over into 2027, up to the IRS limit.
Plus, the IRS has some rules to keep in mind. Here are some key things to know:

- **You don't need to be enrolled in a UCOR medical insurance plan** or any other type of insurance plan in order to participate in the Health Care FSA or Dependent Care FSA.
- **FSAs have a "USE IT OR LOSE IT" rule.** You can incur expenses until the end of the plan year, and you can carry over up to $680** of your unused balance in your Health Care FSA. Otherwise, will lose any remaining funds left in your account at the end of the plan year.*** Unused funds in your Dependent Care FSA ***do not*** carry over and will be forfeited at the end of the plan year.
- **Once you enroll in an FSA, you cannot make changes** to the annual contribution unless you have a qualifying mid-year life event. You must initiate your qualified life event change within 31 days of the qualifying event. If you make a mid-year change, you may not elect an amount less than what you have already spent year to date.

Paying for care

Health Care FSA

You receive an HSA Bank Debit Card

Access the **entire amount you elect to contribute** once you open the account (even though your contributions will be spread out by paycheck). *Note: In the event your debit card is not available, you may also file a claim for reimbursement.*

Dependent Care FSA

You have to file a claim for reimbursement

Access the **contribution amounts as they are deducted** from your paycheck.

How FSAs work

Health Care FSA

Elect to Contribute **$1,500**	Paycheck contribution **$31.25/paycheck ($125/month)**	**$1,500** available upfront	You fill a prescription; cost is **$50**	Use your **debit card** to pay	Account balance **$1,450**

Dependent Care FSA

Elect to Contribute **$1,500**	Paycheck contribution **$31.25/paycheck ($125/month)**	**$0** available upfront	Monthly day care invoice **$100**	**File a claim**	Account balance **$25 (until the next paycheck contribution)**

**Subject to change for 2027, per IRS guidelines.
***The Health Care FSA has a carryover feature for your 2027 dollars, allowing you to carry over up to $680** of unused funds from 2027 to use toward expenses incurred in 2028. This does not impact how much you can contribute in 2028.

GET ME STARTED >

To enroll in the Health and/or Dependent Care Flexible Spending Accounts, you will need to contact Empyrean at **1-800-451-8964** Monday – Friday, 8 a.m. to 5 p.m. E.T., or online at **MyGroupBenefits-UCOR-ORRCC.com** during 2027 Annual Benefits Enrollment.

Once enrolled, you can get your account information 24 hours/7 days a week via **www.hsabank.com**. You can also call HSA Bank at **1-800-357-6246.**