



# Health Reimbursement Arrangement

HRA/VEBA Administered by WEX





# Health Reimbursement Arrangement

## HRA/VEBA

### Eligibility – who gets it?

- Employees enrolled in employer's qualified medical plan(s)



### Contribution

- Only the employer can contribute
- Employees cannot make additional contributions
- Unused balances rollover

### Expenses

#### Who's Expenses?

- Can be used for qualified expenses of the employee, spouse, and *dependents up to age 26*

#### What Expenses?

- Medical, Dental, and Vision Expenses
  - Including over-the-counter medications and menstrual products
- Rx, chiropractor, glasses, medical copays and expenses
- Insurance premiums
  - Any post-employment

### The City of Eagan will make quarterly VEBA contributions:

- \$375 for employee coverage
- \$750 for Employee + Spouse, Employee + Children and Family coverage

This is a summary only. Learn more: [IRS Publication 969](#) & [IRS Publication 502](#)



# Flexible Spending Account

FSA Administered by WEX





# Flexible Spending Accounts

## Dependent Care FSA

### Contributions

- Elect up to \$5,000 per family annually to pay for child care while working
  - Cannot change election mid-year without a qualifying event
  - Use it or Lose It
- Pre-tax account: save money!



### Expenses

#### Eligible Expenses:

- Licensed day care facilities
- Preschool programs
- After-school programs
- In-home child and dependent care services
- Elder care – *dependent care expenses for tax dependents over the age of 13 require proof of medical necessity*
- Day camp expenses

### Qualifying Person

- Your child who is your dependent and who was under age 13 when the care was provided;
- Your spouse who wasn't physically or mentally able to care for himself or herself and lived with you for more than half the year; or
- A person who wasn't physically or mentally able to care for himself or herself, lived with you for more than half the year – *see IRS publication 503 for more details to determine if they are a qualified person*

This is a summary only. Learn more: [IRS Publication 503](#)



# Flexible Spending Accounts

## Health FSA

### Elections

- Employees elect up to the limit annually to set aside pre-tax money to pay for eligible expenses
- Can only make mid-year changes to the election if there is a qualifying event
- IRS maximum amount is \$3,200 (2024)
- Elect carefully - these funds do not carry over, use it or lose it

### Health FSA – Full Scope

- *Full-scope is used when employee and spouse are not contributing to an HSA*
- FSA funds used to reimburse eligible medical, vision and dental expenses

### Health FSA- Limited Scope

- *Limited-scope is used when employee or spouse are contributing to an HSA*
- FSA funds **limited** to eligible vision and dental expenses only



*This is a summary only.  
Learn more: [IRS Publication 969](#) & [IRS Publication 502](#)*