

Healthcare flexible spending account

Smart savings for you and your employees

It's easy to offer healthcare benefit programs that help manage your costs while protecting your employees' financial well-being. By offering Humana's healthcare flexible spending account (FSA), you save an average of 7.65% on payroll taxes for every dollar contributed, and allow employees to set aside pretax dollars to use for eligible healthcare expenses.



What you need to know about FSAs

FSAs can be funded by both employees and employers. If you choose to contribute directly to your employees' accounts, you can contribute as much as you wish, tax-free, as long as the combined contribution amount does not exceed IRS guidelines. Employee contributions are made through paycheck deductions. Also:

- Employees can have an FSA even if they decline health coverage.
- Employees can change their election amount during the plan year if they experience a qualifying life event.
- You can choose to allow employees to roll over up to \$610 from one plan year to the next (The \$610 is not calculated into the IRS maximum contribution).



Flexible bundling with other spending accounts

You can save even more money and pair the FSA with other spending accounts, at no additional cost.

- Health reimbursement arrangement (HRA)
- Dependent care flexible spending account (DCFSA)



Employer tax savings example

ACME Co. has 50 employees and annual payroll costs of \$1,250,000. At enrollment, 20 employees chose the healthcare FSA, with an average contribution of \$1,000. So the total value of FSA contributions is \$20,000.

This example is intended to demonstrate a typical tax savings based on 7.65% FICA taxes only. FICA savings of 7.65% may not apply to all participants. Some employees' FICA savings rate may be applicable to Medicare (1.45%). Your specific state may allow additional payroll tax savings.

Example of annual tax savings*	With a healthcare FSA	Without a healthcare FSA
Annual payroll	\$1,250,000	\$1,250,000
Total of employees' pretax FSA contributions	-\$20,000	-\$0
Taxable payroll	\$1,230,000	\$1,250,000
FICA taxes	\$94,095	\$95,625
Employer tax savings	\$1,530	\$0

See how Humana makes FSA administration easy



Why you'll love Humana Access

Humana health plans are designed to pair with our spending accounts. An integrated health plan and benefit account experience streamlines administration for you and increases satisfaction for your employees.

Simple administration saves you time

- Dedicated Customer Care
- Consolidated billing
- Integrated enrollment and eligibility
- Flexible funding options in a real-time environment
- Automatic substantiation methods for Humana members' medical and pharmacy claims
- Easy-to-navigate employer portal
- Complete reporting package
- Educational resources and materials to help drive enrollment and utilization



Why your employees will love Humana Access

Humana makes it easier to understand how to use spending account dollars.

- Save money by using pretax funds to pay for IRS-qualified medical expenses, such as copays, prescriptions and deductibles
- Learn how to get maximum value from their accounts with educational resources
- Increase engagement in managing their healthcare*



The full election amount is available to members on the first day of the plan year



Easy access leads to a positive member experience

Humana Access Card

- Use one debit card for all accounts
- Provides a convenient way to use spending account funds
- Eliminates the need to pay out of pocket and then wait for reimbursement
- Has built-in fraud protection features

Member Portal

- Use one website to manage all their spending accounts, even on the go
- Access information from any device—laptop, tablet or mobile phone
- Check balances, submit reimbursement requests, use self-service tools and more



* Employee Benefit Research Institute and Greenwald Research, 2021 Consumer Engagement in Health Care Survey

An FSA is not an insured benefit. It is a service administered by Humana Insurance Company. This material is provided for informational use only and should not be construed as tax advice or used in place of consulting a tax professional.

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