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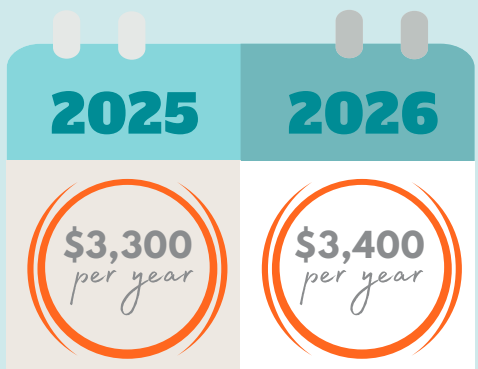
# FSA Budgeting

## 7 tips for building a successful Flexible Spending Account (FSA) budget

An FSA is a benefit account that allows you to set aside tax-free money to pay for out-of-pocket healthcare expenses. While there is no magic formula to determine how much you should contribute, here are seven tips you should to know.

### 1 IRS CONTRIBUTION LIMITS

**The IRS limits how much you can contribute to your FSA annually. While the IRS sets the maximum, the contribution limit varies by employer.**






### 2 THINK ABOUT YOUR BUDGET

**Review your finances and determine how much you can afford to contribute.**

If you can only afford $20 per month, then contribute $20 per month.

Remember that contributions are deducted from your paycheck pre-tax.

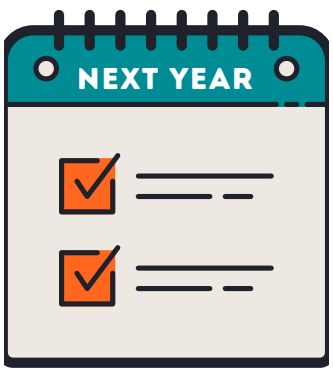
### 3 CONSIDER LAST YEAR

**Think about how much you spent on healthcare last year...then ask yourself:**

Was this a typical year?

Are there circumstances or upcoming events that may cause my spending to increase or decrease this year?




### 4 THINK ABOUT NEXT YEAR

**Predict the health expenses your family will incur this year. At a minimum, contribute what you know you'll spend.**

Add up your family's estimated expenses:

- Prescriptions
- Doctor visits
- Dental and vision care
- Over-the-counter medications
- Personal protective equipment (PPE)

Don't forget events such as:

- Menstrual care products
- Childbirth
- Surgery
- Medical procedures

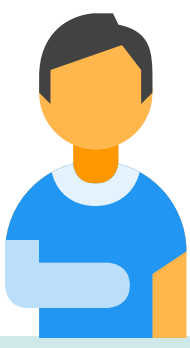
### 5 CONSIDER YOUR DEDUCTIBLE

**Do you think you'll meet your deductible next year?**

If you're not exactly sure what you'll spend, having enough in your FSA to cover your deductible is a great strategy.



### 6 PLAN FOR THE UNEXPECTED



**Are you typically a high healthcare user?**

It may benefit you to add some buffer funds on top of what you know you will spend.

OR

**Are you generally healthy and a low healthcare user?**

You may consider forgoing additional wiggle room.



### 7 BE PREPARED TO USE REMAINING FUNDS

At the end of the year, you may find yourself with unused funds in your account.

No worries - your FSA can be used for thousands of common, everyday use healthcare products and services.

