Heritage

HERITAGE BENEFITS

FSA and HSA Plans

FLEXIBLE SPENDING ACCOUNTS (FSA)

Medical FSA and Limited FSA

Heritage offers a Medical Flexible Spending Account (FSA) for employees who do not elect the High Deductible Health Plan (HDHP). An FSA allows employees to set aside, through pre-tax payroll deduction, a pre-determined amount of money to pay for out-of-pocket medical expenses. This plan follows the IRS-allowed items including many dental, vision, and over-the-counter items and includes a debit card. A Limited FSA is available for employees on HDHP plans to cover dental and vision expenses.

- ✓ The maximum election is projected to be $3,500 for 2007. A pre-tax, employee funded spending account, ensuring a low-cost way to enhance employee benefits.
- ✓ FSA funds can carryover to the next Plan Year. Our plan follows the maximum carryover allowed by the IRS.

Dependent Care Account (DCA). A DCA is for expenses for the care of dependents allowing an employee (or an employee and their spouse) to work or to attend school full-time. Eligible expenses for children (under age 13) include pre-school & nursery school program, day care, after school programs, etc.

- ✓ The minimum election is projected to be $250 per calendar year.
- ✓ The maximum election is projected to be $7,500 per calendar year.
- ✓ No carryover is allowed with Dependent Care FSA per the IRS; it is a use-it-or-lose-it benefit.

HEALTH SAVINGS ACCOUNTS (HSA)

HSAs are available for employees on elect a High Deductible Health Plan (HDHP) and is a great way to put money away at a pre-tax basis for medical expenses now and in the future. HSA funds never expire and you as the account owner are able to designate a beneficiary.

- ✓ Contributions to an HSA accrue over time and can be used as they are available.
- ✓ The maximum contribution for 2027 is $4,500 for an individual and is $9,000 for a family.
- ✓ The HSA catchup amount for employees over age 55 for 2027 is $1,000.
- ✓ The employer contribution for 2027 will be $250 for an indvidual and $500 for a family.
- ✓ Funds never expire. The owner of the HSA can designate a beneficiary.