

Flexible Spending Account

2026



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Did You Know?

You can pay for health and dependent care expenses with pre-tax money.

It's true!

McLaren Health Advantage offers a Flexible Spending Account (called FSA). This allows you to pay for qualified health care expenses that are not covered by your health care plan. We also offer a Dependent Care Reimbursement Account (called DCA). Which allows you to pay for qualified dependent care expenses. Both accounts are funded with pre-tax dollars.

That's right!

You don't pay federal or state income tax, FICA or Medicare taxes on the money you contribute.



Why Participate?

During your benefit year, ask yourself if you will:

- » Have medical, dental, and vision expenses, such as deductibles and co-payments, not covered by your health plan
- » Use day care for your children (under age 13) so you and your spouse can work

If so, the McLaren Health Advantage Flex Plans may be for you!

How Does it Work?

You have the option of participating in two accounts with the McLaren Health Advantage Flex Plan. One is a **Flexible Spending Account (FSA)** for health care expenses, and the other is a **Dependent Care Reimbursement Account (DCA)** for dependent care expenses.

If you decide to enroll in either of the McLaren Health Advantage Flex Plans, your contribution will be withheld from each paycheck, pre-tax. All you need to do is estimate how much you think you will spend in the next 12 months on health care and/or dependent care expenses, and decide how much you want to contribute to those accounts.

Your employer determines the maximum amounts.

Federal guidelines state the maximum amount in 2026 for FSA is \$3,300 and DCA is \$7,500; therefore, McLaren has determined these are the maximum amounts you can contribute.

The amounts you choose will go into your accounts pre-tax. When you have paid a qualified expense, or an eligible dependent care expense, there are two ways to use your pre-tax dollars. One option is to complete a reimbursement claim form and submit it with detailed invoices or EOB's which include date of service or statements for the expense. You're reimbursed for those expenses with the pre-tax dollars you contributed into your account(s).

Or, you can use your McLaren Health Advantage *Benefits Card* and have the amount deducted instantly from the pre-tax dollars you contributed. Reimbursements for qualified expenses are not taxable.

It's Convenient!

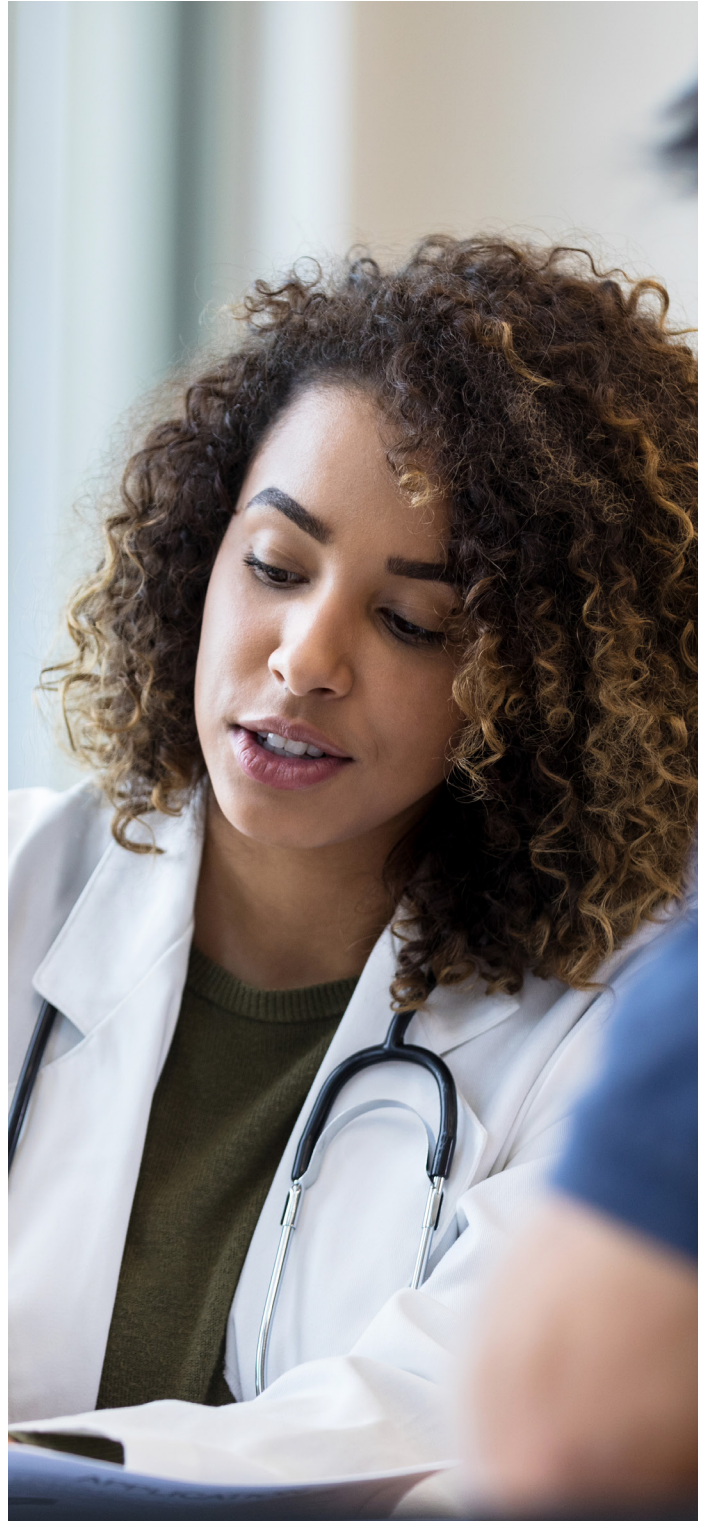
The McLaren Health Advantage *Benefits Card* gives you easy access to your Flexible Spending Account dollars and reduces the amount of paperwork required for reimbursement.

- » There is no need to pay with cash/check or fill out claim forms.
- » The McLaren Health Advantage *Benefits Card* works just like a VISA or Mastercard and will be mailed to your home after enrolling in the program.
- » Every time your card is used for a qualified purchase, it is immediately debited from your Flexible Spending Account dollars.
- » The McLaren Health Advantage *Benefits Card* provides online balance inquiries and real-time account information. Information for online access and balance inquiries is available upon request by contacting your Flexible Spending Account Administrator at 888-327-0671, Option 4.

Sound Too Good to Be True?

Yes, in some ways it does!

Since the McLaren Health Advantage Flex Plans allow you to save on taxes, the IRS has rules for both the Health Care Reimbursement Account and the Dependent Care Reimbursement Account. Continue reading to find out more.



Health Care Reimbursement Account

Please visit www.sig-is.org for the most up-to-date list of items.



Eligible Items

Eligible items categories include: medical, dental, optical, OTC medications, acupuncture, feminine hygiene products

Eligible Items With a Letter of Medical Necessity

Eligible items that require a letter of medical necessity include: massage, genetic testing, vitamins, supplements, IV vitamin therapy, weight loss programs

Ineligible Items

Ineligible items categories include: personal care items, cosmetic services, cosmetics, dental bleaching, items payable by insurance, toiletries, burial expenses

Dependent Care Reimbursement Account (DCA)

DCA reimburses daycare expenses for:

- » Children under the age of 13
- » Dependents on your federal tax return who are incapable of self-care and reside in your home at least eight hours per day

You (and your spouse, if married) must be:

- » Working
- » Looking for work (with income during the year)
- » Attending school full-time.



Day Care Expenses

Eligible

- » Child care for children under the age of 13 (at a day care center, day camp, sports camp, nursery school, or by a private babysitter)
- » Before and after school care (must be billed separately from tuition)
- » Adult day care expenses (adult dependent claimed on your federal tax return)
- » Placement fees, expenses, and stipend for an au pair (live-in nanny)

Ineligible

- » Education and tuition fees
- » Expenses you claim on your taxes
- » Late payment fees
- » Overnight camps
- » Sports lessons, field trips, clothing
- » Transportation to and from day care

Eligible day care services cannot be provided by a person you claim as a dependent.



Dependent Care Reimbursement Account Tax Credit

Although reimbursement accounts are a tax-effective way to pay for dependent care, some employees will save more by taking advantage of the federal tax credit allowed for these expenses. Keep in mind that you must choose either the dependent care reimbursement account or the tax credit. You cannot use both for the same expense. Your tax credit will be reduced dollar-for-dollar by any amount you received from a DCA. A tax advisor can tell you which method will save you more money.



FSA Account Worksheet

Making the best use of your reimbursement accounts takes careful planning. Use this worksheet to estimate your eligible expenses for the health and dependent care reimbursement accounts.

For each eligible expense, consider the current plan year's expenses. Estimate the total you expect to spend for you and your family from Jan. 1 to Dec. 31. Be sure to only estimate the amounts YOU expect to pay, not the amounts paid by your medical, dental, and vision insurance plans. **DO NOT OVERESTIMATE!** You should estimate conservatively to ensure you do not exceed your allowed rollover amount.

The IRS limits your annual contribution to the following amounts:

» Flexible Spending Account (FSA): \$3,300

» Dependent Care Reimbursement Account (DCA): \$7,500

Medical Expenses: \$ Amount Eligible	
Deductibles	\$
Office Visit Co-payments	\$
Other Medical Co-payments	\$
Dental Co-payments	\$
Orthodontic Co-payments	\$
Pharmacy Co-payments	\$
Vision Expenses	\$
Hearing Expenses	\$
Other Expenses	\$
Total Health Care Expenses	\$ (A)

Dependent Care Expenses: \$ Amount Eligible	
\$	
Cost/Week X No. of Weeks	\$
Total Dependent Care:	\$ (B)

Total Health Care Expenses	(A)
+	
Total Dependant Care Expenses	(B)
=	
Total Flex Spending Accounts	

» To determine contributions, divide by the total amount of your pay periods.

» Tax savings/impact varies based upon individual circumstances.

Please consult your tax advisor on the impact this Flexible Spending Account may have.

How to Get Reimbursed

It's Easy!

You will be provided with claim forms for both the Flexible Spending Account (FSA) and the Dependent Care Reimbursement Account (DCA). Once you've incurred an eligible expense, complete a reimbursement claim form and submit it with a detailed invoice or statements for the expense to the address listed on the form. You'll then receive a check for all eligible amounts. Or use your McLaren Health Advantage Flex Card and have the money automatically deducted from your pre-tax contribution.

Health Care Reimbursement Accounts

You will be reimbursed for the full amount of your claim, up to your total elected amount for the plan year.

Dependent Care Reimbursement Accounts

To qualify, day care detailed invoices must contain the child's name, provider's name, address, phone number, dates of service, and amount. ***You will be reimbursed for expenses up to the amount contributed to your account at the time your claim is submitted.*** If your claim is more than the amount available in your account, the remainder will be paid as additional funds are deposited.

Direct deposit is recommended for participants starting Jan. 1, 2026 and can be set up by contacting your Flexible Spending Account Administrator at 888-327-0671, Option 4.

Very Important!

Medical Reimbursement FSA ROLLOVER

Medical Reimbursement FSA participants may roll over up to \$660 of unused FSA funds in the Medical Reimbursement FSA into the following plan year (must have a remaining balance of \$5 or more to rollover into the following year). The rollover amount does not count against the indexed \$3,300 in 2026 salary reduction limit. Participants are allowed to roll over up to \$660 and still make a salary reduction of up to \$3,300 into their Medical Reimbursement FSA account for 2026.

This FSA change allows for more flexibility and less risk in the FSA program for the FSA participants. You no longer need to precisely budget your out-of-pocket health care expenses – reducing the risk

of “overfunding” and forfeiting FSA funds. No more rushing to spend Medical Reimbursement FSA funds on unnecessary items by year-end.

Dependent Care

Very Important! Rollover for Dependent Care Accounts is not allowed. You have until March 31 of the following plan year to file claims for qualified expenses that occurred between Jan. 1 through Dec. 31 of the previous plan year. You will forfeit (lose) all funds remaining in your Dependent Care Account after March 31 if you do not have reimbursable claims to submit.

More About FSAs

No Transfers

If you participate in both spending accounts (FSA/DCA) you cannot transfer money between your two accounts or use money in one account to pay expenses related to the other.

No Contribution Changes

Once you decide on the FSA/DCA election amount, you cannot change the amount until the next calendar year, unless you experience a qualifying “change in status” event.

Disputing Mastercard Transactions

To dispute charges made on your FSA Mastercard, you must submit the dispute to the Flexible Spending Account Administrator prior to **60 days of the transaction date** of the transaction you are disputing. In order to file your dispute, call the Flexible Spending Account Administrator at 888-327-0671, Option 4, or email HAflexSpending@mclaren.org.

- >> For members with McLaren Health Advantage Medical coverage, you can check your online balance at [McLarenHealthPlan.org/mclarenconnect](https://mclarenhealthplan.org/mclarenconnect)
- >> For members who do not have medical coverage through McLaren Health Advantage, you can check your online balance at <https://mclaren.wealthcareportal.com/Authentication/Handshake>
- >> For Health FSA or Dependent Care claim forms, visit our website at mclarenhealthplan.org/ha
- >> For information on how to set up your online account, or if you don't have internet access, call Customer Service at 888-327-0671, Option 4.

