

FLEXIBLE SPENDING ACCOUNT (FSA)

HealthEquity®

WHAT ARE HEALTHCARE AND DEPENDENT-CARE FSAs?

A **Healthcare FSA** is a tax-advantaged account that lets you use pre-tax dollars to pay for eligible medical expenses. You can use an FSA to save on average 30 percent on healthcare costs. Don't think of it as money deducted from your paycheck—think of it as money added to your wallet.

A **Dependent-Care FSA**⁴ is a tax-advantaged account that lets you use pre-tax dollars to pay for eligible dependent care expenses. A qualifying 'dependent' may be a child under age 13, a disabled spouse, or an older parent in eldercare.

HEALTHCARE FSA - FSA¹

HOW A HEALTHCARE FSA WORKS

You choose an annual election amount—a dollar amount roughly equal to the amount you expect to have to pay out of pocket for healthcare during the year—up to \$3,300 (minimum \$500). At the beginning of the plan year, your account is pre-funded by your employer, which means they deposit the full annual election amount. The money is immediately available for you to use on qualified expenses.

You'll want to choose your annual election amount carefully. If you put in more than you end up spending, you will lose that amount at the end of the year.

ANNUAL TAX SAVINGS POTENTIAL²

\$990

IRS 2026 CONTRIBUTION LIMIT: \$3,300³

QUALIFYING EXPENSES

- Copays, deductible payments, coinsurance, doctor office visits, exams, lab work, X-rays
- Hospital charges, Prescription drugs
- Dental exams, X-rays, fillings, crowns, orthodontia
- Vision exams, frames, contact lenses, contact lens solution, laser vision correction
- Physical therapy, Chiropractic care
- Medical supplies, first-aid kits, and more

Check out all eligible Healthcare FSA expenses at:

HealthEquity.com/fsa-qme



See how much you can save:

HealthEquity.com/Learn/FSA

Or call: **866.960.8026**

1 FSAs are never taxed at a federal income tax level when used appropriately for qualified medical expenses. Also, most states recognize FSA funds as tax deductible with very few exceptions. Please consult a tax advisor regarding your state's specific rules.

2 The example is for illustrative purposes only. Estimated savings are based on a maximum annual contribution and an assumed combined federal and state income tax bracket of 30%. Actual savings will depend on your contribution amount and taxable income and tax status.

3 Contribution limit is current as of 8/31/2025. Knight may revise this limit when IRS updates the FSA/DCFSA contribution limits each Fall.

DEPENDENT-CARE FSA - DCFSA⁴

HOW A DEPENDENT-CARE FSA WORKS

You choose an annual election amount—a dollar amount roughly equal to the amount you expect to have to spend on dependent care during the year—up to \$7,500 per family (minimum \$500). The money goes into your account in installments through pretax payroll deductions. You can then use the money in your account to pay for eligible dependent-care expenses incurred during the plan year.

You'll want to choose your annual election amount carefully. If you put in more than you end up spending, you will lose that amount at the end of the year.

ANNUAL TAX SAVINGS POTENTIAL⁵

\$1,875

IRS 2026 CONTRIBUTION LIMIT: \$7,500⁶

QUALIFYING EXPENSES

- Before-school or after-school care for children age 12 and younger
- Custodial care for dependent adults
- Licensed daycare centers
- Nanny or au pair services
- Nursery schools or preschools
- Late pickup fees
- Summer or holiday day camps

Check out all eligible Healthcare FSA expenses at:

HealthEquity.com/dcfsa-qme



See how much you can save:

HealthEquity.com/Learn/DCFSA

Or call: **866.960.8026**

4 DCFSAs are never taxed at a federal income tax level when used appropriately for eligible dependent care expenses. Also, most states recognize DCFSA funds as tax deductible with very few exceptions. Please consult a tax advisor regarding your state's specific rules.

5 The example is for illustrative purposes only. Estimated savings are based on a maximum annual contribution and an assumed combined federal and state income tax bracket of 30%. Actual savings will depend on your contribution amount and taxable income and tax status.

6 Contribution limit is current as of 8/31/2025. Knight may revise this limit when IRS updates the FSA/DCFSA contribution limits each Fall.