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to contribute through payroll deductions before the plan year begins, many employers are ...

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For workers whose companies offer flexible spending accounts, now is the time to begin planning to take full advantage of the plans for 2019.

FSAs provide employees a way to use tax-free dollars to pay medical expenses not covered by other health plans. Because eligible employees need to decide how much to contribute through payroll deductions before the plan year begins, many employers are offering their employees the option to sign up for an FSA this fall for participation that begins in 2019.

Interested employees wishing to contribute during the new year must make this choice again for 2019, even if they contributed in 2018. Self-employed individuals are not eligible.

An employee who chooses to participate can contribute up to \$2,700 during the 2019 plan year. That's a \$50 increase over 2018. Amounts contributed are not subject to federal income tax, Social Security tax or Medicare tax. If the plan allows, the employer may also contribute to an employee's FSA.

Throughout the year, employees can then use funds to pay qualified medical expenses not covered by their health plan, including co-pays, deductibles and a variety of medical products and services ranging from dental and vision care to eyeglasses and hearing aids. Interested employees should check with their employer for details on eligible expenses and claim procedures.

Under the use-or-lose provision, participating employees often must incur eligible expenses by the end of the plan year or forfeit any unspent amounts. But under a

special rule, employers may, if they choose, offer participating employees more time

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Employers are not required to offer FSAs. Accordingly, interested employees should check with their employer to see if they offer an FSA. More information about FSAs can be found in [Publication 969](#), Health Savings Accounts and Other Tax-Favored Health Plans, available on IRS.gov.

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