

# Flexible Spending Accounts

Flexible Spending Accounts (FSAs) allow you to set aside pre-tax dollars to reimburse yourself for eligible health and/or dependent care expenses. When you're first eligible to enroll, and each year during Open Enrollment thereafter, you decide if you want to participate in the Health Care FSA (or Limited-Purpose FSA if you are enrolled in the *Value CDH Plan* or another IRS-qualified high deductible medical plan), the Dependent Care FSA or both.

- **The Health Care Flexible Spending Account (HCFSA)** — for certain medical, dental, vision and hearing expenses not reimbursed by other health plans.
- **The Limited-Purpose Flexible Spending Account (LPFSA)** — for eligible expenses, such as dental and vision expenses when you enroll in the *Value CDH Plan* or another IRS-qualified high deductible medical plan. You can also use the account for HCFA-eligible medical expenses after you have met your *Value CDH Plan* or other IRS-qualified high deductible medical plan deductible.
- **The Dependent Care Flexible Spending Account (DCFSA)** — for qualified dependent care expenses incurred so that you (and your spouse) can work or attend school full-time. This account is for dependent care expenses for children under the age of 13 and disabled dependents; it is **not** for dependent health care expenses.

## USE PAYFLEX'S ONLINE TOOLS

The FSAs are administered by PayFlex, which offers many convenient online features to track and manage your accounts. Visit [www.payflex.com](http://www.payflex.com) to use the following tools:

- **Account Details:** View your account balance and manage your funds.
- **My Resources:** View educational materials, forms and IRS publications.
- **Savings calculator:** Estimate your health care and dependent care expenses.
- **FAQs:** Review frequently asked questions about your FSAs.
- **Live Chat:** Connect to a PayFlex customer service representative by clicking "Chat Now" under "Help & Support."

If you need help navigating the PayFlex website, they offer a co-browsing feature that allows you to share your computer screen with a PayFlex customer service representative. Simply click "Share My Screen" to be provided with a phone number and code to start a co-browsing session and receive assistance.

If you don't have a username and password, you'll need to create your profile to get started. If you have already created an account, click "Sign In" to access your account.

## Tax Savings

FSAs can help you lower your taxes. When you participate, your contributions are taken out of your pay before federal income taxes, Social Security taxes, Medicare taxes and (in most cases) state income taxes are calculated and withheld. This means you lower your taxable income and pay less tax. Because this is a pre-tax benefit, your participation may slightly reduce your Social Security benefits when you retire. You should consult a tax advisor to determine the tax consequences, if any, for you personally.

## Guidelines and Eligible Expenses

For 2023, the maximum annual contribution for the Chevron Phillips Chemical HCFSA or LPFSA is \$3,050. If you and your spouse are both Chevron Phillips Chemical employees and have access to a Chevron Phillips Chemical HCFSA or LPFSA, you can each contribute \$3,050 for a total of \$6,100 per family.

FSAs operate under IRS guidelines and special rules apply. Only certain health care expenses are eligible for reimbursement under the HCFSA (or LPFSA if you are enrolled in the *Value CDH Plan* or another IRS-qualified high deductible medical plan). For more information on using your FSA, including examples of eligible and ineligible expenses, please refer to the “Flexible Spending Accounts” Summary Plan Description at [www.mycpchembenefits.com](http://www.mycpchembenefits.com) under “Benefit Handbooks.”

For more information about eligible and ineligible FSA expenses, see ***IRS Publication 502, Medical and Dental Expenses***. The publication is available online at [www.irs.gov/publications/p502](http://www.irs.gov/publications/p502).

## How to Use Your HCFSA or LPFSA Funds

You may use your PayFlex Card, which is an HCFSA and LPFSA debit card, to pay for eligible health care expenses at qualified doctor and dental offices, hospitals, pharmacies and hearing and vision care centers. When you use the card, the funds automatically come out of your HCFSA or LPFSA, eliminating the need to pay the expenses up front, submit a claim and then wait for reimbursement.

If you pay for eligible expenses with cash, check or a personal credit card, you can submit an online request for reimbursement at [www.payflex.com](http://www.payflex.com) or through the PayFlex Mobile app. Or you can fill out a paper claim form and fax or mail it to PayFlex.

### Note for LPFSA Members

The LPFSA is designed with pre- and post-deductible phases. This means that before you meet your *Value CDH Plan* deductible, funds must be used only for vision and dental expenses. Then, once you meet your *Value CDH Plan* deductible, you can use LPFSA funds to pay for all eligible health care expenses.

### MANAGE YOUR ACCOUNTS WITH THE PAYFLEX MOBILE APP

The PayFlex Mobile app makes it easy for you to manage your FSA accounts 24/7. The free app is available for iPhone and Android smartphones. The PayFlex Mobile app lets you:

- View your account balances and manage your account funds.
- Request reimbursement and view your transaction history.
- View PayFlex Card purchases and submit documentation.
- Receive important alerts about the status of your accounts.

For more information about the PayFlex Mobile app, go to [www.mycpchembenefits.com/health](http://www.mycpchembenefits.com/health) and look for PayFlex documents in the “Flexible Spending Accounts” section.

## Using the DCFSA

The Dependent Care Flexible Spending Account (DCFSA) allows you to use pre-tax dollars to pay dependent care expenses so that you (and your spouse, if married) can work or attend school full-time. Eligible dependents include:

- Your children under age 13 whom you can claim as dependents on your federal income tax return,
- Your spouse, if he or she is physically or mentally incapable of self-care, and
- Any other person considered a dependent for federal income tax purposes who is physically or mentally incapable of self-care, regardless of age.

You can set aside up to \$5,000 a year to pay for dependent care expenses. Your contribution is deducted from your paycheck in equal installments throughout the year. If you're married and file a joint tax return, the \$5,000 annual limit for the DCFSA applies to you and your spouse together. For more information on using the DCFSA, including examples of eligible and ineligible expenses, please refer to the "Flexible Spending Accounts" Summary Plan Description at [www.mycpchembenefits.com](http://www.mycpchembenefits.com) under "Benefit Handbooks."

Additional details about eligible and ineligible expenses under the DCFSA can be found in **IRS Publication 503, Child and Dependent Care Expenses**, available online at [www.irs.gov/publications/p503](http://www.irs.gov/publications/p503).

## DCFSA VS. DEPENDENT CARE TAX CREDIT

The IRS allows you to take a tax credit for eligible dependent care expenses. Under the Internal Revenue Code, the tax credit is a percentage of your dependent care expenses. To help you determine whether the DCFSA or the Dependent Care Tax Credit is better in your particular situation, consult with your tax advisor or contact the IRS.

## DEPENDENT EXPENSES REMINDER

You cannot contribute money to a DCFSA to be reimbursed for your dependent or child's medical expenses. Money set aside in this account can only be used for expenses incurred for your dependents' daycare or similar services while you're at work or school.