

## FAQ – Flexible Spending Accounts (FSA)

Question	Answer
How do Flexible Spending Accounts (FSAs) work?	<p>There are two separate FSAs—one for health care and one for dependent care. You can enroll in both.</p> <p><b>Health Care FSA (HC FSA)</b>— used for eligible out-of-pocket health care expenses (medical, dental, or vision care). If you are enrolled in the <b>Meritain CDHP with (HSA) Health Savings Account</b>, your HC FSA is considered a <b>Limited Purpose FSA (LP FSA)</b>, which can only be used for eligible dental and vision claims. The maximum election in 2024 is \$3,200.</p> <p><b>Dependent Care FSA (DC FSA)</b>—used for eligible dependent care expenses so that you (and your spouse, if married) can work or attend school. Annual contributions to the DC FSA are chosen by each spouse separately. The maximum election is \$5,000* per household.</p> <p>Note: Health Care and Dependent Care FSA plans are separate. You cannot combine funds from one account with the other to pay for eligible expenses.</p> <p>*The maximum participant contribution may be reduced mid-year to comply with federal law.</p>
What's changing in 2024?	<p>PayPal will be transitioning FSA service providers from Smart Choice (Alight) to HealthEquity.</p> <p>If you are currently enrolled and have a Smart-Choice account, you will receive more information from Smart-Choice in the coming months.</p>
When can I enroll?	<p>You are eligible to enroll in the FSA plan at PayPal when you are newly hired (or experience a <b>Qualifying Life Event (QLE)</b>). Enrollment in the following plan year will take place during PayPal's Annual Enrollment period.</p> <p>Re-enrollment during Annual Enrollment is required to participate each year. You must set your annual contribution amount for the Health Care and/ or Dependent care FSA separately. You cannot combine funds from one account with the other to pay for eligible expenses.</p>

<p><b>How do I enroll?</b></p>	<p>Enrollment is made through your YBR (Your Benefits Resources) account. Access your account <a href="#">@work</a> or via YBR's <a href="#">login</a> page.</p>
<p><b>What is the maximum amount I can contribute?</b></p>	<p>For 2024, the <b>Health Care FSA</b> minimum is \$50, and the <b>maximum election is \$3,200</b>.</p> <p>For the <b>Dependent Care FSA</b>, the minimum is \$50, and <b>maximum is \$5,000</b>. If both you and your spouse are enrolling in a Dependent Care FSA, the combined amount in both company plans cannot exceed \$5,000. Also, your election may be reduced to comply with the required annual testing for this plan.</p>
<p><b>How do I know how much to contribute?</b></p>	<p>Use the <b>FSA estimator</b> tool during your enrollment. Access your account <a href="#">@work</a> or via YBR's <a href="#">login</a> . The FSA estimator tool can help you estimate your HC FSA and DC FSA expenses. Talk to your medical, dental, vision and childcare providers. Each can help you budget your expenses. Consider recurring expenses as well.</p>
<p><b>Will I receive a refund if I don't use all the money in my FSA by the end of the calendar year?</b></p>	<p>No, the FSA is a use-it-or-lose it program and subject to IRS regulations. You won't receive a refund if you don't use all the money in your FSA, which is why it's important to understand what expenses are eligible and estimate your FSA expenses for the coming year.</p> <p><b>Health Care or Limited Purpose FSA:</b> You will be allowed a rollover amount of <b>up to \$610</b> of unused funds from 2023 to use in 2024.*</p> <p><b>Dependent Care FSA:</b> For 2023 the grace period allows you to continue to spend against any remaining funds in the 2023 account from January 1, 2024 to March 15 2024. Due to the transition from Smart-Choice to HealthEquity in 2024, any eligible claims incurred during the 2023 grace period can be submitted for reimbursement beginning July 1, 2024 through August 31, 2024 via your <a href="#">HealthEquity</a> account.</p> <p><b>Important to know:</b> If you are participating in the Dependent Care FSA program in 2024 and you submit an eligible claim to HealthEquity <b>prior to July 1, 2024</b>, HealthEquity will apply this claim to your <b>2024</b> Dependent Care FSA balance. HealthEquity cannot re-process any claims against your 2023 funds. It is important to hold your receipts incurred during the 2023 grace period and submit after July 1, 2024, if you would</p>

	like to use remaining funds from 2023. You will have additional time (up to August 31, 2024) to submit any 2023 grace period claims.
<b>What is the latest I can incur expenses to submit for reimbursement against my Dependent Care FSA (DC FSA) funds?</b>	Beginning in the 2024 plan year, participants must incur all eligible expenses for the Dependent Care FSA by December 31 <sup>st</sup> . This means that any expenses you would like to submit against your Dependent Care FSA funds must <b>have dates of service within the benefit plan year</b> . In 2024, the latest date to incur expenses in the DC FSA program will be December 31, 2024.
<b>Can I quit the FSA or change my election at any time?</b>	Your contribution can't be changed, increased or decreased during the year unless you experience a <a href="#">Qualifying Life Event</a> (e.g., the birth of a child) and notify <a href="#">YBR</a> of the change within 30 days of the event. The YBR team can answer your questions about qualifying life events and help you change your contribution election.
<b>What is a Limited Purpose FSA?</b>	<p>A Limited Purpose (LP) FSA is a pre-tax benefit account that you can use to pay for eligible dental and vision out of pocket expenses. If you enroll in <a href="#">Meritain's CDHP with HSA plan</a> and wish to also enroll in the Health Care FSA, you will be enrolled in the LP FSA and you can file claims for <b>eligible dental and vision expenses only</b>.</p> <p>Once you meet your medical deductible, you can submit an EOB (explanation of benefits) from your medical provider to the FSA service provider, Smart Choice for plan year 2023. Beginning in 2024, this documentation must be submitted to HealthEquity.</p> <p>Once your documentation is approved and accepted, you can begin to submit eligible medical and pharmacy receipts for reimbursement.</p> <p>Please keep in mind that IRS rules determine which expenses are eligible and some expenses require a doctor's note or prescription to be eligible for reimbursement under your Healthcare FSA.</p> <p>Learn more about covered expenses by visiting <a href="https://learn.healthequity.com/PayPal/qme">https://learn.healthequity.com/PayPal/qme</a>.</p>
<b>How does funding work in the Health Care (and Limited Purpose) FSA?</b>	<p>PayPal will deduct your bi-weekly FSA payroll deduction automatically from your bi-weekly pay checks throughout the plan year.</p> <p>Your bi-weekly FSA payroll deduction amount is calculated based on your annual election divided by the</p>

	<p>number of regular pay checks you expect to receive in the year.</p> <p>Use your FSA debit card (issued if your annual election is \$50 or more) or file a claim for reimbursement for any eligible expenses. Your entire annual election amount is available to you on the first day of your plan year.</p> <p>NOTE: If you are enrolled in Health Care FSA in 2024 and are also enrolled in the HRA (Health Reimbursement Account for Meritain Co-Pay participants in pay grade levels 15-19, your Health Care FSA and HRA funds will be conveniently loaded into one debit card. If you already have an HRA debit card, you will not be issued a new card. You can use your existing HRA card (teal colored card) until the card's expiration date. If you are new to the HRA or Health Care FSA in 2024, you should receive a new debit card from HealthEquity.</p> <p>If you have questions about your FSA deduction in your pay statement, contact <a href="#">ADP</a> by opening a ticket under <b>Service Portal</b>, or by calling call 1-833-573-6042.</p>
<p><b>How does funding work in the Dependent Care FSA?</b></p>	<p>PayPal will deduct your bi-weekly FSA payroll deduction automatically from your bi-weekly pay checks throughout the plan year.</p> <p>Your bi-weekly FSA payroll deduction amount is calculated based on your annual election divided by the number of regular pay checks you expect to receive in the year.</p> <p>Debit cards are not available. You must submit a claim with your eligible receipts for reimbursement. The Dependent Care FSA balance accumulates throughout the year. You have access to the amount of funds available in the account.</p> <p><b><u>If you are a non-exempt (hourly) PayPal employee, PayPal contributes 15% of what you contribute, up to \$652 annually.</u></b></p> <p>If you have questions about your FSA deduction in your pay statement, contact <a href="#">ADP</a> by opening a ticket under <b>Service Portal</b>, or by calling call 1-833-573-6042.</p>

<p><b>Whose expenses are eligible for reimbursement?</b></p>	<p><b>Health Care FSA:</b> You may submit eligible expenses incurred by you, your spouse, your children, and any other person who can be claimed as a qualified dependent on your federal income tax return. Domestic partner expenses are not covered.</p> <p><b>Dependent Care FSA:</b> You can submit expenses for qualifying dependents, including your children under age 13 and any other person, regardless of age, who is incapable of caring for him or herself and can be claimed as a qualified dependent on your federal income tax return.</p>
<p><b>Where can I find a list of eligible expenses in the Health Care FSA?</b></p>	<p>Your Health Care FSA covers hundreds of eligible health care expenses, like co-payments for doctor visits, prescription drugs, and new eyeglasses or contact lenses.</p> <p>IRS rules determines which expenses are FSA eligible. Some expenses require a doctor's note or prescription to be eligible for reimbursement under your Health Care FSA.</p> <p>Learn more about covered expenses here:  <a href="https://learn.healthequity.com/PayPal/gme">https://learn.healthequity.com/PayPal/gme</a></p> <p>You can also shop eligible expenses at the <a href="#">FSA store</a>.</p>
<p><b>Can I use my Dependent Care FSA to pay for my babysitter or nanny?</b></p>	<p>Eligible expenses include a babysitter or nanny to provide care while you're at work, daycare provider or after-school care, and preschool tuition. Expenses must be incurred for the care of eligible family members as described <a href="#">in IRS Publication 503 — Child and Dependent Care Expenses</a>. All expenses must take place within the benefit plan year.</p>
<p><b>I've enrolled in the Dependent Care FSA in the past and have not been allowed to contribute the full \$5,000. Why is that?</b></p>	<p>Under federal tax law, PayPal's FSA programs must pass certain nondiscrimination tests each year. These tests are designed to ensure that highly compensated employees do not receive disproportionately greater benefits. If necessary, the maximum participant contribution may be reduced mid-year to comply with federal law. If you think you'll fall into that category, and your spouse also has a Dependent Care FSA available, you may consider splitting the maximum between the separate plans.</p>

**I have more questions. How do I get more information or talk to someone live?**

For general benefits information, visit [PayPalBenefits.com](https://www.paypal.com/benefits). For more information on PayPal's FSA plans, click here:

[Health Care FSA](#)  
[Dependent Care FSA](#)

If you are enrolled in the **2023 FSA program**, you can log in to your account [@work](#) or [Log In](#) to your **Smart Choice Account**. Contact Smart Choice at 1-844-474-6641 to speak directly with their participant services.

For questions regarding your **2024 FSA plan**, you can log in to your account [@work](#) or [Log In](#) to your **HealthEquity Account**. Contact HealthEquity's Participant Services line at 1-866-346-5800 to speak directly with their participant services.

*The rights, if any, of employees to participate in the benefit programs and to receive benefits under such programs are governed by the terms and conditions of the applicable benefit plans and PayPal policies (the "Benefit Plans"), rather than any summary or other communication. In the event of any conflict between any summary or other communication and the Benefit Plans, the applicable Benefit Plan shall control. Information contained in this communication does not create a right to employment and will not be interpreted as forming an employment contract or affecting an employee's employment status, which remains at-will. PayPal reserves the right to make changes or cancel any benefits at any time, at PayPal's sole discretion.*