

PERSONAL SUPPORT FROM SETUP FORWARD

Pre Tax Benefits Administration

A practical guide to our services, account options and everyday support for employers, brokers and employees.

Your benefits program is only as good as the people who administer it.

Benefit Extras brings Minnesota roots, women-owned leadership and personal support to the work behind your benefits.

We help employers offer and administer tax-advantaged benefits, with tools employees can use and a team they can contact when questions arise. We work with your broker and HR team to establish the plan, coordinate enrollment and support ongoing administration.

What we help you manage

Administration	What that means for your organization
Plan setup and enrollment	Plan documents and employee materials; account setup; enrollment processing; coordination of elections, effective dates and payroll information.
Claims and reimbursements	FSA and HRA claim review, required documentation, reimbursement processing and support with debit card substantiation.
Employee access and support	Online accounts, mobile tools, available benefits cards, account notifications and help understanding how to use the benefit.
Employer and broker support	Account reporting, help resolving administrative questions, renewal coordination and nondiscrimination testing services when included or requested.

Services, account features and responsibilities are confirmed in your proposal and service agreement. HSA distributions follow different rules from FSA and HRA claims; employees retain responsibility for HSA tax eligibility and records.

Inside this guide

Account choices **2** | Employee experience **3** | Employer administration **4**
2026 limits and resources **5**

CHOOSE THE RIGHT ACCOUNTS

Benefits that work together

Your employer selects the benefits offered. Eligibility, covered expenses and plan provisions determine how each account works.

Benefit	Purpose and key distinction
Health FSA	Pre-tax payroll elections for eligible medical, dental and vision expenses. The full annual election is available during coverage, less reimbursements already paid. General-purpose coverage generally prevents HSA contributions.
Limited Purpose FSA	Eligible dental and vision expenses. Designed to pair with an HSA when the employee otherwise qualifies. It follows health FSA election and reimbursement rules.
Post Deductible FSA	An HSA-compatible design that can reimburse eligible medical expenses incurred after the required deductible is satisfied. This feature must be in the plan; documentation is required before broader reimbursement.
Dependent Care FSA	Eligible care that enables the employee and, if married, spouse to work or look for work, subject to IRS rules. Reimbursements are limited to the funded balance. This is not an account for dependent medical bills.
HSA	An individually owned savings account for eligible people with qualifying health coverage. Employer and employee contributions share one annual limit. Unspent money remains in the account and stays with the owner after employment ends.
Premium Only Plan	A Section 125 plan allowing eligible employee premiums for employer-sponsored insurance to be paid through pre-tax payroll deductions. This is separate from an FSA claim account.
HRA	An employer-funded arrangement for eligible healthcare expenses defined by the plan. Funding, reimbursement order, carryforward and HSA compatibility depend on the design. Employees do not fund an HRA through salary reduction.

A common combination. An HSA for current or future qualified healthcare expenses, a Limited Purpose FSA for expected dental and vision costs, and a Dependent Care FSA for eligible daycare. Each account stays separate; an expense can be reimbursed only once.

Additional options: Ask about retiree HRA arrangements and qualified parking and transit benefits. Their rules and administration are reviewed separately from health and dependent care FSAs.

THE EMPLOYEE EXPERIENCE

From election to reimbursement

Clear instructions help employees make useful elections, submit complete claims and know where to turn for help.

1 Enroll with a realistic annual estimate

Employees review the Highlight Sheet and Summary Plan Description, estimate expenses and elect or waive benefits. Enrollment includes employee information, accounts, election amounts and authorizations. HR confirms eligibility and effective dates.

Simple example: A \$2,400 Limited Purpose FSA election over 24 payrolls equals \$100 per paycheck. Once coverage begins, up to the full \$2,400 is available for eligible claims, less prior reimbursements. HSA and dependent care reimbursements depend on funds actually available.

2 Use the account and retain documentation

Online and mobile tools allow employees to view balances, submit FSA/HRA claims and respond to documentation requests. Benefits cards are available for applicable accounts. A successful card transaction does not always establish eligibility; retain itemized records.

Claim type	What to provide
Health or Limited FSA	An insurance Explanation of Benefits (EOB), or itemized provider statement/receipt showing the patient, provider, service or item, date and employee responsibility. A card slip or bank statement alone is insufficient.
Post deductible expense	Required deductible certification and supporting EOBs, plus documentation for the expense. The service must occur after the applicable threshold is satisfied under the plan.
Dependent care	Provider and dependent information, dates of care, amount and provider tax identification, with provider certification or the required receipt. Advance payments are not reimbursed before care is provided.

3 Receive reimbursement and follow up

Approved FSA and HRA claims are paid by the available reimbursement method, including elected direct deposit. Approved dependent care claims exceeding the balance are considered for further payment as contributions arrive. Respond promptly to requests for information.

HSA records are different. The account owner determines whether a distribution is tax-free and retains supporting records. HSA expenses are not adjudicated like FSA claims. An HSA may reimburse eligible expenses incurred after the account was established, subject to the tax rules.

THE EMPLOYER EXPERIENCE

Administration throughout the year

Benefit Extras supports the day-to-day work. Employers retain responsibility for plan decisions, timely information, funding and payroll reporting.

Before the effective date

Confirm the design. Select accounts, eligibility, plan year, contributions, limits and year-end provisions. Review HSA compatibility, including FSA or HRA coverage through a spouse.

Coordinate the transition. Confirm contacts, payroll dates, funding and reporting. Assign responsibility for prior claims, balances, carryovers and card documentation. HSA transfers require a separate process and any necessary account-holder authorization.

Prepare employees. Provide plan and enrollment materials and account-access instructions. Reconcile elections with payroll. Confirm any proposed payroll or enrollment-system connection before launch.

During the plan year

Send enrollments, terminations, approved changes and contributions promptly. Reconcile payroll and funding with account reports. We support participant questions; HR and the broker coordinate eligibility and plan decisions.

FSA changes require a permitted event and plan authorization. Dependent care has additional cost and coverage change rules; HSA payroll elections are more flexible. Confirm deadlines and effective dates before changing payroll.

At renewal and closeout

Provision	How it works
Run-out period	Extra time to submit claims for expenses incurred during the permitted coverage period. It does not extend the time to receive care. The plan sets the deadline.
Health FSA carryover	If adopted, a limited unused balance may move into the next plan year. The plan may permit less than the federal maximum.
Grace period	If adopted, generally up to 2½ additional months to incur eligible expenses. A health FSA cannot offer both a carryover and a grace period for the same year.
Year-end review	Review limits, elections, amendments, testing data and payroll reporting. Check HSA compatibility before moving a general-purpose FSA balance forward.

When employment ends: Confirm coverage termination, final contributions and claim deadlines. Health FSA/HRA continuation is evaluated under the applicable rules. Coordinate with the COBRA administrator; an employee-owned HSA remains with the account holder.

QUICK REFERENCE AND NEXT STEPS

2026 limits and useful details

Federal maximums are a starting point. Employer plan limits, individual eligibility and nondiscrimination testing may further restrict benefits.

Benefit	2026 federal reference
Health / Limited Purpose FSA	\$3,400 maximum employee salary reduction for plan years beginning in 2026; up to \$680 carryover if adopted. These are not separate limits for each health FSA type.
Dependent Care FSA	\$7,500 annual exclusion; \$3,750 if married filing separately. Includes applicable employer assistance and is subject to earned-income and household limits. Confirm the employer adopted its intended limit.
HSA	\$4,400 self-only / \$8,750 family. Employer and employee contributions count together. Eligible people age 55 or older may contribute an additional \$1,000 to their own HSA.

A few distinctions that matter

Eligible expenses. Health FSAs may cover copays, deductibles, medicines, menstrual care products, dental and vision care. Premiums, cosmetic-only services and personal expenses generally do not qualify. Limited FSAs restrict eligible categories. Ask about orthodontia and medical-necessity documentation.

Dependent care. Qualifying care can include daycare, preschool, before/after-school care and eligible adult care. The person, provider and work-related tests must be met. Kindergarten tuition and overnight camp do not qualify. Reimbursed expenses cannot also support the dependent care tax credit; employees should compare their options with a tax adviser.

Premium arrangements. Individual insurance premiums require a separate review of the policy and arrangement. A standard premium account is not blanket authority to reimburse individual major-medical or Marketplace premiums. Ask us to review the applicable structure before offering this benefit.

Tax savings. Eligible pre-tax deductions generally reduce federal taxable wages and applicable payroll taxes. State treatment, income and the Social Security wage base affect savings. For illustration, \$2,000 of eligible deductions at an assumed combined 30% marginal tax rate saves \$600; actual results vary.

Let's review the benefits you want to offer.

Contact us with your broker to discuss your plans and transition needs.

952.435.6858 | flex@benefitextras.com

benefitextras.com/resources | [Employee account access](#)

Reference basis: Benefit Extras employee packets and published service descriptions; IRS [Publication 969](#), [Publication 503](#), [Publication 15-B \(2026\)](#), [Rev. Proc. 2025-19](#) and [Rev. Proc. 2025-32](#). Prepared October 2026. General overview; governing plan documents, applicable law and the service agreement control.