

Save Money with a Flexible Spending Account

Montgomery County Public Schools (MCPS) flexible spending accounts (FSAs) allow you to set aside a specified dollar amount from your gross pay—"pretax"—to pay for qualifying out-of-pocket medical and dependent-care expenses. This amount reduces gross pay and is sheltered from taxes.

You can choose to open a medical FSA, a dependent care FSA, or both. You then indicate the amount to be set aside from your gross pay and deposited into your FSA(s).

Curious on how an FSA can help you save money? Here are two examples*:

Orthodontics: Anthony's daughter needs braces next year. The orthodontist says the braces will cost \$5,500. Anthony sends the treatment plan to his medical plan and is informed that the company will pay a total benefit of \$1,000. Anthony schedules the procedure for the next calendar year and plans his medical spending FSA for the next calendar year, since the Internal Revenue Service requires FSA accounting on a calendar-year basis. Anthony decides to contribute \$2,850 to his medical FSA. The total tax savings is \$873.53, as you can see in Chart 1.

Child care: Angela and Felix both work full time and pay \$450 per week for daycare for their 2-year-old daughter. Allowing two weeks for vacation, they expect to pay \$22,500 (50 weeks @ \$450 per week) for daycare in 2027. Angela and Felix use this figure to compare their potential tax savings from an FSA to the income tax credit available for dependent care. They determine that the tax savings from an FSA would be greater than the dependent care tax credit available at their level of income, and then decide to make an FSA election each year until their daughter reaches age 13. By placing \$5,000 in a dependent care FSA each year, they expect to realize a total tax savings of \$1,532.50 per year, as shown in Chart 2.

**Based on federal tax savings at 15 percent; state and local tax savings at 8 percent; and Federal Insurance Contributions Act (FICA) tax savings at 7.65 percent.*

Chart 1: Tax Savings for Anthony

Amount Sheltered from Taxes		Tax Rates	Tax Savings
\$2,850	X	Federal Tax Rate of 15%	\$427.50
	X	State and Local Tax Rate of 8%	\$228.00
	X	FICA Rate of 7.65%	\$218.03
Total Savings			\$873.53

Chart 2: Tax Savings for Angela and Felix

Amount Sheltered from Taxes		Tax Rates	Tax Savings
\$5,000	X	Federal Tax Rate of 15%	\$ 750.00
	X	State and Local Tax Rate of 8%	\$ 400.00
	X	FICA Rate of 7.65%	\$ 382.50
Total Savings			\$1,532.50

Helpful FSA Tips

- **“Use It or Lose It”**

If you have an FSA for calendar year 2026, you should review your account on the [Voya website](#) and make plans to use any remaining balances before March 15, 2027.

For those enrolling in a calendar year 2027 FSA, qualifying expenses from your medical or dependent care FSAs incurred between January 1, 2027, and March 15, 2028, may be reimbursed from your 2027 plan election. Any unspent 2027 balances will be forfeited under the “use it or lose it” rule after March 15, 2028. All 2027 plan-year FSA claims must be submitted by April 30, 2028.

- **Keep Your Receipts**

You must keep receipts to substantiate all claims made with your FSA debit card or paper submissions. You may be required to submit documentation on request. All expenditures are subject to audit, per IRS regulations.

- **Flexible Spending Debit Cards**

When you enroll in a medical FSA, you will receive two FSA cards at your home address, a simple reimbursement method for making eligible medical purchases such as copayments at your doctor’s office. Your FSA card can be used for both medical and dependent care expenses and is valid for three years. If you currently participate in an FSA and have misplaced your debit card, please contact Voya for a replacement. Voya charges a \$5.00 fee to replace a missing debit card.

Did you know?

While on an approved leave of absence protected by the Family and Medical Leave Act, you may choose to re-enroll in an FSA. To do so, complete and submit [MCPS Form 450-3, Flexible Spending Account Election](#), to have your FSA contributions direct-billed to you.

Need more information?

For more information about FSAs, please visit [our website](#). There you will find links to claims forms, a list of eligible expenses, and an informative booklet: *Flexible Spending Accounts: Save Money on Healthcare and Dependent Care!*

In addition, the plan administrator, Voya, provides online information that can help you decide whether an FSA is right for you. Visit the [Voya website](#) and discover links that lead to FSA information, including videos that explain how FSAs work.

Enroll in Your 2027 FSA!

If you wish to participate in a medical spending and/or a dependent care FSA for 2027, you must submit your 2027 account elections by Friday, October 30, 2026, using MCPS Hub+.

Remember: You must complete a new FSA election each year during Open Enrollment, even if you have participated in an FSA in the past. This is true even if you were hired in the fall and enrolled in an FSA at that time. New hire FSA enrollments are for the remainder of the *current* calendar year and will not carry over into 2027.

Visit our [Open Enrollment web page](#) to learn how to enroll in your FSA(s) via Hub+.