



2024

FLEXIBLE SPENDING ACCOUNTS & HEALTH SAVINGS ACCOUNT Guide



This guide covers the different types of Flexible Spending Accounts (FSAs) and Health Spending Accounts (HSAs), how they work, and what you can do to use these employer benefits to help reduce the cost of some everyday expenses.

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Disclaimer

This guide highlights the key features of our benefit plans. It is intended to be only a summary of the benefits available to you and does not include all plan rules and details; this is not to be considered a certificate of coverage. Please refer to your plan documents for complete information and more detailed explanations as to coverage, limitations and exclusions. Take time to review all documents and related materials, as it is extremely important you know and understand your benefit options. If there is any discrepancy between the official plan documents and this benefits guide, the plan document will always govern.

Flexible Spending Accounts (FSAs)

Flexible Spending Accounts (FSAs) allow you to have pretax money deducted from your paycheck to pay for certain expenses. Since contributions are made through payroll deductions with pretax dollars, you decrease your taxable income and thereby increase your take-home pay.

There are three types of FSAs available:

- Healthcare
- Limited Purpose
- Dependent Care

Crew members that currently participate in the FSA plan must re-enroll in order to continue participating in the upcoming plan year.

WEX Customer Support

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Healthcare Flexible Spending Account (FSA)

Using pretax payroll contributions, you can receive reimbursements from your Healthcare FSA for eligible medical, dental and vision expenses incurred by you or an eligible dependent, as long as the expenses are not covered or reimbursed by other plans.

- Can elect to contribute up to \$3,200 per year
- Some eligible expenses include:
 - Office and prescription drug copays
 - Non-reimbursed dental and vision expenses
 - Corrective eye surgery
- Funds can be used for expenses incurred by any eligible dependent regardless if they or you are on Virgin Voyage's medical insurance.
- Cannot use FSA funds to pay for cosmetic services.
- Can claim against entire annual election at any time during the year.
- Can use the WEX Debit Card.
- Funds not used for expenses will be forfeited.
- Cannot enroll in the FSA if you are enrolled in the HSA

Healthcare Tax Deduction

A healthcare tax deduction is available on your federal income tax return if you have expenses that are more than 7.5% of your and your spouse's taxable pay. Most people do not have medical expenses of more than 7.5% of income. If you think your expenses will be more than 7.5%, you should consult your tax advisor before using this account because you may not use the Flex-Med Spending Account and the tax deduction for the same expenses.

Limited Purpose and Dependent Care FSAs

Limited Purpose Flexible Spending Accounts

According to federal regulations, HSA participants are not eligible to participate in a regular Health Care Flexible Spending Account (FSA). However, HSA participants can participate in the Limited Purpose FSA, which provides a tax-free way to save and pay for dental and vision expenses not covered by your health plan.

All other Health Care FSA rules and features apply to the Limited-Purpose FSA - same maximum, same use-it- or-lose-it rule, same claim-filing deadline, and if you enroll, you will receive a debit card to pay for eligible dental and vision expenses.

Dependent Care

A dependent care FSA offers an opportunity for you to save money on day care for eligible dependents.


- Can elect to contribute up to \$5,000 per year per household
- Expenses must be for a qualified childcare provider (someone who is claiming this income on their tax return).
- Some dependent criteria:
 - Dependent children through the age of 13.
 - Both spouses must be working.
- Can only claim against funds that are in account.
- Can use the WEX Debit Card (where accepted).

Childcare Tax Credit


A childcare tax credit is available on your federal income tax return. The amount you contribute to the Dependent Care Spending Account reduces the tax credit you may claim. Depending on your household combined income, you may benefit more by using the federal tax credit. Ask your tax advisor which is better for you.

Debit Card


The WEX Debit Card allows you to pay for your eligible Healthcare and Dependent Care expenses directly at the point of service. This allows you to avoid the traditional problems of a Flexible Spending Account, such as paying cash for services (in addition to your payroll deduction) and waiting for a reimbursement check or direct deposit. When paying for an FSA eligible expense, such as an office copay, simply provide your debit card for payment instead of cash/credit/check. There is no need to complete a claim form. Simply keep a copy of your receipt in case it is needed for verification.




How do I get a card?
We'll automatically mail you two debit cards to the address listed in your account the first time you enroll. If you're already enrolled, continue using the debit card you have.



Additional cards
You can request additional debit cards for your spouse or dependents from your online account. Log in, under Accounts select Banking/Cards.



Expiring debit card
We will automatically mail you a new debit card 30 or more days prior.



Lost or stolen cards
If your debit card is lost or stolen, you can report it in your online account or mobile app and request a new card.

Flexible Spending Accounts (FSA) - continued

How the Accounts Work

Managing an FSA is simple. Each year you estimate your annual health care and/or dependent daycare expenses and contribute this sum on a pre-tax basis into the appropriate FSA. Deductions are taken from your bi-weekly paycheck.

Paying for services

You will receive an FSA debit card from WEX when you first enroll, allowing for easy and convenient payment at participating providers or merchants. Although you do not need to file for reimbursement when using your debit card, you may be required to submit documentation, so be sure to save your receipts. Use your debit card to pay the provider directly. If the provider does not accept a debit card, pay for expenses out of pocket, and submit a claim form and receipts for reimbursement to WEX.

Important differences to remember:

- You can file claims for amounts totaling up to your entire annual health care contribution from your Health Care and Limited Purpose FSA at any time during the year.
- To receive reimbursement from your Dependent Care FSA, you must have accumulated sufficient contributions to cover your claim at the time your request is made.

The qualified expenses that can be reimbursed by an FSA on a tax-free basis are limited to expenses for health care as defined under the Section 213(d) of the Internal Revenue Code, go to [irs.gov/Pub502](https://www.irs.gov/pub502) for the latest information. The federal tax code defines healthcare expenses as amounts paid for the diagnosis, cure, mitigation or treatment of a disease, and for treatments affecting any part or function of the body. The expenses must be primarily to alleviate a physical or mental defect or illness.

Use It or Lose It Rule - Estimate carefully with an FSA

Per IRS regulations, FSAs are use-it-or-lose-it accounts, which means you will forfeit any amount left in the account at the end of the run-out period. You have until December 31, 2024 to incur eligible expenses and until March 31, 2025 to submit requests for reimbursement for all three FSAs.

Advantages of FSAs

You lower your taxable income. Your FSA contributions are deducted from your paycheck on a pre-tax (tax-free) basis—before federal, state, and Social Security (FICA) taxes are taken out. For example, if you earn \$3,000 a month and contribute \$200 to your Health Care FSA, you pay taxes on \$2,800 a month. The tax savings are reflected in your paycheck each month, all year.

2024 Plan Reminders

- Final Service Date 12/31/2024 for Medical, Limited, and Dependent Care FSA.
- Final day to submit reimbursement for Medical, Limited, and Dependent Care FSA is 3/31/2025.

Health Savings Account (HSA)

If you enroll in the High Deductible Health Plan (HDHP), you can also open an HSA to help pay for current and future eligible health care expenses. A Health Savings Account (HSA) is similar to an FSA but with some important differences.

An HSA is a tax-exempt savings vehicle used to accumulate money for eligible health care expenses. Your HSA may be used to pay for health care expenses as they occur, or the funds may remain in your account until you need them later in life. This plan is managed through CIGNA and HSA Bank. Contribution to an HSA is optional.

Contribution Limits

- Single coverage: **\$4,150**
- Family coverage: **\$8,300**
- As an added benefit, Virgin Voyages will contribute **\$750** for individual crew members and **\$1,550** for crew members with one or more dependent to the HSA. The contribution made by Virgin Voyages and crew member cannot exceed the IRS maximum contribution limits.
- Individuals ages 55 and older can put an extra **\$1,000** in "catch-up" contributions annually.

HSA Key Features

- The money you contribute may be used to pay for qualified medical, dental, and vision expenses.
- A list of these expenses is available on the IRS website at [irs.gov/Pub502](https://www.irs.gov/pub502). Any funds you withdraw from non-qualified medical expenses will be taxed at your income tax rate plus 20% tax penalty.
- Funds you withdraw from your HSA are tax-free when used to pay for qualified medical expenses as described in Internal Revenue Tax Code.
- You cannot be covered under a non-HDHP plan (such as a spouse's HMO or POS plan).
- You cannot be enrolled in Medicare.
- Neither you nor your spouse, if you are married, can be enrolled in a Healthcare FSA.
- You cannot be claimed as a dependent on someone else's tax return
- HSA contributions must be in your account before you can use them to pay for eligible medical expenses or receive reimbursement
- If you are enrolled in the Healthcare FSA for the 2023 plan year, you must spend every penny of your Healthcare FSA funds by 12/31/2023 to be eligible to participate in the HSA for the 2024 plan year. Please note that you aren't allowed to roll your Healthcare FSA funds into an HSA.



It is the individual's responsibility to monitor their contribution levels from year to year to ensure that the IRS maximum is not exceeded. Your HSA Contribution amount can be changed at any time during the year.

Health Savings Account FAQs

Savings – You can save the money in your HSA for future medical expenses. Unused money in your account will roll over to the next year. Your account will earn interest and grown over time. Once your account reaches \$1,000, you may invest your HSA through an investment account.

Control – You make the decisions regarding:

- How much money you will put in the account
- When to make contributions to the account
- Whether to save the account for future expenses or pay current medical expenses
- Which expenses to pay for from the account
- How to invest the money in the account

Portability – Accounts are completely portable, meaning you can keep your HSA even if you:

- Change jobs
- Change your medical coverage
- Become unemployed
- Move to another state

Ownership – Funds remain in the account from year to year, just like an IRA. There are no “use it or lose it” rules for HSAs, making it a great way to save money for future medical expenses.

Tax Savings – An HSA provides you with triple tax savings:

- Tax deductions when you contribute to your account
- Tax-free earnings through investment
- Tax-free withdrawals for qualified medical expenses

What happens to my HSA when I die?

- If you are married, your spouse becomes the owner of the account and can use it as if it were his or her own HSA.
- If you are not married, the account will no longer be treated as an HSA upon your death. The account will pass to your beneficiary or become part of your estate (and be subject to any applicable taxes).



How to open a Health Savings Account (HSA)

Virgin Voyages offers an HSA through CIGNA and HSA Bank (the qualified financial institution used to house your HSA account). HSA Bank maintains your HSA dollars (contributions, debit card transactions, bill pay and investments).

During your enrollment, you will elect the HSA plan using your online benefit enrollment system [RED](#).

Getting Started:

- Go to the [CIGNA website](#) and click "Register". Select "Health Savings Account Overview" under the spending accounts menu, then "Manage Your HSA", to link to the HSA Bank Customer Website.
- Once registered you will be able to check your balance, view online statements, manage healthcare expenses and more.
- Set up Account Alerts . Confirm your preferences for communications and alerts.
- Enroll in Direct Deposit. Don't wait for reimbursement or waste time depositing checks.
- Download the Mobile App – [App Store \(iPhone\)](#) or [Google Play \(Android\)](#). Manage your account on the go and access tools to help you save money.
- Once you are registered, using the portal and mobile app you can:
 - Locate a health care provider
 - Find cost-of-care estimates and physician quality information before you receive treatment
 - Check account balance information
 - Submit reimbursement requests
 - View your claims, transaction history and much more

Below are some additional resources:

- A listing of HSA Eligible Expenses can be accessed through the on the IRS website at [irs.gov/Pub502](https://www.irs.gov/pub502).
- Go to the [CIGNA website](#) to see a full list of eligible expenses.
- Find more information on Virgin Voyage's [benefits portal](#).



How to transfer an HSA Account with CIGNA/HSA Bank

How to Transfer your Individual Account

- Download the CIGNA/HSA Bank [Direct Transfer Request Form](#).
- Complete the form entirely (Part 1 through Part 4) to authorize HSA Bank to receive a transfer of assets directly from a Health Savings Account in your HSA at HSA Bank:
 - Part 1 – Account Holder Information
 - Part 2 – Request Type. Include the full account numbers of the HSA you are transferring from.
 - Part 3 – Transfer Instructions. Select to transfer entire account balance or partial transfer. Includes rules and conditions applicable to transfers and instructions for the custodian.
 - Part 4 – Signatures. Since HSA's are individually held accounts, only you (the account owner) can request your account be closed and the balance be transferred. Sign and date the form.
- Mail completed form to the Trustee or Custodian who is currently holding your assets and will be transferring funds to your HSA at HSA Bank.
- **Notes:**
 - Your account at HSA Bank must be open prior to completing the direct transfer request form.
 - The transferred amount will appear in your CIGNA/HSA Bank account within 20-30 days from the time the form is received.
 - Some custodians may require you to submit their forms in addition to CIGNA's/HSA Bank form. Please check with your previous custodian to ensure the necessary documentation is completed.
 - CIGNA is available to help you with your transfer at (866) 494-2111.



Comparison of HSAs and Healthcare FSAs



This chart provides a quick and easy comparison of the different types of tax-advantaged health care accounts.

	Health Savings Account (HSA)	Healthcare & Limited Purpose Flexible Spending Account (FSA)
Who administers account?	CIGNA/HSA Bank	WEX
Who owns the account?	Crew Member	Virgin Voyages
Eligible individual	Individuals and families covered by a qualified high deductible health plan (HDHP) and no other health plan that covers the same benefits. Individuals are not eligible if they can be claimed as a dependent on another person's tax return.	Healthcare: All eligible crew members that are not enrolled in the HSA for 2024. Limited Purpose: All eligible crew members that are enrolled in the HSA for 2024.
Maximum annual contribution limit <i>(The contribution made by Virgin Voyages and crew member cannot exceed the IRS maximum contribution limits for the HSA).</i>	<ul style="list-style-type: none">• Single coverage: \$4,150• Family coverage: \$8,300• Virgin Voyages will contribute \$750 for individual / \$1,550 for 1 or more dependent to your HSA.• Catch-Up: Individuals ages 55 and older can also make an additional \$1,000 "catch-up" contribution annually.	The maximum amount you can contribute to your healthcare FSA is \$3,200
When are the funds available for my use?	You can be reimbursed only up to the amount in your account at the time you request reimbursement.	Full elected amount is available for use on the day your benefits are effective. Even before contributions occur via payroll deduction.
Can unused funds be rolled over from year to year?	Yes	<ul style="list-style-type: none">• No funds cannot be rolled over• Final date to use for Medical and Limited Purpose FSA is 12/31/2024• Final day to submit reimbursement for Medical, Limited, and Dependent Care FSA is 3/31/2025.
Can funds be used for non-health care expenses?	Yes, however, non-health care distributions must be included in gross income and are subject to 20% penalty tax. An exception to the 20% penalty applies to distributions for non-qualified expenses for those individuals who are disabled or over the age of 65. Over age 65 taxes still apply.	No, the IRS requires that you use your Healthcare FSA to only pay for eligible medical, dental, and vision care expenses as outlined in the Internal Revenue Code 213(d).

Comparison of HSAs and Healthcare FSAs



	Health Savings Account (HSA)	Healthcare Flexible Spending Account (FSA)
Must health care expenses be incurred during the plan year the contribution is made?	No, expenses are eligible for reimbursement after claim has been incurred anytime after HSA account is established.	Yes, expenses must be incurred within the plan year.
Federal tax treatment of crew member contributions	Tax-deductible for individual, even if he or she does not itemize, provided contributions do not exceed the individual's annual contribution limit. If a crew member contributes to his or her HSA through salary reduction, the contributions are tax-free and are not subject to FICA and other employment taxes.	If a crew member contributes to an FSA through salary reductions under a cafeteria plan, the contributions are tax-free and are not subject to FICA and other employment taxes.
Is third party substantiation of expenses required?	No, if audited by the IRS, the crew member shows that the HSA funds were used only for qualified health expenses.	If debit card is used it's not always required. However, you will be asked for substantiation at various times if expenses are questioned. If reimbursement is requested through claim forms, each time reimbursement is requested proof of expense is required along with proof of which individual the expense was incurred for.
Is the account portable between employers?	Crew member owns account and can continue to use the account until funds are spent. Banking fees apply.	No, FSAs cannot be rolled over to a new employer.
Is re-enrollment required each year?	No, however you must elect HSA contributions each year.	Yes
Mid-year enrollment changes allowed?	Yes	No, unless qualified family status change
