WageWorks
Tax-Advantaged Spending Accounts
Annual Plan Review

City of Los Angeles
2.7.19
About WageWorks

- We have managed the City’s Health and Dependent Care Flexible Spending Accounts (FSA) and Commuter Benefits since 2008.
- We serve more than 100,000 clients including the Cities of Chicago, Philadelphia, New York, and San Francisco as well as Los Angeles County.
- 68% of Fortune 100 companies depend on WageWorks to administer their tax-advantaged benefit programs.
Healthcare FSA Eligible Expenses

Use Your FSA to pay for:

- Prescriptions for almost any medical condition
- Prescribed over-the-counter medicines, e.g. aspirin, cough syrup
- Co-payments, co-insurance, and deductibles
- Dental care, both preventive and restorative
- Orthodontia, child and adult
- Vision care, eyeglasses, contact lenses, solutions
- Eye surgery, including laser vision correction
- Counseling and therapy
- Psychology and psychiatry
- Chiropractic care and acupuncture

See www.wageworks.com/myfsa for more
2013-18 Health Care FSA Highlights

- 44% Participation Growth
- $1.6M in Cumulative Employer FICA Savings
- $6.2M in Cumulative Employee Tax Savings*
- $450 in Annual Tax Savings per Participant*
- Average Election per Participant increased 4.7% between 2013 and 2018, from $1,432 to $1,499

Number of HCFSA Participants in 2013 to 2018

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1,936</td>
</tr>
<tr>
<td>2014</td>
<td>2,016</td>
</tr>
<tr>
<td>2015</td>
<td>2,275</td>
</tr>
<tr>
<td>2016</td>
<td>2,398</td>
</tr>
<tr>
<td>2017</td>
<td>2,572</td>
</tr>
<tr>
<td>2018</td>
<td>2,784</td>
</tr>
</tbody>
</table>

*Estimated 30% Tax Savings calculated against total Annual Election Amount for each plan year. Average Per Participant estimate calculated based on dividing 2018 Tax Savings figure by the number of Participants.
## Top Five Health Care FSA Debit Card Expenses 2018

<table>
<thead>
<tr>
<th>Expense Type</th>
<th>Number of Transactions</th>
<th>Total Spend</th>
<th>Average Spend per Participant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dental</td>
<td>3,349</td>
<td>$902,956</td>
<td>$263.16</td>
</tr>
<tr>
<td>Vision</td>
<td>2,740</td>
<td>$538,594</td>
<td>$196.32</td>
</tr>
<tr>
<td>Physicians</td>
<td>5,821</td>
<td>$437,501</td>
<td>$58.27</td>
</tr>
<tr>
<td>Health and Medical products or equipment</td>
<td>8,137</td>
<td>$419,633</td>
<td>$45.82</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>12,045</td>
<td>$358,739</td>
<td>$29.78</td>
</tr>
</tbody>
</table>

Average Spend per Participant calculated by dividing the total 2018 Debit Card Spend by the number of unique Participants who made 2018 Debit Card transactions.
### Health Care Debit Card Spend 2014-2018

<table>
<thead>
<tr>
<th>Year</th>
<th>Dental</th>
<th>Physicains</th>
<th>Vision</th>
<th>Health and Medical products or equipment</th>
<th>Pharmacy</th>
<th>Hospital</th>
<th>Wholesale/Specialty Stores/Supermarket</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$663,353</td>
<td>$328,759</td>
<td>$299,877</td>
<td>$236,042</td>
<td>$225,818</td>
<td>$86,715</td>
<td>$37,792</td>
</tr>
<tr>
<td>2015</td>
<td>$769,302</td>
<td>$341,019</td>
<td>$95,090</td>
<td>$349,609</td>
<td>$252,410</td>
<td>$342,696</td>
<td>$95,232</td>
</tr>
<tr>
<td>2016</td>
<td>$831,556</td>
<td>$366,240</td>
<td>$113,355</td>
<td>$415,130</td>
<td>$283,994</td>
<td>$380,886</td>
<td>$100,288</td>
</tr>
<tr>
<td>2017</td>
<td>$825,077</td>
<td>$387,993</td>
<td>$107,165</td>
<td>$452,911</td>
<td>$320,944</td>
<td>$397,983</td>
<td>$82,497</td>
</tr>
<tr>
<td>2018</td>
<td>$902,956</td>
<td>$538,594</td>
<td>$419,633</td>
<td>$358,739</td>
<td>$437,502</td>
<td>$137,582</td>
<td>$52,941</td>
</tr>
</tbody>
</table>

*"Wholesale/Specialty Stores/Supermarket" lumps together membership and wholesale vendors such as Costco, supermarkets such as Vons, and specialty stores such as Walmart and Target.*
Dependent Care FSA Eligible Expenses

Use your Dependent Care FSA to pay for:
• Before/after school care
• Au pair services
• Extended day programs
• Preschool/nursery school
• Summer day camp
• Elder day care

Ineligible expenses include:
• Overnight camps
• Kindergarten or higher-grade tuition
• Non-work-related day care
• Long-term elder care services

See www.wageworks.com/mydcfsa for more information on eligible expenses.
2013-18 Dependent Care FSA Highlights

- **28% Participation Growth**
- **$1.2M in Cumulative Employer FICA Savings**
- **$4.6M in Cumulative Employee Tax Savings***
- **$1,185 in Annual Tax Savings per Participant***
- **Average Election per Participant increased 3% between 2013 and 2018, from $3,841 to $3,950**

*Estimated 30% Tax Savings calculated against total Annual Election Amount for each plan year. Average Per Participant estimate calculated based on dividing 2018 Tax Savings figure by the number of Participants.*

Number of DCFSA Participants in 2013 to 2018:

- **2013**: 591 participants
- **2014**: 581 participants
- **2015**: 681 participants
- **2016**: 677 participants
- **2017**: 698 participants
- **2018**: 756 participants
Commuter Plan Highlights

**Parking**
- Park near your work
- Park near a place from which you commute to work via mass transit
- Park in Employer-Owned Parking

**Transit**
- Buses
- Trains
- Subways
- Ferries
- Streetcars
- Vanpool
- Select Ride Sharing
Commuter Plan Highlights

- **88% Participation Growth**
- **$419k in Cumulative Employer FICA Savings**
- **$1.6M in Cumulative Employee Tax Savings**
- **$445 in Annual Tax Savings per Participant**
- **Average Pre-tax Contribution per Participant increased 3% between 2013 and 2018, from $1,482 to $1,675**

*Estimated 30% Tax Savings calculated against total Annual Pre-tax Contribution Amount for each plan year. Average Per Participant estimate calculated based on dividing 2018 Tax Savings figure by the number of Participants.*
Use WageWorks EZ Receipts® or online at WageWorks.com

- File a claim and get reimbursed quickly
- View transactions and benefit account balances using a single login
- Snap a photo of receipts and submit them for payment
- Receive confirmation emails when claims are received, processed, or paid
- Receive text messages when card verification is required, a transaction is denied, or a claim has been processed
- 97% of the claims filed in 2018 were filed electronically using our online tools.
Thank you.