

Core Documents Announces Their Affordable Health FSA Plan Document Package, Offering Employer and Employee Tax Savings

Health FSAs allow employees to pay for qualified medical, dental, and vision expenses with pre-tax dollars, resulting in substantial tax-savings.

BRADENTON, FL, UNITED STATES, August 6, 2025 /EINPresswire.com/ -- [Core Documents](#), the nation's leading provider of cost-effective, tax-saving benefit plan documents, is proud to offer its \$149 Section 125 [Health Flexible Spending Arrangement \(FSA\) Plan Document Package](#) to employers

across the United States. This comprehensive package enables businesses to establish a Health FSA, allowing employees to pay for qualified medical, dental, and vision expenses with pre-tax dollars, resulting in substantial tax savings for both employers and employees. Based in

Bradenton, Florida, Core Documents has been a trusted source since 1997, serving thousands of employers with expertly designed plan documents and compliance services.

Significant Tax Savings for Employers and Employees

A Health FSA under a Section 125 Cafeteria Plan allows employees to contribute up to \$3,300 in 2025 through pre-tax payroll deductions, as announced by the IRS in Revenue Procedure 2024-40. These contributions are exempt from federal income tax, Social Security tax, and

Medicare tax, reducing employees' taxable income. For example, an employee earning \$50,000 annually who contributes the full \$3,300 to a Health FSA could save approximately \$1,000 in taxes, assuming a 30% combined tax rate. Employers also benefit by saving on payroll taxes, as the pre-tax contributions reduce the taxable wages subject to FICA taxes (7.65% for Social



Core Documents' Health FSA Plan Document Package

“

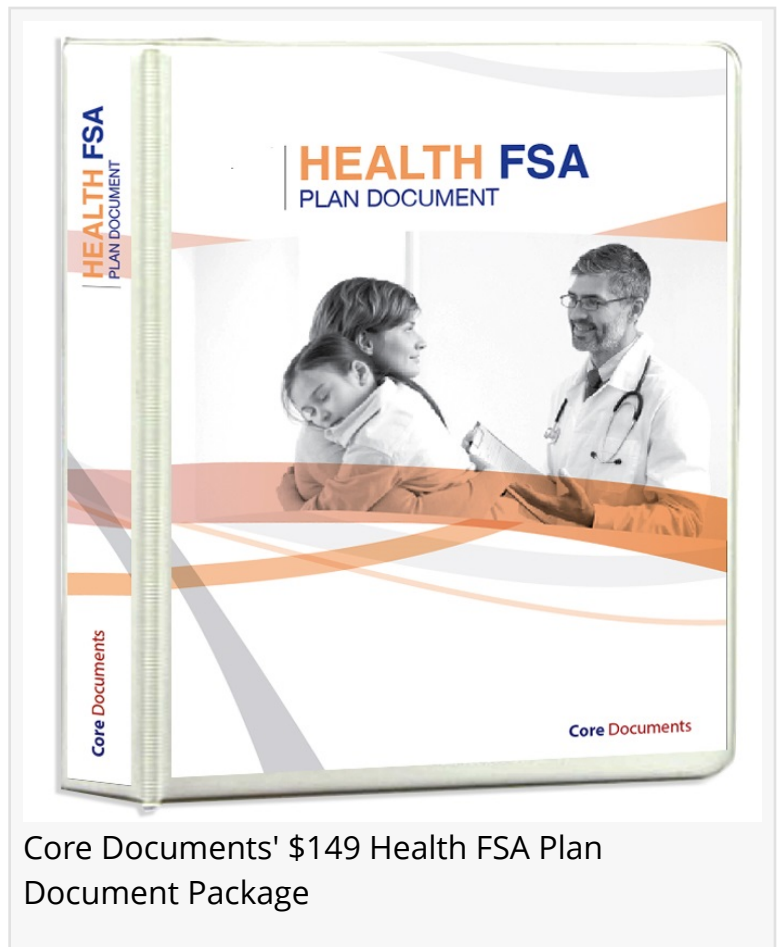
An employee earning \$50,000 annually who contributes the full \$3,300 to a Health FSA could save approximately \$1,000 in taxes, assuming a 30% combined tax rate.”

Gene C. Ennis - Core Documents

Security and Medicare). For a company with 50 employees each contributing \$3,300, this could translate to over \$12,600 in annual FICA tax savings, making the Health FSA a win-win for workforce financial wellness and employer cost management.

IRS Indexed Annual Limits for 2025

The IRS has set the 2025 Health FSA contribution limit at \$3,300 per employee, a \$100 increase from the 2024 limit of \$3,200, reflecting inflation adjustments outlined in Revenue Procedure 2024-40. This limit applies to employee salary reduction contributions, allowing employees to allocate up to \$3,300 in pre-tax dollars for eligible expenses such as co-pays, deductibles, prescription medications, dental care, vision care, and certain over-the-counter items, as detailed in IRS Publication 502. Employers may set a lower contribution limit to manage risk but cannot exceed the IRS maximum. This flexibility ensures businesses can tailor the plan to their needs while maximizing tax-advantaged benefits for employees.



Core Documents' \$149 Health FSA Plan Document Package

Employer Contribution Limits and IRS Notice 2013-54

IRS Notice 2013-54 imposes critical guidelines to ensure Health FSAs maintain their status as excepted benefits under the Affordable Care Act (ACA). [Employer contributions to a Health FSA](#), such as matching contributions or flex credits, generally should not exceed \$500 per plan year to avoid violating ACA market reform mandates. After the initial \$500 employer contribution the employer can match employee contributions dollar for dollar. Core Documents' \$149 plan package includes expertly crafted documents to ensure compliance with IRS Notice 2013-54, helping employers avoid costly missteps while offering robust benefits.

Carryover Provisions for Unused Funds

To address the traditional "use-it-or-lose-it" rule, the IRS allows Health FSAs to include two carryover provisions, permitting employers to elect either a roll over up to \$660 of unused funds into the next plan year; or a 2.5 month extension of time to spend down unused funds. These carryover options do not affect the \$3,300 contribution limit for the new plan year, meaning an employee could have access to \$3,960 (\$3,300 + \$660) in 2025 if they carry over the maximum

amount from 2024. Employers can opt for either a carryover or a 2.5-month grace period but not both, providing flexibility to meet employee needs. Core Documents' plan package includes options to incorporate this carryover feature, ensuring compliance and enhancing employee satisfaction.

Use-It-or-Lose-It Rule and Conservative Planning

Health FSAs are subject to the IRS's "use-it-or-lose-it" rule, meaning funds not spent by the end of the plan year (or grace period, if offered) are forfeited to the employer, except for the \$660 carryover or 2.5 month extension, if permitted. Employees should take a conservative approach when electing contributions to avoid overfunding and potential loss of unused funds. By carefully estimating anticipated medical, dental, and vision expenses during open enrollment, employees can maximize tax savings without risking forfeiture. Core Documents provides free plan design consulting to help employers educate their workforce on strategic contribution planning, ensuring employees make informed decisions to fully leverage their Health FSA benefits.

Why Choose Core Documents?

For only \$149, Core Documents' Health FSA Plan Document Package offers a cost-effective solution for employers to implement a tax-saving benefit that enhances employee financial wellness. The package includes ERISA-compliant documents, free plan design consulting, and ongoing support to ensure compliance with IRS regulations. Employers can start a Health FSA at any time, with options for short plan years to align with group health insurance renewals. Contact Core Documents at 888-755-3373 to speak with an IRS Section 125 Plan expert in flexible compensation. Visit www.coredocuments.com for more information and to start building tax-advantaged benefits today.

About Core Documents

Since 1997, Core Documents has been the trusted source for thousands of employers nationwide, providing expertly crafted Section 125 Cafeteria Plans, Health FSAs, and Health Reimbursement Arrangements. Based in Bradenton, Florida, Core Documents offers unparalleled plan design consulting, compliance services, and administrative support to help businesses maximize tax savings and employee benefits.

Gene Ennis

Core Documents, Inc.

+1 888-755-3373

[email us here](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/837494562>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors

try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2025 Newsmatics Inc. All Right Reserved.