



Save Money on Health Care and Dependent Care

Enroll in a Flexible Spending Account (FSA) today!

What is an FSA?

- An employee benefit that saves you money on eligible health care and daycare expenses for you and your family.
- An account where you contribute money from your paycheck BEFORE taxes, incur eligible expenses and get reimbursed.
- A great way to **LOWER YOUR TAXES** and **SAVE MONEY!**

There are two types of FSAs:

- The **Health Care FSA** is used to pay for eligible out-of-pocket medical expenses not paid by insurance.
- The **Dependent Care FSA** is used to pay for eligible child or elder care expenses including daycare, before/after-school care and summer day camp.

Use pre-tax money to save on eligible health care
and dependent care expenses:

- Medical
- Prescriptions
- Dental
- Vision
- Daycare



More FSA Facts

How will an FSA save me money?

You pay less in taxes. Here's an example:

Annual Savings*	With FSA	Without FSA
Annual pay	\$50,000	\$50,000
FSA pre-tax contribution	(\$2,000)	\$0
Taxable income	\$48,000	\$50,000
Federal income, Social Security and Medicare taxes	(\$10,966)	(\$11,616)
After-tax dollars spent on eligible expenses	\$0	(\$2,000)
Real spendable income	\$37,034	\$36,384
Savings with an FSA	\$650	

* Sample 2012 tax savings for a single taxpayer with no dependents. Actual savings will vary based on your individual tax situation. Please consult a tax professional for more information.

Should I enroll?

If any of the following apply to you or eligible family members, enrolling in an FSA can save you money:

Health care

- Have copays, deductibles or coinsurance for medical, dental or vision plans
- Purchase prescription medications
- Wear glasses or contacts, or plan on having laser eye surgery
- Receive orthodontia treatments, such as braces

Note: Over-the-counter medications (except insulin) are NOT eligible for reimbursement unless the medication is prescribed and filled at a pharmacy.

Dependent care

- You and your spouse (if married) are working, looking for work or attend school full-time
- Have children under age 13 who attend day care, before/after-school care or summer day camp
- Provide care for a person of any age whom you claim as a dependent on your federal income tax return, and who is mentally or physically incapable of caring for himself or herself

How much should I contribute to my FSA?

That's up to you. Contributions are unique to your health care and dependent care situation. Look at what you typically spend each year on out-of-pocket health care and child care.

Use the FSA contribution calculator at www.SpendingAccounts.info to estimate the amount that's right for you. Annual contributions are subject to plan limits set by your employer. *Health Care FSA participants have access to the full contribution amount at the beginning of the plan year.*

Note: Check with your human resources representative for the current FSA annual contribution limits.

What is use-it-or-lose-it?

Because FSAs have tax benefits, the IRS places guidelines on them. As a general rule, any funds left in your account at the end of the plan year cannot be rolled over to the next year or paid out to you to reimburse you for eligible expenses you incur after the end of the plan year. So plan carefully when determining how much you want to contribute.

However, the IRS does allow employers to offer one of two options to help you avoid forfeiting funds—a 2½-month extension (also called a “grace period”) or a \$500 carryover. Check with your employer to see if either of these options are available to you.

How do I enroll?

Enroll in an FSA during your employer's benefits open enrollment period. Once you have determined your annual FSA election, your employer deducts the amount from your pay in equal amounts throughout the year, before taxes.

Note: Even if you enrolled last year, you must enroll again this year.

How do I use my FSA?

When you enroll in a health care FSA, you will automatically receive a Spending Account Card.

The Spending Account Card:

- Is used to pay for eligible health care purchases directly from your FSA
- Reduces the number of reimbursement claims to file
- Gives you immediate access to health care FSA funds



Note: The card is not available for dependent care FSAs.

For dependent care FSA claims, pay for an eligible expense out of your pocket, fax, mail or submit online a reimbursement request along with a receipt for the expense to ADP. ADP then processes your request and promptly reimburses you through direct deposit or by check.

All FSA participants will also have access to a secure website to view up-to-date account information.

Where can I learn more?

Visit www.SpendingAccounts.info for more information about flexible spending accounts, including a list of eligible expenses and an interactive contribution and tax-savings calculator. To speak with an FSA specialist, call **1-800-228-5762**.