



Savings
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FLEXIBLE SPENDING ACCOUNT

FSA



What is an FSA?

An FSA (Flexible Spending Account) lets you set aside a certain amount of each paycheck **before taxes**, to pay for eligible out-of-pocket health care and/or dependent care expenses. Because the money is deducted from your wages before taxes, your taxable income is lower, reducing your federal, state, and social security taxes. This translates into **more spendable income** for you!

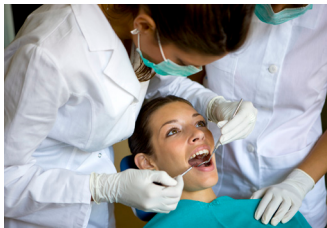


Health Care FSA

A health care flexible spending account enables an employee to be reimbursed with pre-tax dollars for eligible medical, dental, vision or hearing expenses.

Dependent Care FSA

A dependent care flexible spending account enables an employee to be reimbursed with pre-tax dollars for care of eligible dependents, so the employee can continue to work.



How the FSA Program Works

FSA participation is optional — and *you* decide how much per pay period you want to contribute to your account.

(IRS regulations dictate the maximum amount that can be contributed.) This amount is then payroll deducted from your gross (pre-tax) wages and deposited directly into your FSA account. Access to your account is via an FSA debit card. Account balances are available 24 hours a day at www.qualchoice.com.

Use It or Lose It

FSA participants should carefully budget for expenses. Unused money in an account at the end of the year cannot be reimbursed to the employee unless that particular employ-

FSA Savings Example	With an FSA	Without an FSA
Annual Salary Before Taxes	\$30,000	\$30,000
FSA Contribution	-1,500	0
Taxable Income	28,500	30,000
Less Taxes		
– Federal Income Tax* (estimate 15%)		
– FICA 7.65%	-6,455	-6,797
Less Health Care Expenses	0	-1,500
Take-Home Pay	22,045	21,705
TAX SAVINGS	\$340	\$0

*If your federal income tax rate is higher than 15% or if you pay state or local income taxes, you can save even more!

er's plan allows for a grace period, which may allow use of the funds for up to two-and-a-half months after the plan year expires. Availability and length of grace period are at the employer's discretion. IRS regulations prevent participants from changing their contribution amount or dropping out during the plan year unless they experience a change in family status.

Example of Eligible FSA Expenses

- Deductibles, co-pays, and other eligible expenses not covered by insurance
- Prescription drugs and medical supplies
- Diabetic supplies
- Dental services, orthodontics, and dentures
- Eyeglasses, contacts, solutions, and eye surgery
- Hearing aids
- Chiropractic services
- Psychiatric care and psychologist's fees
- Dependent (adult and child) day care services
- Adoption expenses
- Over-the-counter medications such as allergy medications, aspirin, or antacids if prescribed by a doctor

All expenses must have a date of service that is within the benefit plan year. For a current list of eligible and ineligible expenses go to www.qualchoice.com or www.irs.gov.

Check with your HR department about enrolling in a flexible spending account and start saving today!

