Flexible Spending Account (FSA)

What is a Flex Plan?

- Set aside a portion of your pre-tax income into a Flex Spending Account or a Dependent Care Account.
- These accounts can be used towards medical expenses or dependent care throughout the year.
- Money is taken out pre-tax so you end up taking more money home!

Your Paycheck Without a Flex Plan		Your Paycheck With a Flex Plan	
Annual Salary	$45,000	Annual Salary	$45,000
FICA/federal/state taxes (30%)	- 13,500	Health Expenses	- 2,750
Adjusted earnings	$31,500	Daycare Expenses	- 5,000
Health Expenses	- 2,750	Adjusted earnings	$37,250
Daycare expenses	-5,000	FICA/federal/state taxes (30%)	- 11,190
Net pay without Flex Plan	**$23,750**	**Net pay with Flex Plan**	**$26,060**
		Net tax savings with a Flex Plan	**$2,310**

How does a Flex Plan Work?

- Tally up your expenses for the upcoming year for yourself, your spouse, and your children.
- Elect the amount you wish to allocate, and funds will be deducted from your payroll each pay period.
- Annual allocation is available to pay your providers directly from your flex account.
- Elections can only be changed for a qualifying life event.

Healthcare Flex Spending Account

Money set aside in this account may be used to pay for medical expenses not paid for by insurance such as deductibles, co-payments, coinsurance amounts, as well as vision and dental services. The money may not be used to pay health insurance premiums, cosmetic surgery, cosmetic items or items that improve "general health".

- Elect up to allowed IRS maximum amount
- Eyeglasses and contact lenses
- Dental expenses
- Podiatrists
- Prescription drugs
- Medical devices prescribed by a physician
- Co-payments, deductibles, and coinsurance
- Transportation expenses to visit doctor
- Nutritionists when prescribed by a physician
- Physical therapy
- Acupuncture
- Hearing aid and batteries
- Psychiatric and psychological services
- Medical or surgical procedures not covered by insurance

Limited Flex Spending Account

When an employee or spouse participates in an HSA, they are eligible to participate in a "Limited FSA" including the following services:

- Dental and Orthodontia expenses
- Vison expenses, glasses, contacts, and contact supplies
- Excludes prepayments, warranties and teeth whiting

Dependent Care

- You can be reimbursed for up to $5,000 ($2,500 for a married employee filing separate tax returns) of dependent care expenses each plan year.
- Qualified dependents include:
  - Children age 12 and under
  - Disabled spouse
  - Dependents who are physically or mentally incapable of self-care and regularly spend at least 8 hours each day in the taxpayer's household.

Employee Benefit Systems - 214 North Main Street, Burlington, IA 52601
Phone: 800-373-1327 - Fax: 888-511-3743 - Email: mybenefits@ebs-tpa.com