

# Flexible Spending Accounts (FSAs) are a tax break you can't afford to ignore!

*Want to combat increasing healthcare costs?*

*Need a simple way to save on out-of-pocket health and dependent daycare expenses?*

## Enroll in a Flex Account Today!

Flexible Spending Accounts (FSAs) are a valuable part of the benefits package provided to you by your employer. They allow you to set-aside money for eligible healthcare and day care expenses on a pre-tax basis, saving you anywhere from 25% to 45% (depending on your tax bracket)!



### Tax Savings

FSAs allow you to pay for eligible expenses with gross (pre-tax) instead of net (after-tax) income leaving a smaller amount of income subject to taxation. You pay less in income taxes and your spendable income increases. For example

	Without an FSA	With an FSA	Advantages
<b>Gross Pay:</b>	\$40,000	\$40,000	
<b>Contribution to FSA:</b>	\$0	-\$3,000	Contribution is Pre-Tax
<b>Taxable Income</b>	\$40,000	\$37,000	Less Taxable Income
<b>Estimated Taxes</b>	-\$6,333	-\$5,387	Less Paid in Taxes
<b>Income after taxes</b>	\$33,667	\$31,613	
<b>Eligible FSA expenses</b>	-\$3,000	-\$3,000	
<b>FSA Reimbursement</b>	\$0	\$3,000	Tax Free
<b>Net income after taxes and expenses</b>	\$30,667	\$31,613	<b>More money in your paycheck!</b>

Extra income by participating in an FSA: \$ 846

### Dependent Daycare FSAs

Dependent Daycare FSAs allow you to save on child (or elder) care expenses such as babysitting, daycare or in-home care while you and your spouse are working. Depending upon your income, you can save more than federal tax child credits. You can contribute \$5,000 for a married couple filing jointly or a single parent; or \$2,500 for a married person filing separately.

### Healthcare FSAs

Healthcare FSAs cover a wide variety of out-of-pocket expenses for you and your family. **Please note that OTC medicines, in general, are no longer eligible for reimbursement effective 1/1/2011 due to healthcare reform.** Please refer to the Benesyst website at [www.benesyst.net](http://www.benesyst.net) for the latest updates.

### Eligible Healthcare Expenses:

Common healthcare items and services that are eligible for reimbursement from your FSA:

- **OTC Items - In general, OTC Drugs and Medicines are no longer FSA eligible due to healthcare reform. Please see the Benesyst website for more details.**
- Prescription Eyeglasses
- Orthodontia (braces)
- Prescription Drugs
- Contact Lenses
- Office Copays
- Insurance Deductibles
- Non-cosmetic dental procedures not completely covered by insurance
- Laser eye surgery
- Chiropractic services not completely covered by your insurance
- Visine and contact lens solutions
- Acupuncture
- Eye exams
- Medical doctor's fees not completely covered by insurance
- Mental Health/Psychotherapy
- Hearing Aids / batteries

### Dependent Daycare Expenses

Items eligible for reimbursement from a dependent daycare FSA - (care must be provided while you and your spouse are working in order to meet IRS regulations):

- Amounts paid to a dependent daycare center for children under the age of 5 (includes, nursery schools, daycare, preschool, etc.)
- Before and after school care for children younger than 13
- In-home nanny or daycare for children younger than 13
- Summer daycare/day camp programs for children younger than 13
- Adult daycare programs