

# Advantages of a Flexible Spending Account (FSA)

## A valuable pre-tax benefit with innovative services!

**FlexSystem FSA increases your take-home pay by reducing your taxable income.** A Flexible Spending Account (FSA) allows you to save up to 30% on your eligible healthcare and/or dependent care expenses every year by using pre-tax dollars.

Consider how much you spend on healthcare and/or dependent care expenses for you and your qualified dependents in one year:

- prescription drugs/medications.
- medical/dental office visit co-pays.
- eye exams and prescription glasses/lenses.
- vaccinations.
- daycare tuition.

Why not reduce these expenses by using pre-tax dollars instead of after-tax dollars? With rising healthcare costs, **every penny counts!** By using pre-tax dollars, you are taxed on a lower gross salary, thereby saving money that would otherwise be spent on federal, state and FICA taxes, and thereby you **increase your take home pay!**

Employee salary reductions to a medical Flexible Spending Account (FSA) are limited to \$2,500 (2014) and \$2,550 (2015) per Plan Year, indexed for inflation. Check with your employer for your Plan's maximum annual election amount.

Putting money in an FSA is smart and safe! If you have medical FSA funds leftover at the end of the Plan Year and your employer has elected Carryover, you may carryover up to \$500 from year to year with no cost or penalty.

### How FlexSystem Works

FlexSystem FSA is offered through your employer and is administered by TASC. When you choose to enroll in a FlexSystem FSA Healthcare and/or Dependent Care, you choose the dollar amount you want to contribute to each account based on your estimated expenses for the upcoming Plan Year. Your contributions will be deducted in equal amounts from each paycheck, **pre-tax**, throughout the Plan Year. **The more you contribute to these accounts, the more you save by paying less in taxes!**

Your total Healthcare FSA annual contribution amount is available immediately at the start of the Plan Year; Dependent Care FSA funds are available up to the current account balance only.

### Reimbursements and the TASC Card

As you incur eligible expenses, simply swipe your TASC Card. The card automatically pays for and substantiates most eligible expenses at the point of purchase. If you do not use the TASC Card to pay for an eligible expense, simply submit a request for reimbursement via the MyTASC Mobile App, online Request for Reimbursement form in MyTASC, text message, fax, or mail.

Your reimbursement is deposited in your MyCash account. You can access your MyCash funds in three ways: (1) swipe your TASC Card at any merchant that accepts major credit cards, (2) withdraw at an ATM using your TASC Card (with PIN), or (3) transfer to a personal bank account from MyTASC.

### FlexSystem Healthcare FSA FlexSystem Dependent Care FSA

#### Pre-Tax Savings Example

	<u>Without FSA</u>	<u>With FSA</u>
Gross Monthly Pay:	\$3,500	\$3,500
<u>Pre-Tax Contributions</u>		
Medical/Dental Premiums	\$0	-\$125
Medical Expenses	\$0	-\$75
Dependent Care Expenses	\$0	-\$400
TOTAL:	\$0	-\$600
<b>Taxable Monthly Income</b>	<b>\$3,500</b>	<b>\$2,900</b>
Taxes (federal, state, FICA):	-\$968	-\$802
Out-of-pocket Expenses:	-\$600	\$0
<b>Monthly Take-home Pay:</b>	<b>\$1,932</b>	<b>\$2,098</b>

**Net Increase in Take-Home Pay = \$166/mo!**

For illustration only. Actual dollar amounts may vary.

## FSA Eligible Expenses

FlexSystem FSA funds may only be used for eligible expenses under your healthcare FSA and/or dependent care FSA. Some eligible expenses include:

- Medical care services
- Prescriptions
- Dental care services
- Certain over-the-counter medications
- Vision care expenses
- Daycare tuition

More detailed lists can be found at [www.irs.gov](http://www.irs.gov) in IRS Publications 502 & 503.

Please note insurance premiums are NOT eligible for reimbursement.

*Experts say  
savings range from  
**25% to 40%**  
with those in  
higher tax brackets  
saving more.*

*Chicago Tribune, September 2012*

## Multiple Methods for Account Management

You may use any of the following self-service options to access your FlexSystem accounts and TASC Card transactions:

- **MyTASC Online:** [www.tasconline.com](http://www.tasconline.com).
- **MyTASC Mobile App:** Free download at [www.tasconline.com/mobile](http://www.tasconline.com/mobile).
- **MyTASC Text Messaging:** Elect through your MyTASC account online.

***Online enrollment and  
account management.***

***Online tax-savings  
calculator to help  
determine how much  
to contribute.***

***Convenient pre-tax  
payroll deductions.***

***Benefits debit card for  
eligible purchases.***

***Mobile app for account  
access on the go.***

***Multiple self-service tools.***

***Fast reimbursements.***

## Important Considerations

### ***FSA Funds do not Rollover:***

It is important to be conservative in making elections because any unused funds left in your FSA at the close of the Plan Year are not refundable to you. (The only exception to this rule is for the Healthcare FSA where funds may carryover to the next Plan Year's healthcare FSA (up to \$500) when elected by your employer.) You are urged to take precautionary steps, such as tracking account balances on the FlexSystem website and/or using the Interactive Voice Response System, to avoid having funds remaining in your account at year-end.

### ***Changing Elections During the Plan Year:***

You may change your FSA elections during the Plan Year only if you experience a change of status such as:

- a marriage or divorce
- birth or adoption of a child, or
- a change in employment status

Refer to the Change of Election Form (available from your employer) for a complete list of circumstances acceptable for changing elections mid-year.

***Sign up for FlexSystem and keep more money in your pocket!***

