

# Advantages of a Flexible Spending Account

## Increase 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 for healthcare and dependent care in one year, including:

- prescription drugs
- medical/dental office visits
- eye exams/glasses
- over-the-counter medications
- 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 you **increase your take home pay!**

## How it Works

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



As you incur eligible expenses, you simply submit a request for reimbursement to TASC to receive reimbursement from your FSA, up to the amount of your annual contribution. For additional convenience, your employer has provided you with a TASC Card to purchase eligible medical and dependent care expenses with your FSA funds at the point of purchase, which eliminates the need for reimbursement.

*33 million Americans  
save money every year  
by participating in a FSA*

2009 Nielson Consumer Research

## Pre-Tax Savings Example

	<i>Without FSA</i>	<i>With FSA</i>
Gross Monthly Pay:	\$3,500	\$3,500
<u>Pre-Tax Contributions</u>		
Medical/Dental Premiums	\$0	-\$300
Medical Expenses	\$0	-\$100
Dependent Care Expenses	\$0	-\$400
TOTAL:	\$0	-\$800
<b>Taxable Monthly Income</b>	<b>\$3,500</b>	<b>\$2,700</b>
Taxes (federal, state, FICA):	-\$968	-\$747
Out-of-pocket Expenses:	-\$800	\$0
<b>Monthly Take-home Pay:</b>	<b>\$1,732</b>	<b>\$1,953</b>

**Net Increase in Take-Home Pay = \$221/mo!**

For illustration purposes only. Actual dollar amounts may vary.

## How to Determine Your FSA Contributions

- ✓ Understand the IRS contribution limits for your Plan during the Plan year (available at the online enrollment site).
- ✓ Review the eligible and ineligible expense lists for Healthcare FSA and Dependent Care FSA.
- ✓ Determine which eligible expenses you expect to incur during the Plan year and how much you will spend.
- ✓ The total amount you project to be spent on eligible healthcare and/or dependent care expenses during the Plan year is the amount you should contribute to your FSA.

## 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. 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.

Using the Grace Period, or purchasing eligible over-the-counter items are ways to utilize leftover FSA funds.

### ***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.

*Save up to 30% on healthcare expenses!*  
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- *Easy online enrollment*
- *Convenient payroll deductions*
- *Immediate access to funds*
- *TASC Card option*
- *Multiple reimbursement methods*
- *Direct Deposit*
- *24/7 Account access (web and phone)*
- *Toll-free customer service*

## For More Information

Learn more about Flexible Spending Accounts and obtain additional resources online at:

[www.tasconline.com](http://www.tasconline.com)



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