

Flexible Spending Account (FSA)



Would You Like to Boost Your Income?

Do You Have Any of These Expenses?

You should think about enrolling in a flexible spending account if you:

- Pay deductibles, coinsurance or copays (including prescriptions) as part of your health plan.
- Buy prescription eyeglasses, contact lenses or saline solution.
- Expect dental and orthodontia expenses in the coming year.
- Pay a housekeeper or day care center to take care of your children or elderly parents.

We want you to knowSM



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How a Flexible Spending Account Boosts Your Income

The “income boost” is simply the amount you save each year in taxes because of your flexible spending account. You decide how much to set aside each month in your health care and/or dependent care spending account(s), based on your best estimate of how much your expenses will be, and subject to legal limits. You pay no federal income tax, no Social Security tax or (in most states) no state tax on the amount you set aside in a flexible spending account. These tax savings are then reflected as an increase in your income. However, it’s important to estimate your expenses as accurately as possible because you will forfeit any funds left over at the end of the year.

The Typical Employee Saves 35 Percent on Eligible Expenses

Flexible spending accounts are like getting a discount on certain health and dependent care expenses — not because the expenses are less but because you are paying them with money that has not been subject to tax. Depending on your tax bracket and where you live, that can mean savings of 20 percent to 50 percent that will show up in your disposable income.

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