

Smart, simple savings



What is a Flexible Spending Account (FSA)?

PayFlex administers two Flexible Spending Accounts, a Health Care and a Dependent Care FSA. Both let you pay for eligible expenses with pre-tax dollars. You contribute to an FSA with pre-tax money from your paycheck. This means you don't pay federal income or Social Security taxes on this money. This, in turn, lowers your taxable income. Consider an FSA...it's a smart way to pay!

Health Care FSA

A Health Care FSA helps you pay for eligible out-of-pocket health care expenses. Out-of-pocket expenses are those that your insurance does not cover. Generally, eligible health care expenses include, but are not limited to:

- Copays, coinsurance and deductibles
- Dental care (excluding cosmetic treatment)
- Diabetic supplies
- Eyeglasses and contact lenses (including contact lens supplies)
- Hearing aids
- Laser eye surgery
- Over-the-counter (OTC) items, such as bandages and denture adhesives*
- Orthodontia
- Physical therapy and chiropractic care
- Prescriptions

* Though many OTC items are eligible, you will need a written prescription to be reimbursed for OTC medicines and drugs.

Note: Make sure to review your employer's plan document for eligible expenses allowed under your plan.

Dependent Care FSA

A Dependent Care FSA helps you pay for child or adult day care costs. These are so that you and, if married, your spouse can work, look for work or attend school full-time. The cost of care must be for your child under age 13 or for a spouse or dependent who is not able to take care of him or herself and you are able to claim as a dependent on your federal tax return. This FSA helps you to pay for expenses such as:

- Before and after school programs
- Day care (child and adult)
- Nursery school or preschool
- Summer day camp

FSA Contribution Limits

Beginning January 1, 2013, Health Care FSAs will have an employee contribution limit of \$2,500 per plan year. If you and your spouse each have a health care FSA, you can each contribute \$2,500*. This new limit is part of health care reform. If your plan year begins after January 1, 2013, this new limit will not go into effect until your new plan year begins.

The Dependent Care FSA limit is \$5,000*. This limit is per household. So, if you and your spouse each have a Dependent Care FSA, you are limited to \$5,000 between the two of you.

Note: Both FSAs have a use-it-or-lose-it rule. This means that if you have any funds left in your FSA at the end of the plan year you will lose them. Keep this in mind when you decide your contribution amount.

* Some employers may set lower limits for their plans. Check with your employer for how much you can contribute to an FSA.

Quick Tip: View a general listing of eligible expenses (Review with your employer's plan document for eligible expenses allowed under your plan.) Go to [HealthHub.com](#) > [Employee Account Login](#) > [Eligible Expense Items](#)

Why should I enroll in an FSA?

An FSA can help reduce your taxes and increase your take-home pay. This gives you more money for the things you really want. You'll pay less in taxes because you are not paying federal income and Social Security taxes on the money you contribute to an FSA. Having an FSA could save you up to 30% in what you pay for taxes. Enroll today to start saving!

Annual Salary	Health Care FSA Annual Contribution	Dependent Care FSA Annual Contribution	Savings**
\$30,000	\$1,500	\$0	\$310
\$50,000	\$1,750	\$4,000	\$1,188
\$70,000	\$2,000	\$4,500	\$1,343

**based on 5.65% FICA and 15% federal tax

Note: (1) this is for illustrative purposes only; (2) everyone's tax situation is different; and (3) member should consult a tax advisor

Getting started is as easy as 1, 2, 3!

1. Decide if you want an FSA. You can enroll in a Health Care FSA, a Dependent Care FSA or both.
2. Figure out your contribution amount. Look at last year's expenses. Use the planning tools on [HealthHub.com](#).
3. Once you know how much you want to contribute for the year, you can figure out how much will be deducted each pay period. Divide your annual contribution by the number of pay periods you have (e.g., 12, 24 or 26).

Quick Tip: If you're a new member, register your account online Go to [HealthHub.com](#) > [Employee Account Login](#) > [Register Now](#)

Making the most of your FSA



My HealthHub Resources: Education & Planning Tools

We have a number of tools to help you with your FSA. You can find them all online at HealthHub.com.

- **Savings calculator** - estimate your health care and dependent care expenses
- **Digital library** - helps you understand FSAs
- **Educational materials & forms** - helps you to use your FSA

Quick Tip: Enroll in direct deposit
[Login to HealthHub.com](#) > [Financial Center](#) > [Enroll in Direct Deposit](#)

Getting reimbursed is quick and simple!

- If your employer offers the PayFlex Card® you can use it to pay for eligible expenses. When you use the card, the funds come out of your FSA. The card we offer is a health care MasterCard®.
- If you pay for eligible expenses with cash, check or a personal card, you can submit a claim for reimbursement. You can do this online or fill out a paper claim form. You can fax or mail the form to PayFlex.

Note: Save all of your receipts. If you have an Explanation of Benefits (EOB) from your insurance plan, make sure you save those too. When you submit a claim for reimbursement you will need this documentation. There may also be times you'll need to provide this documentation for a card transaction.

Two ways to stay connected with HealthHub® eNotify

If you enroll in eNotify, you'll receive e-mails or web alerts for updates on your account. Log in to HealthHub.com. At the top of the page, click on [My Settings](#). Click on [Notifications / Email Address](#) to set your alerts.

PayFlex Mobile™

If offered by your employer, the PayFlex Mobile™ application makes it easy to get to your account information when you're on the go. You can check your balance, view claims and see a general list of eligible expenses. You can even submit a claim by taking a picture of your documentation! PayFlex Mobile is a FREE app available for iPhone®, Blackberry® and Android™ smartphones. To learn more, go to HealthHub.com. From My Dashboard, click on [PayFlex Mobile™](#).

Things to remember...

- You can enroll in an FSA during the annual enrollment period. You can also enroll when you first become eligible.
- Once you enroll in the FSA, you may only change your election if you have a change in status. A change in status includes the following:
 - Legal marital status - marriage, divorce, legal separation, annulment or death of a spouse
 - Number of tax dependents - birth, adoption or death
 - Employment status that affects eligibility
 - Dependent becoming or is no longer eligible under the plan
 - Change in day care provider - includes changing to not having one (for example, one parent stops working)

Note: Your employer's plan will state which events are allowed under the plan. If you have a status change and want to change your FSA election, make sure to contact your employer.

- You can use your Health Care FSA for to pay for eligible expenses for you, your spouse and your tax dependents.
- With a Dependent Care FSA, the expenses must be work-related. This means that you need the day care so you can work. If you're married, your spouse must also work. If just one of you is working, the other spouse must be looking for work, be a full-time student or be unable to care for him or herself.
- The expenses must be incurred during the plan year. You "incur" an expense when you receive the care or buy the health care product. It is not when you pay for the service.
- FSAs have a use-it-or-lose-it rule. This means that if you have any funds left in your FSA at the end of the plan year you will lose them.
- Your employer may offer a "grace period" for the FSA. If so, you will have another 2 ½ months to use your FSA dollars.
For example: Let's say your plan year is January 1 through December 31. With a grace period you have through March 15 of the next year to incur expenses and use the funds in the FSA.
- You must submit your claims by the end of the run out period. Your employer sets the run out period. It is generally 90 or 120 days after the end of your plan year. Please refer to your employer's plan document for specific plan information.

Questions?

Contact Customer Service at 800.284.4885, Monday - Friday, 7am - 7pm and Saturday, 9am - 2pm CT.

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This material is for informational purposes only. The information describes Health Care Flexible Spending Account in general terms. Features of this plan may vary based on the specific terms established by your employer. Health Care FSA plans are governed by the rules of Section 125 of the Internal Revenue Code and will be administered in accordance with those rules. Estimate fund amounts carefully. Unused funds will be forfeited either after the last day of the run out period or two months and 15 days into the following plan year, depending on your plan design. Eligible expenses may vary from employer to employer. In case of a conflict between your plan documents and the information in this material, the plan documents will govern. Please refer to your employer's Summary Plan Description for more information about your covered benefits. Health benefits and health insurance plans contain exclusions and limitations. Information is believed to be accurate as of production date; however, it is subject to change. For more information about PayFlex, refer to HealthHub.com.