



## Healthcare Flexible Spending Account (FSA)

**SAVE MONEY WHILE KEEPING YOU AND YOUR FAMILY HEALTHY**

### Why enroll in a Healthcare Flexible Spending Account?

- Save an average of **30%** on a wide variety of eligible healthcare expenses by paying for them on a **pre-tax basis**
- No waiting—access the full amount of your annual election on the first day of your plan year
- Save time—choose from several convenient, hassle-free payment and reimbursement options.



### How Does the FSA Work?

You chose to enroll in the FSA through your employer, which is administered by HRCTS. Complete the election form indicating how much you would like to withhold from your payroll on a pre-tax basis. HRCTS sends you a VISA debit card preloaded with your full election amount to pay for qualified medical, dental, and vision expenses during the FSA Plan Year. You save money by putting the funds away pre-tax, and you have the entire election available to you on day one to help cover out-of-pocket healthcare expenses for you, your spouse, and eligible tax dependents.

### Examples of Eligible Expenses

- **Medical** – deductibles, co-pays, co-insurance, diagnostic tests, lab work, chiropractic care
- **Dental** – orthodontia, x-rays, fillings, sealants, crowns, root canals, and dentures
- **Vision** - contacts, glasses, Lasik eye surgery, prescription sunglasses and contact lens solution.
- **Prescriptions** - all prescriptions are covered. This includes over-the-counter medications with a prescription.
- **Over-the-Counter** - first aid supplies, hearing aids, orthopedic inserts, thermometers, and sunscreen

*\* Treatments for cosmetic reasons are not covered.*

*\* Some services/purchases need to have a letter of medical necessity or prescription to be eligible.*

*\* You can access an updated list of eligible expenses at: <http://expenses.hrcts.com>*

*\* Please note this list of eligible expenses is subject to change according to the IRS Regulations.*

### How Do I know How Much to Elect?

You may elect up to the employer's designated maximum, not to exceed the IRS maximum. However, we have provided you with an expense worksheet to help you calculate how much you should put away pre-tax per year. You then take the total amount you wish to elect for the year, and divide it by the number of payrolls your company has in a year, and this determines your payroll deduction.

This money comes out before you pay Federal Tax, FICA Tax, and State Tax.

When you add up your tax savings with your money in this account, you have effectively increased your take home pay.





## Healthcare Flexible Spending Account (FSA)

### How Do I Access My Funds?

There are two ways for you to access the funds in your Flexible Spending Account!

- VISA Debit Card** – HRCTS will provide you with a smart debit card, which you can use to pay for eligible expenses such as prescriptions, co-pays, Band-Aids, and so much more. When you are at a provider or a merchant with an IIAS (Inventory Information Approval System), you simply swipe your card and it will deduct the eligible expenses from your account. Always keep a receipt of payment to verify the expense.
- Submit a manual claim** – You can also submit a claim online, via fax, mail, or mobile app, as long as you attach an itemized receipt showing the eligible expense. Receipts are required in order to process claims, and must have service date/purchase date, description of service/item purchased, name of provider/merchant, and the expense amount.



*Please refer to your plan documents regarding how funds are handled at the end of the plan year. You have 90 days after the plan year ends to submit for expenses which were incurred in the plan year.*

### CALCULATE HOW TO SAVE BELOW!

*You can use this worksheet to estimate how much you will need to put into your FSA. Please be conservative and don't forget that this account covers you, your spouse, and eligible dependents.*

Health Care Expenses	You	Your Spouse	Other Dependent(s)
<b>Deductibles</b>			
Medical	\$ _____	\$ _____	\$ _____
Dental	\$ _____	\$ _____	\$ _____
Vision	\$ _____	\$ _____	\$ _____
<b>Co Pays</b>			
Medical	\$ _____	\$ _____	\$ _____
Dental	\$ _____	\$ _____	\$ _____
<b>Dental Care</b>	\$ _____	\$ _____	\$ _____
<b>Prescriptions</b>	\$ _____	\$ _____	\$ _____
<b>Vision Care</b>			
Eye Exams	\$ _____	\$ _____	\$ _____
Glasses	\$ _____	\$ _____	\$ _____
Contacts	\$ _____	\$ _____	\$ _____
<b>Chiropractic and/or Acupuncture</b>	\$ _____	\$ _____	\$ _____
<b>Other Eligible Expenses</b>	\$ _____	\$ _____	\$ _____
<b>Total Estimated Expenses</b>	\$ _____	\$ _____	\$ _____
<b>Total Annual Election</b>	Add above lines together. \$ _____		
<b>Total Annual Election ÷ Total # Pay Periods = Payroll Deduction</b> \$ _____ ÷ _____ = \$ _____			

Save an average of **30%** on a wide variety of eligible healthcare expenses  
 by paying for them on a **pre-tax basis!**



## Dependent Care Flexible Spending Account (DCA)

**IT'S YOUR MONEY SO WHY NOT KEEP MORE OF IT?**

Your Estimated Tax Savings			
WITHOUT Dependent Care FSA		WITH Dependent Care FSA	
Gross Annual Pay	\$60,000	Gross Annual Pay	\$60,000
Average Tax Rate (30%)	- \$18,000	Max Annual DCA Contribution <i>(PRE-TAX DEDUCTION)</i>	-\$5,000
Net Annual Pay	= \$42,000	Adjusted Gross Pay	= \$55,000
Annual Dependent Care Expense	-\$5,000	Average Tax Rate (30%)	- \$16,500
Final Take Home Pay	= \$37,000	Final Take Home Pay	\$38,500
<b>TAKE HOME THIS MUCH MORE WITH A DEPENDENT CARE FSA</b>			<b>\$1,500</b>

*All figures in this table are estimates, and based on an annual salary of \$60,000 and maximum contributions to the benefit account. Your salary, tax rate, dependent care expenses, and tax savings may be different.*

### How Does a Dependent Care Account Work?

A DCA is a pre-tax saving account which the IRS allows you to put funds into. You can then use these funds for qualified dependent care expenses, such as **preschool, summer day camp, before or after school programs, and child or adult daycare**. You may choose to enroll in the DCA through your employer, which is administered by HRCTS. Complete the election form indicating how much you would like to withhold from your payroll on a pre-tax basis. It is a smart, simple way to save money while taking care of your loved ones so you can continue to work.



**SAVE** money, while caring for the ones you **LOVE!**

### Guidelines

*\*You must follow the guidelines set below in order for your dependent care expense to be eligible for reimbursement.*

1. Dependent care expenses cover qualified dependent children 12 or younger, or a spouse/tax dependent who is mentally or physically incapable of caring for themselves.
2. Dependent care expenses incurred must allow a single parent or both married parents to be gainfully employed or attend school full time during the time the child is being taken care of.
3. Your dependent must live in your home for at least 8 hours each day.
4. Any day care center or program must meet the state and local requirements in order to be eligible.
5. A babysitter can watch the dependent inside or outside the home, as long as the sitter is at least 19 years of age, and is not your spouse or someone you claim on your tax return as a dependent.



## Dependent Care Flexible Spending Account (DCA)

### How Do I Access My Funds?

There are two ways for you to access the funds in your Dependent Care Account!

- **VISA Debit Card** – HRCTS will provide you with a smart debit card which you can present at the day care facility you use if they accept credit cards as a form of payment. Always keep a receipt of payment to verify the expense. *You can only use your card for the amount you have in your account.*
- **Submit a manual claim** – You can also submit a claim online, via fax, mail, or mobile app. You can submit your claim three ways.
  - Submit a completed claim form with your provider’s signature. (no receipt required)
  - Submit one claim form with your provider’s signature or receipt at the beginning of the year for the whole year if you have the same expense all year.
  - Submit a completed claim form with an itemized receipt including: service start and end date, description of service, provider, expense amount, tax ID #, and the dependent receiving the service.



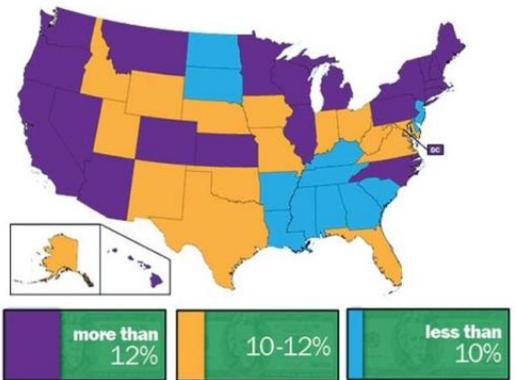
## CALCULATE HOW TO SAVE BELOW!

*You can use this worksheet to estimate how much you want to elect into your DCA.*

Weekly Dependent Care Expenses	
Preschool	\$ _____
Daycare	\$ _____
Babysitting	\$ _____
After School Program	\$ _____
Before School Program	\$ _____
Custodial/Adult Care	\$ _____
Disabled spouse/Dependent Care	\$ _____
<b>Total Estimated Weekly Expense</b>	<b>\$ _____</b>
<b>Total Weekly Election x 52 = Annual Election</b>	
\$ _____	x 52 = \$ _____
<b>Annual Election ÷ # Pay Periods = Payroll Deduction</b>	
\$ _____	÷ _____ = \$ _____

### Average Cost for an Infant in a Center

*As a % of a Married Couple’s Median Income*



**ChildCare Aware**  
or search *Source: Parents and the High Cost of Child Care 2013 Report*

The amount you put into an DCA is called an "election," and your election cannot be more than the maximum amount set by the IRS. Currently, the maximum amount is \$5,000 each plan year. There is also a \$5,000 maximum per family per calendar year. However, if you’re married and file separate tax returns, the maximum is \$2,500.