



# Flexible Spending Account (FSA) *Enrollment Kit*

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## *Contact Us Today!*

[www.myflexinfo.com](http://www.myflexinfo.com)  
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[dcinfo@flexiblebenefit.com](mailto:dcinfo@flexiblebenefit.com)



## Flexible Spending Account (FSA)

A Flexible Spending Account (FSA) allows you to select benefits that apply to your needs and set aside tax-free dollars to pay expenses not paid in full or not covered by your health insurance.



Using tax-free dollars will increase your spendable income by reducing taxable income. When you participate in this spending account, you should decide beforehand what your expected healthcare expenses would be during the coming year. As you plan your FSA expenses for the year, it is important that you make accurate, conservative estimates. The benefit is not portable; expenses must be incurred within the plan year or the participant will lose the money in the account.

### Why Choose An FSA?

On your federal income tax form, you can deduct healthcare expenses, but you must exceed 7.5 percent of your adjusted gross income to do so. With the FSA, you save taxes on all qualifying healthcare expenses immediately because those expenses are paid for with tax-free dollars. The only restriction is that you cannot use these healthcare expenses for both the FSA and for a federal tax deduction.

### How Do I Get Reimbursed?

You will be reimbursed with tax-free dollars from your account after you submit an eligible request for reimbursement. The reimbursement form is available online at [www.myflexinfo.com](http://www.myflexinfo.com). It is easy to complete and must be accompanied by a paid receipt for services or an Explanation of Benefits (EOB), which you receive from your health insurance provider. Reimbursements are issued twice a month. You will have a period of time after the plan year ends (determined by your employer) to submit claims for expenses incurred during this plan year. Each time you receive a reimbursement, your account balance will be displayed. You will always know where you stand.

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### What Expenses Can I Pay For With My Tax-Free Dollars?

You may use this account to pay for unreimbursed healthcare expenses defined by IRS Code Sect. 213(d).

- Medical plan deductibles and copayments
- Well-baby care
- Dental care expenses not covered by your dental plan
- Therapy
- Prescription medication
- Vision care
- Orthodontia
- Annual physicals
- Psychiatry (if medically necessary; excludes marriage counseling)
- Over-the-counter eligible items

Note: **Effective January 1, 2011**, over-the-counter medicine and drugs will require a prescription for reimbursement with FSAs.



### Change In Status

When your needs change, Flex125 does too! You can change your plan elections if you have a change in status, including—but not limited to—marriage, divorce, birth of a child, death of a child or spouse, adoption, or change of employment by spouse. Your change in election must reflect your change in status.



## Over-the-Counter (OTC) Eligible Items for Reimbursement

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### Examples of Eligible Items: Without a Prescription

- Band Aids & First Aid Dressings
- Contact Lens Solution
- Durable Medical Equipment
- Diabetes Testing Supplies
- Insulin



### Examples of Eligible Items: That Require a Prescription\*

- Allergy & Sinus Medicines
- Antibiotic Products
- Cough, Cold and Flu Medicines
- Pain Relief Medicines
- Acid Control Medicines



### Examples of Non-Eligible Items

- Cosmetics
- Toiletries
- Diapers
- Vitamins
- Toothpaste/toothbrush



\*Effective January 1, 2011, as part of the Healthcare Reform changes, Over-the-Counter (OTC) medicine and drugs will require a prescription in order to be considered an eligible expense for the FSA.

**NOTE: The above lists are partial lists of typical eligible and non-eligible items and do not include all eligible or non-eligible expenses. The above lists are subject to IRS rules and regulations under Code Section 213(d).**

For more information regarding OTC medication and drug changes effective January 1, 2011, please call Flex at 866-472-0882.



## Dependent Care Spending Account

A Flexible Spending Account (FSA) Dependent Care Spending Account allows you to pay for child or elder care expenses with tax-free dollars.



Using tax-free dollars will increase your spendable income by reducing taxable income. These expenses must be incurred while you are employed, and must be for the care of a Section 125 tax dependent. When you participate in this spending account, you should conservatively pre-determine what your dependent care expenses will be during the coming year.

This benefit is not portable; expenses must be incurred within the plan year or the participant will lose the money in the account.

### How Much Can You Contribute to Your Account?

If you are married and you and your spouse file taxes on an individual basis, you may contribute up to \$2,500 a year. If you are single or married and file taxes jointly, you may contribute up to \$5,000 a year.

### Why Choose The Dependent Care Spending Account (DCSA)?

In many cases, DCSAs can provide greater reimbursement than the Federal Dependent Child Tax Credit Program (DCTC) (participants should check with their accountant to verify their maximum credit). Additionally, it can reimburse custodial expenses for adult dependents who are incapable of self-care. The DCSA provides benefit throughout the year, unlike the DCTC, which provides benefit only when your taxes are filed.

### Reimbursements

You will be reimbursed from your DCSA Account by submitting a claim form along with a receipt showing the amount of the expense, type of service, dependent's name, span date of service and the Social Security number or tax ID number of the provider. The provider can also be a relative and the same documentation is required. Also, you cannot receive more than your current balance at any time. Each time you receive a reimbursement, your account balance will be displayed.

At the end of the year, you will also be required to produce the name, address, and Social Security of your dependent care provider on your income tax return.

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### What Expenses Can I Pay For With My Tax-Free Dollars?

Eligible Expenses Include:

- Preschool charges
- Before- and after-school care
- In and out of home care for children or the elderly
- Summer camp
- Preschool at a private school

### What Is the Maximum Amount You Can Be Reimbursed?

Eligible dependent care expense reimbursement is limited to your earned income if you are not married or the lesser of your earned income or that of your spouse if you are married, up to a maximum reimbursement of \$5,000.



### Change In Status

When your needs change, Flex125 does too! You can change your plan elections if you have a change in status, including—but not limited to—marriage, divorce, birth of a child, death of a child or spouse, adoption, change of employment by spouse or change in care provider. Your change in election must reflect your change in status.



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## How Much Can I Save?

The following example illustrates the savings of a typical employee who chooses Flex125.

	Without Flex125	With Flex125
<b>Gross Monthly Compensation</b>	\$1,000.00	\$1,000.00
<b>Less Pre-Taxed Expenses</b>		
FSA Expense		\$25.00
Dependent Child Care		\$200.00
Group Medical Insurance Premium		\$50.00
Group Dental Premium		\$2.00
<b>Gross Taxable Income</b>	\$1,000.00	\$723.00
<b>Less Taxes and After-Tax Expenses</b>		
Federal Income Tax at 20%	\$200.00	\$144.60
State Income Tax at 10%	\$100.00	\$72.30
Social Security Tax at 7.65%	\$76.50	\$55.31
Group Medical Insurance Premium	\$50.00	
Group Dental Premium	\$2.00	
<b>Net Paycheck</b>	\$571.50	\$490.79
<b>Plus Flex125 Plan Reimbursements</b>		
FSA Reimbursement		\$25.00
Dependent Care Spending Account Reimbursement		\$200.00
<b>Disposable Income</b>	\$571.50	\$675.79
<b>Estimated Increase in Spendable Income per Month</b>		<b>\$104.29</b>
<b>Estimated Increase in Spendable Income per Year</b>		<b>\$1,251.48</b>

These savings represent an increase of 18% in this employee's disposable income —a substantial pay increase.



# Estimated Expenses Worksheet

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Use the **FSA Worksheet** to estimate your FSA expenses.

Eligible Expenses:	Estimated Expenses
<b>Healthcare Expenses-</b>	
Deductibles	_____
Copayments	_____
Routine physical exams	_____
Well-baby care	_____
Chiropractic care	_____
Other medical expenses not reimbursed by your health plan	_____
<b>Other FSA Expenses-</b>	
Dental Expenses	_____
Orthodontia	_____
Eye exams, glasses & contacts	_____
Hearing Aids	_____
Other/OTC Drugs/Items*	_____
<b>Total Annual FSA Expenses:</b>	_____

Use the **Dependent Care Spending Account Worksheet** to estimate your dependent care expenses.

Eligible Expenses:	Estimated Expenses
Babysitter	_____
Daycare Center	_____
Nursery School	_____
After School Care	_____
Home Health Care Worker	_____
Care for Eligible Adult	_____
Summer Camp	_____
<b>Total (weekly expenses):</b>	_____
Number of Weeks Care is Needed (Multiply number of weeks by total weekly expenses on above line to compute total annual dependent care expense)	X _____
<b>Total Annual Dependent Care Expenses:</b>	_____

\*Effective January 1, 2011, as part of the Healthcare Reform changes, Over-the-Counter (OTC) medicine and drugs will require a prescription in order to be considered an eligible expense for the FSA.



# FSA Election Form

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Date: \_\_\_\_\_  
Fax- # of Pages: \_\_\_\_\_

Please follow the steps below to thoroughly and accurately complete this form.

### Step 1: Personal Information

Company Name: \_\_\_\_\_  
Effective Date of Election: \_\_\_\_\_ Date of Hire: \_\_\_\_\_  
Employee Name: \_\_\_\_\_ SSN: \_\_\_\_\_ Date of Birth: \_\_\_\_\_  
Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_ Email Address: \_\_\_\_\_

### Step 2: Enter Deductions Per Pay Period

Employee Health Insurance Premium Account	Pre-Tax Amount Per Pay Period	Pay Period Frequency (W, B, S or M*)	First Payroll Date Affected
• Health	\$ _____	_____	_____
• Dental	\$ _____	_____	_____
• Vision	\$ _____	_____	_____
• Other	\$ _____	_____	_____
<b>Flexible Spending Account (FSA)**</b> \$ _____ Annual election	\$ _____	_____	_____
<b>Limited Scope Flexible Spending Account**</b> \$ _____ Annual election	\$ _____	_____	_____
<b>Dependent Care Spending Account</b> \$ _____ Annual election	\$ _____	_____	_____

Remember, when your needs change, Flex125 does too! You can change your premium elections any time you have a qualifying event that would change the status and/or premium amount of your employee insurance (i.e. marriage, divorce, birth or death of a child, death of a spouse, adoption or change of employment by spouse).

\*Pay Period Frequency: W = Weekly; B = Biweekly; S = Semi-monthly; M = Monthly

\*\*If you have a HSA account, you are only eligible to participate in a limited scope FSA if offered by your employer

### Step 3: Acknowledgement and Signature

I acknowledge that I am authorizing the company to deduct equal amounts from my paychecks to collect the designated pre-tax column above. I recognize that these selections constitute a deliberate binding decision on my part that may not be changed until the enrollment period for the next plan year or if I experience a change in status

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

OR

I elect **NOT** to participate in any portion of the Flex125 plan. (i.e. Premium, FSA, Dependent Care, Limited Scope).

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_



## myFlexInfo.com & FSA Enrollment Video

**myFlexInfo.com** is a password-protected online resource for all your Flex account needs.



Information and status can be viewed at the plan administrator level, and individually at the employee level 24 hours a day. Whether your employer has established a FlexHRA® Health Reimbursement

Arrangement, Flex125 Flexible Spending Account (FSA), FlexMRP™ Medical Reimbursement Plan or FlexTRANSIT® Reimbursement Account, myFlexInfo.com serves as a channel of communication through which everyone can be kept informed without the necessity of making phone calls.

Through myFlexInfo.com, for example, employees can learn how their benefit plans work, check account history and current balances, download forms and much more.

### How to Register on myFlexInfo.com:

**Step 1:** Logon to [www.myflexinfo.com](http://www.myflexinfo.com) and click the “Employee Login” button.

**Step 2:** Click the register link.

**Step 3:** You will need to provide certain details, including your Access Code. Please contact your employer for this information.

**Step 4:** You will create a user name and password along with a security question/answer should you happen to forget your password. Then click “Next”

**Step 5:** Your registration is now complete and you can click “confirm” to login to your account.

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Find out more about your plan using our interactive **FSA Enrollment Video!**



### Looking for more information on your FSA?

Our FSA video—available at [www.myflexinfo.com](http://www.myflexinfo.com)—provides a comprehensive overview of the Flex125 product and the tax advantages available to you. It also provides valuable information on how to enroll in the program and where to locate the necessary forms. You will also find interactive tools that help you calculate savings potential and election amounts.

Visit [www.myflexinfo.com](http://www.myflexinfo.com) and click on FSA Video today to learn more!