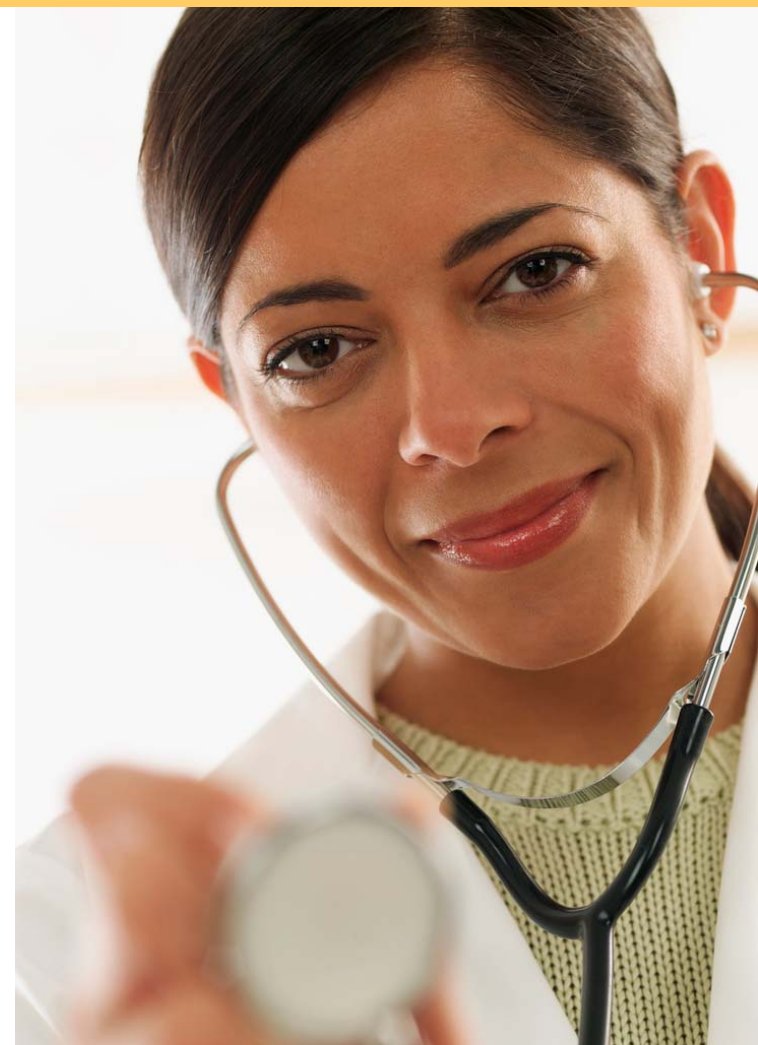


Flexible Spending Accounts

Presented by

AdminUSA
Taking care of your business.



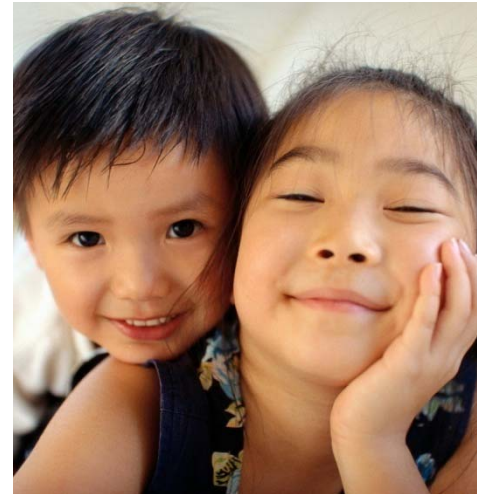
What is a Flexible Spending Account (FSA)?

It's an employee benefit plan that:

- Allows you to set aside money on a pre-tax basis to pay for **unreimbursed** health or dependent care expenses.
- Reduces your taxable income because the \$\$ comes out before taxes are calculated.
- Helps you budget and pay for predictable expenses.

Two Common Types of Accounts

- Medical Spending Account
- Dependent Care Spending Account



What Expenses Can Be Reimbursed through a Medical Spending Account?

- Deductibles
- Office Visit Copays
- Prescription Drug Copays
- Orthodontia
- Vision care, eyeglasses and contact lenses
- Laser eye surgery
- Over-the-counter medications
- Other unreimbursed health and dental expenses



How much can you contribute to your Medical Spending Account?

- That's up to you!
- Your employer will establish a “maximum” annual limit.
- You base your election amount by calculating your anticipated eligible expenses within your employer's limit.

Medical Spending Account Reimbursements

- Total annual contribution is available at any time

Your entire election amount is available to you at the beginning of the plan year. This IRS rule is called the rule of “uniform coverage.”

- Annual Cycle plus 2½ more months!

You now have the ability to apply funds to expenses 2½ months beyond the plan year. You can also include many over-the-counter, non-prescription items.

Dependent Care FSA

What expenses are reimbursable under this type of plan?

- Daycare expenses for an eligible child, spouse or parent
- Such care must allow you or your spouse to work or attend school full-time





Dependent Care FSA

How much can you contribute?

Maximum \$5,000 per year
(\$2,500 for a married
employee filing separate)



Dependent Care FSA Reimbursements

- Funds are available as your account is funded by your payroll deductions.

The IRS regulations limit reimbursement of a dependent care claim to the amount of money actually in the participant's account via payroll deductions.

- Annual Cycle plus 2½ more months!

You can use the existing plan year contribution 2½ months into the new plan year.

Your Savings!

Assumptions: Employee earning \$20,000 per year who elects to participate in both the healthcare and dependent care plans:

	Without FSA	With FSA
Annual Income	\$20,000	\$20,000
Dependent Care Allocation	- 0	- 3,000
Health Care Allocation	- 0	- 500
Taxable Income	\$20,000	\$16,500
Fed, State, FICA Taxes	- <u>3,600</u>	- <u>2,970</u>
Net Take Home Pay	\$16,400	\$13,530
Less After-tax Expenses:		
Unreimbursed Health	- 500	- 0
Dependent Care	- <u>3,000</u>	- 0
Net Spendable Income:	\$12,900	\$13,530
Estimated <u>increase</u> in annual spendable income with FSA:		\$630

To make spending your FSA dollars easier:

- No more claim forms!
- No more waiting for reimbursement checks!



Introducing:

The mbi Flex Convenience Card!



Works Like A Debit Card

- In the doctor's office, at the drug store and in many other “approved” locations.
- Use it to pay for eligible medical and dependent care expenses!
- No claim forms to file! No out-of-pocket expense!



Using your FLEX Convenience Debit Card

When paying for an approved medical, dental or prescription drug co-pay:

- Present your card to the provider.
- One swipe of the card will take care of your out-of-pocket expense.

Keep your receipts!

AdminUSA must periodically request receipts for your card transactions as a part of its normal audit process.

IRS Compliance



Special Rule for Prescriptions and Over-the-Counter Drug Purchases

- IRS – IAS Inventory Control System at Grocery Stores, Discount Stores, and Pharmacies
- Expenses substantiated at Point-Of-Sale
- Keep your Receipts

No Card? No Problem!

**“Oops! I forgot my FSA card.
What can I do?”**

**File for a reimbursement
with AdminUSA!**

How to File a Paper Claim

- Complete a claim form manually or online via our website.
- Attach the supporting documentation
- Mail or fax your paperwork to AdminUSA for processing.
- AdminUSA will issue a check & mail it to your home address or deposit to your bank account.
- Reimbursements are processed weekly.

Things to consider

- Estimate family expenses
 - What did you spend last year? This year?
 - Certain over-the-counter expenses
- Allow for planned expenses (health, dental, vision)
- Dependent Care Tax Credit vs. Dependent Care FSA. Which is best for you?
- Limited changes allowed:
 - Once enrolled, you must remain in the plan for the entire Plan Year unless you have a “change in family status.”



How to Enroll

- Use the worksheet to calculate expenses for the coming year
- Complete and submit the Enrollment Form to Human Resources by the deadline (for all employees – elect or decline)

Want information on your account?

- Check your available account balance 24 hours a day via secure Internet access at www.AdminUSA.us
- If you don't have Internet access, you can call 1-866-99FSA4U during normal business hours to ask questions about your account or request a statement.

Questions?





AdminUSA

Taking care of your business.

www.AdminUSA.us

1-866-99FSA4U (1-866-993-7248)

