

Advantages of a Flexible Spending Account (FSA)

A valuable pre-tax benefit with innovative services!

FlexSystem FSA increases your take-home pay by reducing your taxable income. A Flexible Spending Account (FSA) allows you to **save up to 30%** on your eligible healthcare and/or dependent care expenses every year by using **pre-tax dollars**.

Consider how much you spend on healthcare and/or dependent care expenses for you and your qualified dependents in one year:

- prescription drugs/medications
- medical/dental office visit co-pays
- eye exams and prescription glasses/lenses
- vaccinations
- daycare tuition

Why not reduce these expenses by using pre-tax dollars instead of after-tax dollars? With rising healthcare costs, **every penny counts!**

By using pre-tax dollars, you are taxed on a lower gross salary, thereby saving money that would otherwise be spent on federal, state and FICA taxes, and thereby you **increase your take home pay!** See example >>

How FlexSystem Works

FlexSystem FSA is offered through your employer and is administered by TASC FlexSystem. When you choose to enroll in a FlexSystem FSA Healthcare and/or Dependent Care, you choose the dollar amount you want to contribute to each account based on your estimated expenses for the upcoming Plan Year. Your contributions will be deducted in equal amounts from each paycheck, **pre-tax**, throughout the Plan Year. **The more you contribute to these accounts, the more you save by paying less in taxes!**

Reimbursements and the TASC Card

As you incur eligible expenses, simply submit a request for reimbursement to TASC in order to receive reimbursement from your FlexSystem FSA, up to the amount of your annual contribution. FlexSystem offers multiple methods for requesting a reimbursement: Online, Text Message, Mobile App, Fax, or Mail.

For additional convenience, you will be issued a **TASC Card** to directly access your FlexSystem funds when paying for eligible medical and/or dependent care expenses at the point of purchase, which eliminates the need for requesting a reimbursement. The TASC Card also offers the **MyCash Account** feature that allows you to direct deposit your reimbursements into a separate cash account and directly access with your TASC Card for any purchase. Your benefits card also becomes a VISA cash card!

FlexSystem FSA Healthcare FlexSystem FSA Dependent Care

Pre-Tax Savings Example

	<u>Without FSA</u>	<u>With FSA</u>
Gross Monthly Pay:	\$3,500	\$3,500
<u>Pre-Tax Contributions</u>		
Medical/Dental Premiums	\$0	-\$125
Medical Expenses	\$0	-\$75
Dependent Care Expenses	\$0	-\$400
TOTAL:	\$0	-\$600
Taxable Monthly Income	\$3,500	\$2,900
Taxes (federal, state, FICA):	-\$968	-\$802
<u>Out-of-pocket Expenses:</u>	<u>-\$600</u>	<u>\$0</u>
Monthly Take-home Pay:	\$1,932	\$2,098

Net Increase in Take-Home Pay = \$166/mo!

For illustration only. Actual dollar amounts may vary.

FSA Eligible Expenses

FlexSystem FSA funds may only be used for eligible expenses under your healthcare FSA and/or dependent care FSA. Some eligible expenses include:

- Medical care services
- Prescriptions
- Dental care services
- Certain over-the-counter medications
- Vision care expenses
- Certain insurance premiums

Complete lists of eligible and non-eligible expenses can be found in IRS Publication 502, which can be accessed by visiting www.irs.gov.

*33 million Americans
save up to 30% every year
by participating in an FSA*

2009 Nielson Consumer Research

Multiple Methods for Account Management

You may use any of the following self-service options to access your FlexSystem accounts and TASC Card transactions:

- **MyTASC Online:** www.tasconline.com/mytasc
- **MyTASC Mobile App:** free download at www.tasconline.com/mobile
- **MyTASC Text Messaging:** elect through your MyTASC account online

Online enrollment and account management.

Online tax-savings calculator to help determine how much to contribute.

Convenient pre-tax payroll deductions.

Benefits debit card for eligible purchases.

Mobile app for account access on the go.

Multiple self-service tools.

Fast reimbursements.

Important Considerations

FSA Funds do not Rollover:

It is important to be conservative in making elections because any unused funds left in your FSA at the close of the Plan Year are not refundable to you. You are urged to take precautionary steps, such as tracking account balances on the FlexSystem website and/or using the Interactive Voice Response System, to avoid having funds remaining in your account at year-end.

Using the Grace Period, or purchasing eligible over-the-counter items are ways to utilize leftover FSA funds.

Changing Elections During the Plan Year:

You may change your FSA elections during the Plan year only if you experience a change of status such as:

- a marriage or divorce
- birth or adoption of a child, or
- a change in employment status

Refer to the Change of Election Form (available from your employer) for a complete list of circumstances acceptable for changing elections mid-year.

Sign up for FlexSystem and keep more money in your pocket!

