



## HOW TO SAVE MONEY WITH A FLEXIBLE SPENDING ACCOUNT

### ***What is a Flexible Spending Account (FSA)?***

A Flexible Spending Account (FSA) is a pre-tax benefit that allows you to set aside pre-tax dollars on an annual basis to use for eligible healthcare and/or dependent care expenses.

Expenses can include: co-pays, deductibles, dental expenses, eyeglasses, and prescription drugs.

### ***How might this affect you?***

Here is an example that may help:

#### *How Jane Saves Money with an FSA:*

Jane's Annual Salary:	\$ 35,000
Jane's estimated out-of-pocket medical/dental expenses:	\$ 1,000
Jane's estimated out-of-pocket dependent care expenses:	\$ 2,500

	<u>Without FSA</u>	<u>With FSA</u>
Gross Pay	\$35,000	\$35,000
FSA Contribution	- \$0	- \$3,500
<b>Taxable Income</b>	<b>\$35,000</b>	<b>\$31,500</b>
Taxes (Fed, State, FICA)	- \$10,500	- \$9,450
Out-of-Pocket Expenses	- \$3,500	- \$3,500
<b>Reimbursement from FSA</b>	<b>+ \$0</b>	<b>+ \$3,500</b>
<b>Net Annual Income</b>	<b>\$21,000</b>	<b>\$22,050</b>

**Jane saves \$1,050 annually, or \$87.50 per month**

### ***What would be required of you?***

It's simple...

- Estimate your out-of-pocket expenses for the plan year (include employee, spouse & dependents).
- Enroll in the plan during your employer's enrollment period making the appropriate elections.