



## Put Extra \$\$\$ in Your Pocket – Sign Up for Flex!

The Flexible Benefits Plan can save you money.  
If you haven't considered it before, it may be time to take another look.

### Save Money on Taxes

You set aside some of your salary before taxes to pay for your portion of the premium for employer-sponsored benefits and be reimbursed for eligible health care and/or daycare expenses. Your taxable income is lower, so you save.

#### How flexible benefits work

	Without flex benefits	With flex benefits
Gross income	\$35,000	\$35,000
Pre-tax benefits	0	4,000
Taxable income	35,000	31,000
Federal income tax	5,250	4,650
Social Security tax	2,678	2,372
After-tax benefits	<u>4,000</u>	<u>0</u>
Spendable income	\$23,072	\$23,978

**Estimated Savings: \$906**

Please note: This is only an illustration. Actual tax savings are based on your individual tax status. State income tax savings may also be available.

### Enroll in the Plan

Once each year, you have the opportunity to enroll in the flexible benefits program. New employees can join when they become eligible. Be conservative because you can only modify your election if you experience an election-change event. The Plan rules and IRS Regulations require that any unused flex dollars must be forfeited. Review your SPD for more details.

### Choose What Fits

Benefit needs differ by individual, so you can select from any combination of these options to fit your situation:

Premium Conversion  
Health Care Flex Spending Account (FSA)  
Dependent Care Flex Spending Account (FSA)

### Premium Conversion

Pay for your portion of the employer-sponsored insurance plan premiums with pre-tax dollars.

### Traditional Health Care FSA

Pay for eligible health care expenses with pre-tax dollars. Remember, any expenses that are reimbursed through your Health FSA cannot be deducted for federal income tax purposes.

### Dependent Care FSA

If you hire a babysitter or send your eligible dependent to a daycare facility, some of those expenses may be reimbursable tax-free. An eligible dependent is your child under the age of 13 or a spouse or other dependent who lives with you and can't care for himself or herself. The expense must be incurred to enable you to work.

If you are married, your spouse must be employed, a full-time student or incapable of self-care. You can set aside up to \$5,000 a year (\$2,500 if married and filing separately). Your election may not exceed the income of you or your spouse, whichever is less.

**Note:** *You can't claim a tax credit on your income taxes for dependent care expenses reimbursed through the FSA. Consult your tax advisor to determine which is best for you.*

## Reimbursement from the FSA's

You must submit a claim with supporting documentation to be reimbursed on a scheduled basis. The claim documentation must include the following: provider's name; amount of expense; date and description of service; name of person receiving the service; and insurance payment, if applicable.

## Remember the FSA Rules

The Flexible Benefits Plan is regulated by the IRS and other federal agencies. The following are only highlights of the plan rules for FSA's. Refer to your SPD for more details.

- Late enrollment is not permitted.
- A medical or daycare expense must be eligible under the IRS guidelines and must occur within the plan year.
- You won't be able to change your elections during the plan year unless a qualifying election change event occurs.
- It's important to plan your spending account elections carefully because you will forfeit any unused balances.