

Advantages of a Flexible Spending Account

Increase 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 for healthcare and dependent care in one year, including:

- prescription drugs/medications*
- medical/dental office visits
- eye exams and prescription glasses/lenses
- healthcare supplies (bandages, ointment, etc.)
- 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 so you **increase your take home pay!**

**As of January 1, 2011, all drugs/medications must be prescribed by a Physician in order to be eligible.*

How it Works

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



As you incur eligible expenses, you simply submit a request for reimbursement to TASC to receive reimbursement from your FSA, up to the amount of your annual contribution. For additional convenience, your employer has provided you with a TASC Card to purchase eligible medical and dependent care expenses with your FSA funds at the point of purchase, which eliminates the need for reimbursement.

*33 million Americans
save money every year
by participating in a FSA*

2009 Nielson Consumer Research

Pre-Tax Savings Example

	<i>Without FSA</i>	<i>With FSA</i>
Gross Monthly Pay:	\$3,500	\$3,500
<u>Pre-Tax Contributions</u>		
Medical/Dental Premiums	\$0	-\$300
Medical Expenses	\$0	-\$100
Dependent Care Expenses	\$0	-\$400
TOTAL:	\$0	-\$800
Taxable Monthly Income	\$3,500	\$2,700
Taxes (federal, state, FICA):	-\$968	-\$747
Out-of-pocket Expenses:	-\$800	\$0
Monthly Take-home Pay:	\$1,732	\$1,953

Net Increase in Take-Home Pay = \$221/mo!

For illustration purposes only. Actual dollar amounts may vary.

www.tasconline.com • 2302 International Lane • Madison, WI 53704-3140 • 800-422-4661 • Fax: 608-245-3623



FX-4245-043010



How to Determine Your FSA Contributions

- ✓ Understand the IRS contribution limits for your Plan during the Plan year (available at the online enrollment site).
- ✓ Review the eligible and ineligible expense lists for Healthcare FSA and Dependent Care FSA. Note the changes to OTC drugs as of January 1, 2011.
- ✓ Determine which eligible expenses you expect to incur during the Plan year and how much you will spend.
- ✓ The total amount you project to be spent on eligible healthcare and/or dependent care expenses during the Plan year is the amount you should contribute to your FSA.

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.

Save up to 30% on healthcare expenses!
Save up to 30% on healthcare expenses!

- *Easy online enrollment*
- *Convenient payroll deductions*
- *Immediate access to funds*
- *TASC Card option*
- *Multiple methods to request a reimbursement*
- *Direct Deposit*
- *24/7 Account access (web and phone)*
- *Toll-free customer service*

For More Information

Learn more about Flexible Spending Accounts and obtain additional resources online at:

www.tasconline.com



2302 International Lane
Madison, WI 53704-3140

800-422-4661 Telephone
608-245-3623 Fax



Eligible Expenses

The following healthcare expenses are permissible for reimbursement through a Full Scope Health Flexible Spending Account (FSA).

Please note that for a Limited Purpose Healthcare FSA only dental and vision expenses are eligible. Please refer to your FSA Summary Plan Description for your specific Plan information

Medical Expenses

- Acupuncture
- Anti-fungal & anti-bacterial creams/ointments
- Artificial limbs
- Bandages
- Bengay, Flexall, pain relieving creams or gels
- Birth control, contraceptive devices
- Birthing classes/Lamaze – only the mother's portion (not the coach/spouse) and the class must be only for birthing instruction, not child rearing
- Blood pressure monitor
- Blood sugar test kits/test strips
- Calamine lotion
- Canker/cold sore relievers
- Chiropractic therapy/exams/adjustments
- Contact lens and contact lens solutions
- Cold medicines*
- Co-payments
- Corn removal
- Crutches (purchased or rented)
- Deductible and co-insurance
- Diabetic supplies
- Diagnostic kits
- Diaper rash ointment
- Eye exams
- Eyeglasses, contacts, or safety glasses, prescription only (warranties are not reimbursable)
- Flu shots
- GasX, baby gas drops*
- Hearing aids and hearing aid batteries (warranties are not reimbursable)
- Heating pad
- Hemorrhoid creams and treatments
- Incontinence supplies

FSA Healthcare

- Indigestion or anti-acid relievers*
- Infertility treatments
- Laser eye surgery; LASIK
- Laxatives*
- Legal sterilization
- Medical supplies to treat an injury or illness
- Mileage to and from doctor appointments
- Nasal strips
- Optometrist's or ophthalmologist's fees
- Over-the-counter medications/drugs*
- Pain relievers (Tylenol, Advil, Aspirin etc)*
- Peroxide
- Physicals
- Physical therapy (as medical treatment)
- Physician's fee and hospital services
- Pregnancy test
- Prenatal vitamins*
- Prescription drugs and medications
- Psychotherapy, psychiatric and psychological services
- Reading glasses
- Rubbing alcohol
- Sales tax on eligible expenses
- Services connected with donating an organ
- Sinus medicines
- Sleep apnea services/products (as prescribed by physicians)
- Smoking cessation programs, nicotine patch
- Suppositories
- Teething gel
- Treatment for alcoholism or drug dependency
- Vaccinations
- Wart removal medication
- Wrist supports, elastic wraps
- X-ray fees

*as of January 1, 2011, all drugs/medications must be prescribed by a Physician to be an eligible expense.

Eligible Expenses

Dental Expenses

- Braces and orthodontic services
- Cleanings
- Crowns
- Deductibles, co-insurance
- Dental implants
- Dentures, adhesives
- Fillings

For the Disabled

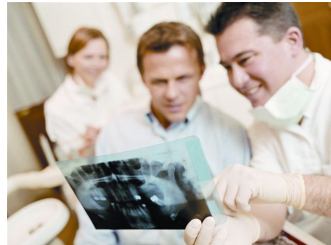
- Automobile equipment and installation costs for a disabled person in excess of the cost of an ordinary automobile; device for lifting a mobility impaired person into an automobile
- Braille books and magazines in excess of cost of regular editions
- Note-taker, cost of, for a hearing impaired child in school
- Seeing eye dog (buying, training and maintaining)
- Special devices, such as a tape recorder or typewriter for a visually impaired person
- Visual alert system in the home or other items such as a special phone required for a hearing impaired person
- Wheelchair or autoette (cost of operating/maintaining)

Healthcare Expenses Requiring Additional Documentation

The following expenses are eligible only when incurred to treat a diagnosed medical condition. Include a letter from your physician along with your request for reimbursement that contains the medical necessity of the expense, the diagnosed condition, the onset of the condition and the physician's signature.

- Acne treatments and medications
- Breast pump
- Ear plugs
- Estrovin
- Eye drops/Visine
- Glucosamine
- Massage treatments
- Nursing services for care of a special medical ailment
- Orthopedic inserts or shoes (excess cost of ordinary shoes)
- Over-the-Counter drugs and medications (effective January 1, 2011)
- Oxygen equipment and oxygen
- Propecia/Rogaine (only eligible for a medical condition)
- Speech therapy
- Sunscreen or suntan lotion
- Support hose
- Varicose vein treatment
- Veneers
- Wigs (for mental health condition of individual who loses hair because of a disease)

FSA Healthcare



Ineligible Expenses

The following healthcare expenses are **not** eligible for reimbursement:

FSA Healthcare

Ineligible Expenses for FSA Healthcare

- Athletic mouth guards
- Auto insurance providing medical coverage
- Breast feeding supplies
- Chapstick/lip balm
- Contributions to state disability funds
- Cosmetic surgery, cosmetic dentistry or other cosmetic procedures
- Cosmetic supplies (make up, facial soaps/creams and moisturizers, etc)
- Deodorant
- Dental floss
- Diaper service
- Diet: special diets and/or cost of special foods taken as substitute for regular diet
- Dietary and fiber supplements
- Divorce: expenses of divorce when doctor or psychiatrist recommends divorce
- Distilled water purchased to avoid drinking fluoridated city water or for use in medical equipment
- Domestic help: payments to domestic help, companion, babysitter, chauffeur, etc. who primarily render services of a non-medical nature
- Electrolysis/hair removal
- Exercise equipment and fees
- Eye drops for general comfort
- Eyeglass cases
- Hand sanitizer
- Health club or athletic club membership fees
- Herbal supplements
- Illegal treatment or medication
- Insurance premiums, all types
- Lanyards
- Lotions or skin moisturizers
- Marriage counseling
- Maternity clothes
- Mattress
- Medicare premiums
- Medicated shampoos, conditioners, and soaps
- Mobile telephone used for personal calls as well as calls to physician
- Nursemaids or practical nurses who render general care for healthy infants
- OTC drugs/medications without a prescription (effective January 1, 2011)
- Pajamas/slippers purchased to wear in hospital
- Personal use items (toothbrush, vacuum, pillow, shampoo, mattress, etc)
- Physical treatment unrelated to specific health problems (massage for general well-being, stress, depression, or chiropractic wellness program)
- Premiums for coverage through other medical plans (i.e., spouse's employer-sponsored plan or individual plan)
- Private hospital rooms
- Safety glasses (non-prescription)
- Special foods purchased to replace nutrition or for general health needs, such as diet foods.
- Sun Glasses (non prescription) and Sun Clips
- Teeth whitening
- Toiletries
- Toothbrush, (includes prescribed electric ones)
- Toothpaste
- Vacuum cleaner purchased by an individual with dust allergy
- Vitamins and/or supplements
- Warranties
- Weight loss drugs/programs for general well being

Eligible Expenses

The following dependent care expenses are permissible for reimbursement through a Section 125 Flexible Spending Account. Please refer to your FSA Summary Plan Description (SPD).

FSA Dependent Care

Eligible Expenses for FSA Dependent Care

Eligible dependent care expenses must be employment related.



- Day Camp -- primary purpose must be custodial care and not educational in nature
- Dependent care expenses that are necessary for you (and your spouse) to work, actively look for work, or attend school full-time.
- Dependent care for a child under age 13
- FICA/FUTA taxes of day care provider
- Late pick up fees
- Nanny expenses attributed to dependent care
- Nursery school (Pre-School)
- Registration fees -- when allocated to dependent care services that have been provided