



## Flexible Spending Accounts — REAL SAVINGS. REAL SIMPLE.

Using a Flexible Spending Account (FSA) is a great way to stretch your benefit dollars. You use before-tax dollars in your FSA to reimburse yourself for eligible out-of-pocket medical and dependent care expenses. That means you can enjoy tax savings and increased take-home pay. And that makes real sense.

### What is an FSA?

With an FSA, you elect to have your annual contribution deducted from your paycheck each pay period, in equal installments throughout the year, until you reach the yearly maximum you have specified. The amount of your pay that goes into an FSA will not count as taxable income, so you will have immediate tax savings. FSA dollars can be used during the plan year to pay for qualified expenses and services.

- **A Healthcare FSA** allows reimbursement of qualifying out-of-pocket medical, prescription, dental, and vision expenses.
- **A Limited Purpose Health FSA** works with a qualified high deductible health plan (HDHP) and Health Savings Account (HSA). A limited FSA only allows reimbursement for vision and dental expenses.
- **A Dependent Care FSA** allows reimbursement of dependent care expenses, such as daycare expenses or pre-school expenses incurred by eligible dependents while their parents are working.



### With an FSA you can:

- Pay for qualified expenses with pre-tax dollars
- Enjoy significant tax savings with pre-tax deductible contributions and tax-free distributions
- Enjoy secure access to accounts using a convenient online account or app.
- File claims easily online and let the system determine approval based on eligibility and availability of funds
- Get one-click answers to benefits questions.
- Have a Grace Period into the next plan year to use unused funds.

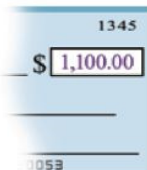
**\$1,128**  
Average planned contribution for 2017

By using this tax savings plan, an employee will not only notice an increase in her take home pay, she will also have access to a reimbursement account throughout the year to pay for her qualified expenses. Here's an example of how a typical employee's take-home pay increased with participation in the flex plan.\*

HER PAYCHECK WITHOUT THE PLAN	
Salary	\$2,000
FICA, federal & state taxes	-\$500
Insurance premium	-\$100
Health & daycare expenses	-\$300
<b>Net pay without the plan</b>	<b>\$1,100</b>

HER PAYCHECK WITH THE PLAN	
Salary	\$2,000
Insurance premium*	-\$100
Health & daycare expenses*	-\$300
Adjusted earnings	\$1,600
FICA, federal & state taxes	-\$400
<b>Net pay with the plan</b>	<b>\$1,200</b>

\*Paid through the plan



## Is an FSA right for me?

A **Healthcare FSA** could save you money if you or your dependents:

- Have out-of-pocket expenses like co-pays, coinsurance, or deductibles for medical, prescription, dental or vision plans.
- Have a health condition that requires the purchase of prescription medications on an ongoing basis.
- Wear glasses or contact lenses or are planning LASIK surgery.
- Need orthodontia care, such as braces, or have dental expenses not covered by your insurance.

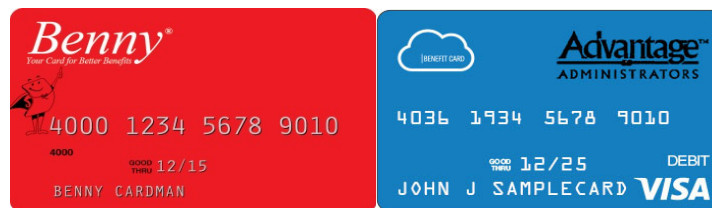
The **GRACE PERIOD** allows you additional time beyond the end of the plan year to incur eligible expenses. All grace period expenses will be paid out of your prior plan year balance automatically, helping you to use up that balance first.

A **Dependent Care FSA** provides pre-tax reimbursement of out-of-pocket expenses related to dependent care. This benefit may make sense if you (and your spouse, if married) are working or are in school, and:

- Your dependent children under age 13 attend daycare, after-school care, pre-school or summer day camp.
- You provide care for a person of any age whom you claim as a dependent on your federal income tax return and who is mentally or physically incapable of caring for himself or herself.

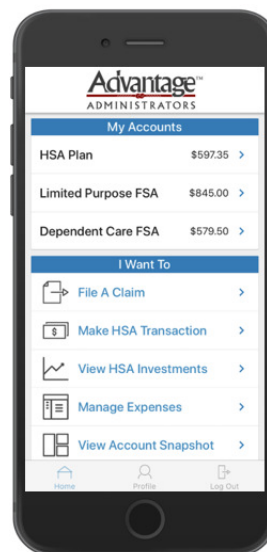
**Plan ahead** - Before you enroll, you must first decide how much you want to contribute to your account(s). You will want to spend some time estimating your anticipated eligible medical and dependent care expenses for the next plan year. Be sure to estimate your expenses carefully, as the money left unspent at the end of the year will be forfeited if you are not able to spend it within the allotted grace period.

\*The amount you save in taxes with a Flexible Spending Account will vary depending on the amount you set aside in the account; your annual earnings; whether or not you pay Social Security taxes; the number of exemptions and deductions you claim on your tax return; your tax bracket and your state and local tax regulations. Check with your tax advisor for information on how participation will affect your tax savings. This brochure highlights some of the benefits of a Prepaid Benefits Card. If there is a discrepancy between this material and your official plan document, the plan document will govern.



### Prepaid Benefits Card

In addition, you can receive a convenient prepaid benefits card to make it easy to pay for eligible services and products not covered by your health insurance. When you use the card, payments are automatically withdrawn from your account, so there are no out-of-pocket costs and you won't have to submit receipts to verify the purchase at an IIAS merchant. Most non-IIAS purchases must still have a receipt submitted to verify the purchase is eligible. Just swipe the card and go. It's that easy!



### Advantage Administrators Mobile App

With the convenience of a mobile device, you can see your available balance anywhere, anytime, as well as file claims and upload receipts.

*Throughout the year, you'll likely find yourself with expenses for yourself and your family that insurance won't cover. By taking advantage of an FSA, you can actually reduce your taxable income and reduce your out-of-pocket expenses when you use your FSA to pay for the things you'd purchase anyway.*

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