

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/or dependent care for you and your qualified dependents in one year, including:

- 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 so you **increase your take home pay!**

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

| | <u>Without FSA</u> | <u>With FSA</u> |
|-------------------------------|--------------------|-----------------|
| 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.

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