

Flexible Spending Account

Open a WageWorks Flexible Spending Account (FSA) and Save Money. It's EZ.

What is an FSA?

An FSA is an account that allows you to set aside money, before taxes, to use on eligible health care and dependent care expenses. You elect how much you want to contribute, and your employer deducts the amount from your paychecks for the plan year. Since you use pretax dollars you lower your taxable income, and you use tax-free money for expenses.

Two kinds of FSAs and their eligible expenses.

Health Care FSA

For eligible health care services and items for you, spouse and dependents.

- ▶ Prescriptions
- ▶ Over-the-counter items and medicines*
- ▶ Co-payments
- ▶ Dental care, orthodontia
- ▶ Vision care, eye surgery
- ▶ Therapies

Dependent Care FSA

For eligible child and adult dependent care expenses.

- ▶ Before- and after-school programs
- ▶ Day care and nursery schools
- ▶ Preschool
- ▶ Dependent adult day care
- ▶ Transportation provided by care provider

These are just a few of the many services and items people use everyday. Complete lists of eligible expenses are provided on takecarewageworks.com.

* A doctor's prescription is required for over-the-counter (OTC) drugs and medicines in order to be FSA eligible. Over-the-counter items, such as bandages, do not require a prescription.

How to use your funds.

▶ Pay Me Back

- Use out-of-pocket funds then request reimbursement from your FSA. File a claim online, with the **MyFlex** mobile application, by fax, email or mail.

Saving up to 40%
on health expenses.

Awesome.

That's exactly what I need.



What else you should know.

Q. When can I use my funds?

A. Health Care FSAs are fully funded at the start of your plan year for immediate use. Dependent Care FSAs require that the funds are contributed before they can be used.

Q. Who regulates the use of FSAs?

A. FSAs are regulated by the IRS, who determines what expenses are eligible. Most FSA purchases can be verified automatically but you may be asked to submit documentation. Always ask for an itemized receipt and save all receipts.

Estimate your savings.

How much you save depends on how much you spend on health and dependent care, and on your tax situation. For every \$100 of eligible expenses, most people will save up to \$40 in taxes. To estimate your expenses and see for yourself how your savings can add up, use the savings calculator at FSAWorks4Me.com/takecare.

HEALTH CARE FSA	EXAMPLE	YOUR ESTIMATE
Prescription drugs	\$225	
Doctor visits	\$80	
Annual dental plan deductible	\$50	
Dental fillings and crowns	\$185	
Orthodontia (braces)	\$1,800	
Prescription glasses	\$100	
Prescribed over-the-counter products ¹	\$60	
Suggested plan year election²	= \$2,500	=
Taxes (40% ³)	x 0.40	
Estimated savings²	= \$1,000	=

DEPENDENT CARE FSA	EXAMPLE	YOUR ESTIMATE
Day care / nursery school	\$3,600	
Summer day care	\$1,400	
Suggested plan year election	= \$5,000	=
Taxes (40% ³)	x 0.40	
Estimated savings²	= \$2,000	=

Sign up!

Your employer will give you details on when and how to sign up.

To use the savings calculator designed to help you decide how much to contribute, visit:

FSAWorks4Me.com/takecare.

Be sure to estimate your expenses as accurately as possible because funds remaining in your account at your plan's deadline are forfeited per IRS regulations.

After you have signed up, be sure to create an online account. It's easy and lets you manage your account any time!

Questions?

Helpful tips, guides and FAQs are available online at takecareWageWorks.com. WageWorks Customer Service professionals also are standing by to help you. Just Call 1-800-950-0105, Monday – Friday, 8 a.m. – 7 p.m. Central time.

Notes:

1 Requires a doctor's prescription as of 1/1/2011.

2 Your employer determines the maximum annual amount you can contribute for your plan, which cannot exceed \$2,500, effective 1/1/2013, per IRS rules. Confirm with your employer or check your summary plan description for the maximum annual contribution limit allowed for your plan.

3 Tax savings amounts are examples provided for illustrative purposes only. They are based on federal, state, and FICA (Social Security) taxes that you do not have to pay through payroll deductions on amounts used to fund your account. Your actual savings may vary depending on your marginal income tax rate, whether you pay state income taxes, and other factors. Some states do not recognize tax exclusions for FSA contributions.

Your Employer and WageWorks

This program is sponsored by your employer and brought to you by WageWorks — a leading provider of consumer-directed savings and spending accounts. WageWorks sets the standard for convenience and flexibility with easy access to your account, no-hassle payment options, comprehensive online tools and expert support. Millions of employees nationwide enjoy the WageWorks advantage to save money and make smart choices about their health care, dependent care and commuter expenses.

