

Flexible Spending Account Overview

Why should I choose a flexible spending account (FSA)?

A flexible spending account (FSA) lets you save money by setting aside pre-tax dollars to pay for eligible medical, dental, vision and dependent care expenses incurred by you, your spouse or your eligible dependents.



Take home more money

Putting money into an FSA decreases your taxable income, which means you'll take home more money.



Plan better for health expenses

Spend your funds on the eligible health expenses you incur throughout the year. The IRS has a "use it or lose it" rule for FSAs, which means funds must be spent by the end of the plan year unless your employer offers a grace period or carryover.



Flexibility

You can use your funds for eligible expenses occurred by you, your spouse, or your eligible dependents. Thousands of products and services are FSA eligible. (Eligible expenses are determined by the IRS.)



Funds on Day 1 – FSA Medical

All of your FSA Medical Account dollars are available on the very first day of the plan year. For example, if you choose to contribute \$1,200 to your FSA, your contributions will be deducted evenly across all of your paychecks for the year, but you have access to all \$1,200 on Day 1.

Types of Accounts:

FSA Medical:

Medical, dental, and vision deductibles and co-payments
Prescription drugs

FSA Dependent Care:

Daycare
Babysitting
Preschool tuition

FSA Parking:

Parking expenses at work or location from which participants commutes to work– (Park and Ride)

FSA Transportation:

Public Transportation – The Bus or Skyline

How to use your FSA Money:

- ✓ **PIOPAC Health Debit Card (Medical Account Only)**
 - PIOPAC Health Debit Card will be pre-funded with your annual FSA election
 - You can use this debit card at merchants that accept Visa credit or debit cards such as physician's offices, pharmacies, and certified retailers
- ✓ **Get Reimbursed (All accounts)**
 - Pay for services out of pocket then request a reimbursement from your FSA account via online account, mobile app, fax, email, or mail

Save up to 40% on Health & Dependent Care Expenses

Reduce your taxable income and increase your take home pay

Have access to your FSA Medical funds with the PIOPAC Health Debit Card

Manage your FSA account online or through your mobile app

Reduce the risk of losing money with the FSA carryover feature_



Things to know:

- ✓ Your FSA Medical funds are fully accessible from the start of your plan year. FSA Dependent Care funds must be in your account before they can be reimbursed to you.
- ✓ FSA plans are regulated by the IRS who determines what expenses are eligible. The eligible expenses can change depending on IRS rulings.
- ✓ Tax dependent children must be under the age of 13 for their child care expenses to be eligible under the dependent care account and age 26 for their medical expenses to be eligible under the medical account.
- ✓ Most FSA purchases are automatically verified, but you may need to substantiate your expenses with a statement of service. If substantiation is not submitted within 45 days of the request, your PIOPAC Health Card will be suspended.
- ✓ Upon termination of employment, you have 90 days to submit reimbursement claims for services that occur prior to your termination date

Questions:

For more information, please contact PIOPAC Fidelity at (808) 792-5226 or email us at fsaclaims@piopac.com



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Pre-Taxing Example	
Without FSA:	
\$2,000	Gross Payroll
-\$500	Taxes (25%)
\$1,500	Paycheck
-\$100	FSA eligible expenses
\$1,400	Net Spendable Money
With FSA:	
\$2,000	Gross Payroll
-\$100	FSA eligible expenses
\$1,900	Adjusted Gross Income
-\$475	Taxes (25%)
\$1,425	Net Spendable Money

Tax Savings Estimate	
FSA Medical	Expenses
Prescription drugs	\$400
Dental services	\$500
Vision Services	\$100
Doctor Visit co pays	\$150
Orthodontic procedures	\$1,500
Prescription eye glasses	\$200
Annual Election	\$2,850
Taxes (30%)	x 25%
Estimated Tax Savings	\$712

FSA Dependent Day Care	Expenses
Preschool Tuition	\$3,000
A+ Programs	\$900
Summer Day Care	\$600
Enrichment Program	\$500
Annual Election	\$5,000
Taxes (30%)	x 25%
Estimated EE Tax Savings	\$1,250