



# Are You Ready to Maximize your Healthcare Dollars?

INTRODUCING YOUR HEALTH AND DEPENDENT  
CARE FLEXIBLE SPENDING ACCOUNT

## What is a Health Flexible Spending Account?

A Health Flexible Spending Account (Health FSA) is a tax-free, employee-funded account that provides reimbursement for qualifying out-of-pocket expenses for you and your whole family. The Health FSA allows you to use these funds to cover a variety of medical expenses, including doctor visit co-pays, coinsurance, deductibles, dental expenses, prescription drugs, vision expenses and orthodontia. **NOTE: the IRS may not allow the use of a Health FSA to pay for qualified health expenses for some dependents (e.g. domestic partner and children of domestic partner), unless they are claimed on your tax return and meet the requirements of IRC Section 152.**

As an employee, you determine how much money you'd like to deposit into your Health FSA. This annual amount will be deducted evenly from each paycheck on a pre-tax basis and put into your account. You can then use the pre-tax dollars in your Health FSA to pay for eligible expenses for yourself, spouse and dependents. A Health FSA may allow members to use leftover funds in the following year – please see your plan fact sheet for details.

## What is a Dependent Care Flexible Spending Account?

A Dependent Care Flexible spending Account (Dependent Care FSA) is a tax-free, employee-funded account that allows you to be reimbursed for the cost of care for a qualifying dependent. A qualifying dependent is defined as a dependent child under the age of 13, or a spouse or other qualifying dependent who is physically or mentally incapable of self-care and lives with you for more than half the year. Funds from a Dependent Care FSA can be used for reimbursement of before and after-school care, nanny services, and elder care, among others. **NOTE: participation in a Dependent Care FSA will require you to complete tax form 2441 when filing taxes. If you elect to participate in this Dependent Care FSA, you may not claim the Dependent Care Tax Credit on your federal income tax return. To determine which method is best for your situation, consult IRS Publication No. 503 and IRS Form 2441.**

Similar to a Health FSA, you determine how much money you'd like deposited into your Dependent Care FSA and this amount will be deducted from each paycheck on a pre-tax basis. Unlike a Health FSA, however, there is no carryover feature for a Dependent Care FSA. This means that any unused funds at the end of the year will be forfeited.

## Your FSA in Action

The following is an example of the potential savings of an FSA for a working couple:

	Without FSA	With FSA	
Gross Monthly Salary	\$4,100	\$4,100	
<b>Less Non-Taxable Benefits</b>			
Medical/Dental Expenses	\$0	\$150	
Dependent Care Expenses	\$0	\$400	
Total Pay Subject to Tax	\$4,100	\$3,550	
<b>Less Deductions</b>			
Federal Income Tax	\$1,148	\$994	<b>Annual Increase in Take Home Pay: \$1,992</b>
State Income Tax	\$88	\$76	
After Tax Income	\$2,864	\$2,480	
<b>After Tax Expenses</b>			
Medical/Dental Expenses	\$150	\$0	
Dependent Care Expenses	\$400	\$0	
Spendable Income	\$2,314	\$2,480	←



## Discover the **Power** of an **FSA**

The TPSC FSA benefits everyone from single individuals to families. By using pre-tax dollars, you are able to increase your take-home pay, pay fewer taxes and save an average of 30% on all of your eligible expenses.

### THE BENEFITS OF YOUR FSA:

#### Easy to Contribute

Your FSA contributions are taken directly out of your paycheck, removing the hassle of manually contributing to the account.

#### Easy to Use

Paying for all of your eligible medical expenses is easy. See your plan fact sheet for available options.

#### Easy to Save

By utilizing pre-tax dollars, you are able to increase your take-home pay and reduce your taxable income.

#### Easy to Manage

TPSC makes it easy to manage and get assistance for your FSA account through our TPSC EzPay Mobile App, online portal or toll-free FSA member line.

#### Easy Reimbursement

To receive reimbursement for eligible expenses, submit a Reimbursement Request Form with the corresponding EOB or itemized provider invoice.

### ENROLLING IN YOUR FSA IS AS EASY AS:

## Step 1.

Complete the Election Form/Salary Reduction Agreement provided by your HR department.

## Step 2.

Salary deductions are made automatically.

## Step 3.

Start saving tax dollars!

### NEW! TPSC EZPAY MOBILE APP:

**A free and secure app that can be downloaded to any smart device** – TPSC EzPay is here to simplify the management of your FSA health benefit account.

- Quickly check available balances 24/7
- File a claim
- View charts summarizing account(s)
- View claims requiring receipts
- Click to call or email Customer Service

# Frequently Asked Questions

- **WHAT TAX SAVINGS ARE POSSIBLE UNDER THE FSA?**

You may save both federal income tax and FICA (Social Security and Medicare) taxes by participating in the Health FSA.

- **WHAT EXPENSES ARE ELIGIBLE FOR REIMBURSEMENT UNDER THE FSA?**

- The Health FSA provides reimbursement for out-of-pocket expenses for you and your whole family, including doctor visit co-pays, coinsurance, deductibles, dental expenses, prescription drugs, vision expenses and orthodontia. A list of eligible services can be found at <http://tpscbenefits.com/hsa-hra>.
- The Dependent Care FSA provides reimbursement for the work-related cost of caring for a qualifying dependent (a dependent child under the age of 13 or a spouse or other qualifying dependent who is physically or mentally incapable of self-care and lives with you for more than half the year), including reimbursement of before and after-school care, nanny services, and elder care, among others.

- **HOW ARE MY FSA BENEFITS PAID FOR UNDER THE FLEXIBLE BENEFITS PLAN?**

When you complete the Election Form/Salary Reduction Agreement, you specify the dollar amount you want to contribute to your FSA. From then on, a portion of that contribution will be deducted from each paycheck on a pre-tax basis in equal installments.

- **WHAT ARE THE MAXIMUM BENEFITS THAT I MAY ELECT?**

Limits are based on guidelines set by the IRS and your employer. Information specific to your plan can be found on your plan fact sheet.

- **IS THERE A RISK OF LOSING OR FORFEITING THE AMOUNTS THAT I CHOOSE TO PUT INTO MY FSA?**

Possibly, please see your plan fact sheet for more details, but loss of funds can be easily avoided.

- **HOW OFTEN ARE REIMBURSEMENTS MADE?**

Your employer chooses the reimbursement schedule but, in general, reimbursements are processed weekly.

- **CAN I CHANGE MY ELECTION AMOUNT?**

Your election cannot be changed during the plan year unless you have a change in status or other qualified event defined by IRS rules and your employer's plan allows the change as well.

- **WHAT HAPPENS IF I STOP WORKING FOR MY EMPLOYER?**

If you stop working for your employer or lose your FSA eligibility, your plan participation and pre-tax contributions will end automatically. Expenses for services you have after your termination date are not eligible for reimbursement.



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1101 Pacific Avenue, Suite 300 // Tacoma, WA 98402 // 800.426.9786

[www.tpscbenefits.com](http://www.tpscbenefits.com)