



Advantages of a Flexible Spending Account (FSA)

A valuable pre-tax benefit with innovative services!

FlexSystem FSA increases 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 on healthcare and/or dependent care expenses for you and your qualified dependents in one year:

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

Employee salary reductions to a medical Flexible Spending Account (FSA) are limited to **\$2,550** per Plan Year (2015), indexed for inflation. Check with your employer for your Plan's maximum annual election amount.

Putting money in an FSA is smart and safe! If you have medical FSA funds leftover at the end of the Plan Year and your employer has elected Carryover, you may carryover up to \$500 from year to year with no cost or penalty.

How FlexSystem Works

FlexSystem FSA is offered through your employer and is administered by TASC. When you choose to enroll in a FlexSystem FSA Healthcare and/or Dependent Care, you choose the dollar amount you want to contribute to each account based on your estimated expenses for the upcoming Plan Year. Your contributions will be deducted in equal amounts from each paycheck, **pre-tax**, throughout the Plan Year. **The more you contribute to these accounts, the more you save by paying less in taxes!**

Your total Healthcare FSA annual contribution amount is available immediately at the start of the Plan Year; Dependent Care FSA funds are available up to the current account balance only.

Reimbursements and the TASC Card

As you incur eligible expenses, simply swipe your TASC Card. The card automatically pays for and substantiates most eligible expenses at the point of purchase. If you do not use the TASC Card to pay for an eligible expense, simply submit a request for reimbursement via the MyTASC Mobile App, online Request for Reimbursement form in MyTASC, text message, fax, or mail.

Your reimbursement is deposited in your MyCash account. You can access your MyCash funds in three ways: (1) swipe your TASC Card at any merchant that accepts major credit cards, (2) withdraw at an ATM using your TASC Card (with PIN), or (3) transfer to a personal bank account from MyTASC.

FlexSystem Healthcare FSA FlexSystem Dependent Care FSA

Pre-Tax Savings Example

	<i>Without FSA</i>	<i>With FSA</i>
Gross Monthly Pay:	\$3,500	\$3,500
Pre-Tax Contributions		
Medical/Dental Premiums	\$0	-\$125
Medical Expenses	\$0	-\$75
Dependent Care Expenses	\$0	-\$400
TOTAL:	\$0	-\$600
Taxable Monthly Income	\$3,500	\$2,900
Taxes (federal, state, FICA):	-\$968	-\$802
Out-of-pocket Expenses:	-\$600	\$0
Monthly Take-home Pay:	\$1,932	\$2,098

Net Increase in Take-Home Pay = \$166/mo!

For illustration only. Actual dollar amounts may vary.

FSA Eligible Expenses

FlexSystem FSA funds may only be used for eligible expenses under your healthcare FSA and/or dependent care FSA. Some eligible expenses include:

- Medical care services
- Prescriptions
- Dental care services
- Certain over-the-counter medications
- Vision care expenses
- Daycare tuition

More detailed lists can be found at www.irs.gov in IRS Publications 502 & 503. Please note insurance premiums are NOT eligible for reimbursement.

*33 million Americans
save up to 30%
every year
by participating
in an FSA.*

2009 Nielson Consumer Research

Multiple Methods for Account Management

You may use any of the following self-service options to access your FlexSystem accounts and TASC Card transactions:

- **MyTASC Online:** www.tasconline.com.
- **MyTASC Mobile App:** Free download at www.tasconline.com/mobile.
- **MyTASC Text Messaging:** Elect through your MyTASC account online.

Online enrollment and account management.

Online tax-savings calculator to help determine how much to contribute.

Convenient pre-tax payroll deductions.

Benefits debit card for eligible purchases.

Mobile app for account access on the go.

Multiple self-service tools.

Fast reimbursements.

Important Considerations

FSA Funds do not Rollover:

It is important to be conservative in making elections because any unused funds left in your FSA at the close of the Plan Year are not refundable to you. (The only exception to this rule is for the Healthcare FSA where funds may carryover to the next Plan Year's healthcare FSA (up to \$500) when elected by your employer.) You are urged to take precautionary steps, such as tracking account balances on the FlexSystem website and/or using the Interactive Voice Response System, to avoid having funds remaining in your account at year-end.

Changing Elections During the Plan Year:

You may change your FSA elections during the Plan Year only if you experience a change of status such as:

- a marriage or divorce
- birth or adoption of a child, or
- a change in employment status

Refer to the Change of Election Form (available from your employer) for a complete list of circumstances acceptable for changing elections mid-year.

Sign up for FlexSystem and keep more money in your pocket!



FSA Eligible Expenses

Healthcare expenses eligible for reimbursement.

Below is a sample list of permissible expenses reimbursable through a full scope Healthcare Flexible Spending Account (FSA) that are incurred by you, your spouse, or qualified dependents. Please note, a limited purpose Healthcare FSA only allows dental and vision expenses.

Section 125 Flexible Spending Accounts

Medical Expenses

- Acupuncture
- Artificial limbs
- Bandages
- Birth control, contraceptive devices
- Birthing classes/Lamaze – only the mother's portion (not the coach/spouse) and the class must be only for birthing instruction, not child rearing
- Blood pressure monitor
- Blood sugar test kits/test strips
- Chiropractic therapy/exams/adjustments
- Contact lens and contact lens solutions
- Co-payments
- Crutches (purchased or rented)
- Deductible and co-insurance
- Diabetic supplies
- Eye exams
- Eyeglasses, contacts, or safety glasses, prescription only (warranties are not reimbursable)
- Flu shots
- Hearing aids and hearing aid batteries (warranties are not reimbursable)
- Heating pad
- Incontinence supplies
- Infertility treatments
- Insulin
- Lactation expenses (breast pumps, etc.)
- Laser eye surgery; LASIK
- Legal sterilization
- Medical supplies to treat an injury or illness
- Mileage to and from doctor appointments
- Nasal strips
- Optometrist's or ophthalmologist's fees
- Orthopedic inserts

- Physicals
- Physical therapy (as medical treatment)
- Physician's fee and hospital services
- Pregnancy test
- Prescription drugs and medications
- Psychotherapy, psychiatric and psychological service
- Reading glasses
- Sales tax on eligible expenses
- Services connected with donating an organ
- Sleep apnea services/products (as prescribed)
- Smoking cessation programs
- Treatment for alcoholism or drug dependency
- Vaccinations
- Wrist supports, elastic wraps
- X-ray fees

OTC Medicines and Drugs

Over-the-counter (OTC) medicines and drugs, except for insulin, require a prescription from your physician to be reimbursable. The prescription will need to be included with each request for reimbursement.

- Bengay, Flexall, pain relieving creams or gels
- Calamine lotion
- Canker/cold sore relievers
- Cold medicines
- Corn removal
- Diaper rash ointment
- GasX, baby gas drops
- Hemorrhoid creams and treatments
- Hydrogen Peroxide or rubbing alcohol
- Indigestion or anti-acid relievers
- Laxatives
- Nicotine patch
- Pain relievers (Tylenol, Advil, Aspirin, etc.)

- Sinus medicines
- Suppositories
- Teething gel
- Wart removal medication

Dental Expenses

- Braces and orthodontic services
- Cleanings
- Crowns
- Deductibles, co-insurance
- Dental implants
- Dentures, adhesives
- Fillings

For the Disabled

- Automobile equipment and installation costs for a disabled person in excess of the cost of an ordinary automobile; device for lifting a mobility impaired person into an automobile
- Braille books/magazines in excess of cost of regular editions
- Note-taker for a hearing impaired child in school
- Seeing eye dog (buying, training, and maintaining)
- Special devices, such as a tape recorder or typewriter for a visually impaired person
- Visual alert system in the home or other items such as a special phone required for a hearing impaired person
- Wheelchair or autoeette (cost of operating/maintaining)

Requiring Additional Documentation

The following expenses are eligible only when incurred to treat a diagnosed medical condition. Such expenses require a Letter of Medical Necessity from your physician, containing the medical necessity of the expense, diagnosed condition, onset of condition, and physician's signature.

- Ear plugs
- Massage treatments
- Nursing services for care of a special medical ailment
- Orthopedic shoes (excess cost of ordinary shoes)
- Oxygen equipment and oxygen
- Support hose
- Varicose vein treatment
- Veneers
- Vitamins and supplements
- Wigs (for mental health condition of individual who loses hair because of a disease)

Dependent Care Expenses

- Day camp (primary purpose must be custodial care and not educational in nature)
- Dependent care expenses that are necessary for you (and your spouse) to work, actively look for work, or attend school full-time
- Dependent care for children under the age of 13 or for elderly dependents who reside with you

- FICA/FUTA taxes of day care provider
- Late pick-up fees
- Nanny expenses attributed to dependent care
- Nursery school (preschool)
- Registration fees (allocated to dependent care services)
- Does not cover medical costs; use Healthcare FSA for medical expenses incurred by you or your dependents.

Ineligible Medical Expenses

- Athletic mouth guards
- Auto insurance providing medical coverage
- Chapstick/lip balm
- Contributions to state disability funds
- Cosmetic surgery, dentistry, or other cosmetic procedures
- Cosmetic supplies (makeup, cleansers, moisturizers, etc.)
- Deodorant
- Dental floss
- Diaper service
- Diet (cost of special foods taken as substitute for regular diet)
- Dietary and fiber supplements
- Divorce (when recommended by doctor or psychiatrist)
- Distilled water purchased to avoid drinking fluoridated city water or for use in medical equipment
- Domestic help (companion, babysitter, chauffeur who primarily renders services of a non-medical nature)
- Electrolysis/hair removal
- Exercise equipment and fees
- Eye drops for general comfort
- Eyeglass cases
- Hand sanitizer
- Health club or athletic club membership fees
- Herbal supplements
- Illegal treatment or medication
- Insurance premiums, all types
- Lanyards
- Lotions or skin moisturizers
- Marriage counseling
- Maternity clothes
- Mattress
- Medicare premiums
- Medicated shampoos, conditioners, and soaps
- Mobile telephone used for personal and physician calls
- Nursemaids or practical nurses who render general care for healthy infants
- Pajamas/slippers purchased to wear in hospital
- Personal use items (toothbrush, pillow, shampoo, mattress, etc.)
- Physical treatment unrelated to specific health problems (massage for general well-being, stress, depression, or chiropractic wellness)
- Premiums for coverage through other medical plans (spouse's employer-sponsored plan or individual plan)
- Safety glasses (non-prescription)
- Special foods purchased to replace nutrition or for general health needs (such as diet foods)
- Sunglasses (non prescription) and sun clips
- Teeth whitening products
- Toiletries
- Toothbrush (includes prescribed electric ones) and toothpaste
- Vacuum cleaner purchased by an individual with dust allergy
- Vitamins and supplements for well-being
- Warranties
- Weight loss drugs/programs for general well being



BE MONEY SMART.

Put up to \$500 in a medical FSA with **no risk** of losing it at year's end.

Putting Money in an FSA is Smart *and* Safe.

Everybody has medical bills, right? Expenses for prescriptions, co-pays, doctor's office visits, glasses and contacts, and dental work add up over the course of a year. With an FSA, you can **save 30%** on these expenses by paying for them with pre-tax dollars.

Keep your money, yours.

It can be a challenge to estimate how much money to set aside each year in an FSA. But now you have a \$500 safety net! New government regulations allow you to carryover up to \$500 (if allowed by your employer) of your unused medical FSA funds from year to year.

How much will you elect this year?

Enrolling in an FSA is a savvy way to save money on health expenses. Everyone who anticipates any out-of-pocket medical expenses should take advantage of the benefits of an FSA. There is no risk to contribute at least \$500. At the end of the year, if your medical expenses are below that amount, you can carryover any amount up to \$500 and use it next year—with no cost or penalties.

If you've participated in an FSA in the past, you already know how much you can save. And now you're safe to increase your annual election by \$500, knowing if you don't use it this year, you can carryover a maximum of \$500 to the next year with **no risk of forfeiture** at the Plan Year end.

FSA contributions are deducted pre-tax from your payroll. The more you elect, the more your taxable income is reduced—which means more take-home pay!

Be Smart! Enroll in a medical FSA today.

Other FSA benefits may be offered by your employer. Ask your employer for more information.

FlexSystem[®] FEATURES:

- TASC Card pays for and substantiates most eligible expenses at the point of purchase.
- Reimbursements are deposited in MyCash and accessible via the TASC Card.
- Mobile App, texting, and 24-hour phone system for easy access on the go!
- Convenient account management, including online reimbursement requests.
- Dedicated customer support team.

