

FLEXIBLE SPENDING ACCOUNTS: YOUR CONTRIBUTIONS ARE TAX FREE

Flexible spending accounts (FSA's) benefit everyone. Employee contributions are made pre-tax giving them more addition money take home pay; Employers enjoy the benefits of lower FICA contributions as a result of lower payroll taxes. E Benefits Administration is proud of its FSA administration because of the focus on customer support and continuous education making a flexible spending account with E Benefits Administration a benefit that pays for itself.

MEDICAL/HEALTH FSA AND LIMITED FSA

Set aside money to pay **eligible expenses** not covered by your medical insurance. There are two types of FSAs:

- Medical/Health FSA**
 Use a medical/health flexible spending account with traditional insurance plans. You can use a medical/health FSA to pay for things like coinsurance, prescriptions and medical equipment.
- Limited Health FSA**
 Use a limited flexible spending account when you have both a high deductible health plan (HDHP) and a health savings account (HSA). The limited FSA is available for dental and vision expenses.

DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT (DCA)

This is the ideal FSA if you're looking to pay for dependent care expenses. With a dependent care flexible spending account, you set aside a portion of your paycheck to use for dependent care for children up to age 13, a disabled dependent of any age or a disabled spouse. To be eligible for a dependent care flexible spending account, both you and your spouse (if applicable) must work, be seeking work or be full-time students.

HOW MUCH DO YOU SAVE WITH AN FSA? MEET MIKE AND SALLY

Mike and Sally both work outside the home, together they make \$7,500 per month and claim four exemptions on their income taxes. One child attends school; the other goes to a home day care. Here's a comparison of what they save with a flexible spending account:

	With an FSA	Without an FSA
Gross Monthly Salary	\$7,500	\$7,500
Medical Spending Account contribution	\$208	\$0
Dependent Care Account contribution	\$416	\$0

Taxable income	\$6,876	\$7,500
Taxes	\$2,407	\$2,625
Net pay	\$4,469	\$4,875
Post tax medical expenses	\$0	\$208
Post tax dependent care expenses	\$0	\$416
Monthly Income	\$4,469	\$4,251

The Jones saved \$218/month or \$2,616/year with an FSA!

LOWER THE COST COMMUTING WITH AN FSA TRANSPORTATION PLAN

Pay for qualified parking, transit and vanpooling expenses using money you've set aside pre-taxes. A Transportation FSA benefit plan can save you up to 40% of your transportation costs.

Paying with pre-tax dollars allows you to save on transit passes, tokens, fare cards, vouchers, etc., when riding on mass transit, or when riding with someone in the business of transporting people for hire (it must be in a vehicle that seats six or more adults, excluding the driver).

The IRS sets a maximum monthly amount for the pre-tax payments made for qualified transit and parking expenses. This amount is updated annually by the IRS for 2013 the maximum is set at \$240.00 per account per month. You save both federal income tax and FICA (Social Security and Medicare) taxes by participating in the Plan.

Transit Pass Expenses

These are expenses incurred or paid for a pass, token, fare card, voucher or similar item for transportation that is:

- On mass transit (such as train, bus, subway or ferry), whether or not publicly owned. Provided by anyone in the business of transporting persons for compensation or hire if such transportation is provided in a vehicle with a seating capacity of at least six adults (excluding driver).
- Commuter Highway Vehicle (Vanpool) Expenses
These are expenses incurred for transportation in a commuter highway vehicle if the transportation is in connection with travel between your home and place of employment.
A commuter highway vehicle is any highway vehicle with a seating capacity of at least six adults (not including the driver) and at least 80% of the yearly mileage is for purposes of transporting you between your home and work, and on trips where the number of individuals transported for work purposes is at least half of the adult seating capacity of the vehicle (excluding driver).
- Transit Expenses:

May be purchased with your FSA Debit Card at your transit authority. Can be purchased out-of-pocket and be reimbursed via direct deposit or check from E Benefits Administration

Qualified Parking Expenses

These are expenses incurred for parking at or near your regular place of employment or expenses incurred to park your car at a location from which you commute to your regular place of employment by:

- Carpool
 - A commuter highway vehicle
 - Mass transit facilities
 - Transportation provided by any person in the business of transporting persons for compensation or hire, if such transportation is in a commuter highway vehicle
- Parking passes:
 - May be purchased with your FSA Debit Card.
 - Can be purchased out-of-pocket and be reimbursed via direct deposit or check from E Benefits Administration.

THE BENEFITS OF FSA ADMINISTRATION WITH E BENEFITS ADMINISTRATION

- **Support.** E Benefits Administration is committed to continuous education and customer support. Customer representatives are available via phone or email Monday – Friday 9 am – 5 pm MST. E Benefits Administration’s mobile application allows you to: check your FSA balance, file a claim, view your account activity and more 24/7.
- **One Card.** Everyone is looking for simple. E Benefits Administration uses the same Benefits Debit Card for all products. Participants enrolled in multiple plans like that the process is streamlined and they can use the same card. The card’s technology ensures the correct balance is pulled when they run their card.
- **Integration.** E Benefits Administration understands strong integrations with our clients’ other partners saves everyone time and stress in the set-up process and on-going administration.

E Benefits Administration

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