

Your FSA: The Smart Way to Pay

How the Healthcare Flexible Spending Account (FSA) Works

You decide how much per pay period you'd like to contribute to your FSA based on your expected out-of-pocket healthcare costs for the year. That amount is then payroll deducted from your gross (pretax) wages and deposited directly into your account. You then use the tax-free money in your FSA to pay for eligible healthcare expenses

The FSA is a perfect complement to your employer's health plan because it helps fill the gaps in your plan coverage. You can use your FSA to pay for:

- Coinsurance and deductible expenses

- Healthcare expenses not covered by your insurance plan, such as prescriptions, dental care, vision services, and more (see the list of eligible expenses on reverse).

Convenient Debit Card Access

Some employers elect to offer Benny™ Cards to their covered employees. With this card, accessing your FSA funds for healthcare expenses is easy. There's no need to pay out of pocket and wait for a reimbursement check. Simply use your Benny™ Card to pay for healthcare services at the point of purchase, just like any other debit or credit card; the funds are automatically deducted from your FSA. You'll have access to your account information and balance on the Web at MyBenny.com.

If you need more information about Healthcare FSAs, please contact Manely Services: 541.458.4788 or toll-free 800.422.7038.

continued on reverse

Tax Savings Comparison		
This example shows how an FSA can increase your spendable income. <i>This example is only for illustrative purposes, and your own tax situation may be different.</i>		
	Without FSA	With FSA
Tony's monthly salary	\$1,500	\$1,500
Tony's pre-tax FSA contribution	- 0 -	\$200
Tony's adjusted salary	\$1,500	\$1,300
Taxes, calculated at 30%	-\$450	-\$390
Net take-home pay	\$1,050	\$910
After-tax medical expenses	- \$200	- 0
Tony's monthly spendable income	\$850	\$910
By setting aside \$200 in the FSA as a pre-tax payroll reduction, Tony saves \$60 per month and \$720 each year in taxes—that translates to extra money in his pocket.		



Questions and Answers

Does an FSA work with my HRA?

our Benny™ Card lets you access both your FSA and your HRA. In most cases, if your employer offers both an HRA and an FSA, the HRA account will be spent first. If the expense is allowed under your HRA and your HRA has an available balance, then HRA funds will be used. If your HRA account is exhausted or the expense is not allowed under your HRA, then your FSA account may be spent. If both accounts are exhausted, your card won't work.

What happens to unused money at the end of the year?

Unlike the HRA, unused amounts in an FSA cannot be carried over to the following year under IRS guidelines. If you allocate money to your FSA and do not use it during the plan year, the balance is forfeited. For this reason, conservative estimates and careful planning are important. Use the worksheet below to determine your FSA contributions.

Ready to Sign Up?

First, use the FSA Worksheet below to carefully calculate the amount you will contribute to your FSA from your pre-tax wages. Second, complete the FSA enrollment form on the last page of the PacificSource Group Health Enrollment Application.

FSA Contribution Worksheet	
<i>Estimate the total annual amounts you'll need for the following unreimbursed health-related expenses.</i>	
Health insurance deductibles	\$
Coinsurance or copays	\$
Vision care	\$
Dental care	\$
Prescription drugs	\$
Travel costs for medical care	\$
Other eligible expenses (see list to the right)	\$
Individual policy premiums (medical, dental, cancer, etc.)	\$
Annual total	\$
Number of pay periods per year	
Contribution per paycheck (annual total divided by number of pay periods)	\$

What if I forget my Benny Card and pay for services out of pocket? How do I request reimbursement?

Just submit a Request for Reimbursement form to Manley Services along with proper documentation. Acceptable documentation includes a copy of your itemized bill, Explanation of Benefits (EOB), or other paperwork that includes the cost and date of service. (Canceled checks, credit card receipts, and past due notices cannot be accepted.)

If your FSA is through Manley Services, you can download a reimbursement form on the Forms section of Manleyplan.com.

Do I have to claim my healthcare expenses on my taxes?

No. In fact, any healthcare expenses reimbursed through your FSA cannot be claimed as income tax deductions.

Examples of FSA-Eligible Expenses

The following, while not intended to be a complete list, illustrates the type of health-related expenses that may be reimbursed under your FSA. To be eligible for coverage, the service must be medically necessary. For more examples, visit Manleyplan.com

*Acupuncture
Ambulance service
Birth control pills
Braces
Chiropractic care
Copays and deductibles
Crutches
Dental care and dentures
Diabetic supplies
Diagnostic fees
Elective surgery (but not cosmetic)
Hearing devices and batteries
Home improvements for medically necessary reasons
Hospital charges
Massage therapy
Medical monitoring/testing devices
Mental health care
Naturopathic care
Nurse care
Obstetrical expenses
Orthodontia
Orthopedic shoes
Over-the-counter medications
Prescribed medicine
Routine physical and other non-diagnostic services and treatments
Surgery
Transportation expenses primarily for medical service
Vision care (eyeglasses, contact lenses and supplies, prescription sunglasses, reading glasses, laser eye surgery, and exam fees)
Wheelchairs*



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