

What is a Flexible Benefit Plan?

Key Benefit Administrators (KBA) FlexPro is the administrator for your employer-sponsored Flexible Benefit Plan. A Flexible Benefit Plan is approved under Section 125 of the Internal Revenue Code and enables you to pay for certain expenses with pre-tax dollars.

Optional Benefits:

Employee Paid Insurance Premiums - This account automatically allows you to pay for your portion of some insurance premiums with tax-free dollars. This may include premiums for medical, dental, vision, group term life, cancer coverage, etc.

Health Care Flexible Spending Account (FSA) - Certain health care costs, including medical, dental, vision and hearing expenses that are not paid by insurance and other "out-of-pocket" expenses may be reimbursed by participating in a Health Care FSA. These expenses must be incurred within the plan year (or within the grace period if applicable) and may include, but are not limited to: expenses for medical plan co-payments, deductibles, prescription drug co-payments and charges, physician office visits, chiropractic care, vision and dental and orthodontia care.

***Please note:** The cost of over-the-counter medicines may not be reimbursed through a Health Care FSA unless the medicine is prescribed by a physician.

Dependent Care Flexible Spending Account (DCAP) — Certain dependent care costs may be reimbursed by participating in the Dependent Care Flexible Spending Account. Qualified expenses may include fees for adult and child care centers, preschool and before/after school care. To be eligible, you and your spouse (if married) must be employed or a full-time student. Your dependent must be under age 13 or physically and/or mentally incapable of caring for themselves. As of each regular payroll deduction date established by your employer, your employer will credit an amount to your account. Eligible claims incurred during the plan year and submitted within the appropriate timeframe may be reimbursed up to the amount available in the account at the time of reimbursement. The maximum annual amount for the Dependent Care FSA is \$5,000 per family.

Certain leave of absence rules apply to reimbursement of dependent care expenses. Dependent Care expenses may not be reimbursed while on Leave of Absence (LOA). However, there is an exception for short term, temporary absences. An absence of no more than 2 consecutive calendar weeks is considered a short term, temporary absence. A taxpayer who is gainfully employed is not required to allocate expenses during a short, term, temporary absence from work, such as a vacation or minor illness, provided that the care giving arrangement requires the taxpayer to pay for care during the absence.

Is a Flexible Spending Account Right for You?

Do you have any of the following out-of-pocket expenses?

- Medical plan copayments
- Medical plan deductible
- Medical plan coinsurance
- Other medical care expenses not covered by insurance
- Dental expenses (copays, cleanings, orthodontia, etc.)
- Vision expenses (exams, glasses, contact lenses, LASIK, etc.)
- Dependent Care Expenses that allow you and your spouse (if married) to be gainfully employed or a full-time student

If you answered YES to any of the above questions, you can reduce the taxes you pay by participating in your employer-sponsored Flexible Benefits Plan and **increase your take home pay!**

How Flexible Spending Accounts Work and How Much You Can Save

This illustration demonstrates how a participating employee might save \$650 in taxes during the Plan Year by paying for eligible expenses with pre-tax dollars through the Flexible Benefits Plan.

Please note: This example is for illustrative purposes only. Savings may vary depending on each person's eligible expenses and benefit election.

	Without Flex	With Flex
Annual Income	\$30,000	\$30,000
Eligible Out-of-Pocket Pre-Tax Expenses	\$ 0	\$ 2,600
Remaining income to be taxed	\$30,000	\$27,400
Estimated Taxes (estimate of 26% including FICA, Federal and State)	\$ 7,800	\$ 7,124
Out-of-Pocket After Tax Expenses	\$ 2,600	\$ 0
Take Home Pay	\$19,600	\$20,276
Total Annual Savings	\$ 0	\$ 676

IN 2017, YOU DECIDE HOW MUCH YOU SAVE!!

Use the below worksheet to figure **how much you can save** by participating in a Flexible Benefit Plan.

1.	Health Care Expenses:	
	Enter your estimated family annual medical/dental/vision expenses that are not covered by insurance:	
	Medical Insurance Copayments, Deductibles and Coinsurance	\$
	Over-the-counter medical products	\$
	Over-the-counter medicines (prescribed by a physician)	\$
	Doctor Office Visits	\$
	Physical Examinations	\$
	Well-baby care	\$
	Chiropractic Care	\$
	Dental Exam Copayments and Dental Insurance Deductibles	\$
	Orthodontia Care and Other out-of-pocket Dental Care	\$
	Vision Exams	\$
	Eyeglasses AND Contact Lenses	\$
	Other out-of-pocket eye care (LASIK or contact solutions, etc.)	\$
	Hearing Care	\$
	Other out-of-pocket medical care (not covered by insurance)	\$
	Total Annual Medical, Dental and Vision Expenses	\$
2.	Dependent Care Expenses:	
	Enter your estimated weekly dependent care expenses:	
	Weekly expenses x 52 weeks = Total Annual Dependent Care Expenses	
3.	Total Flex Savings:	
	Total annual expenses from above Health Care and Dependent Care	\$
	Multiply by an estimated tax savings of 26%	x 26%
	Your Estimated Annual Tax Savings	\$

More take-home money to help pay for those eligible expenses!