

Cover out-of-pocket medical expenses with big tax savings

The Health Flexible Spending Arrangement (FSA) allows employees to use pre-tax dollars to pay for out of pocket medical, dental, and vision care expenses not covered by other insurance.

Our Health FSA package provides employers with everything they need to establish an IRS- and DOL-compliant FSA plan document.

Employer Benefits

- Eliminate payroll tax on employee contributions;
- Lessen the impact of employees' deductibles, co-pays, and coinsurance gaps in health insurance.

Employee Benefits

- Eliminate taxes on contributions;
- Increase take-home pay;
- Plan ahead for out-of-pocket medical expenses.

More Features

- A Health FSA can be funded entirely by the employee (employer contributions optional);
- Employees set how much they will contribute;
- Entire annual contribution amount is available the first day;
- A Health FSA package quickly pays for itself in employer tax savings.

EMPLOYEES
SAVE up to
\$1,040
with a Health FSA

Big savings all around

A Health FSA reduces payroll taxes for both the employer and the employee, making it a popular benefit option.

The employee reduces tax withholding on FSA contributions and the employer saves 8% to 10% in matching payroll tax reductions:

Employee Annual Contribution	Employee Savings		Employer Savings
	Income Tax	7.65% FICA Rate	7.65% FICA Rate
\$2,600	\$573	\$198	\$198
Flex FSA	\$771 Total		Per employee/year

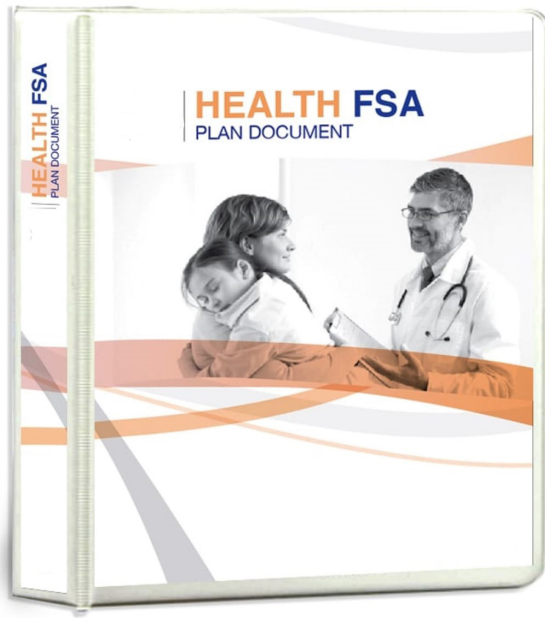
The tax benefit for the employee is like getting a huge discount on out-of-pocket medical expenses:

Per Bi-Weekly Pay Period	No FSA	With FSA
Gross Pay	\$ 1,385	\$ 1,385
Health Insurance Premium	300	300
Health FSA Contribution ¹	--	100
Federal Income Tax (20% rate)	217	197
Social Security (FICA; 7.65%)	83	75
State Income Tax (2%) ²	22	20
Out-of-Pocket Medical Expenses ³	100	--
Net Pay after Deductions & Expense	\$ 663	\$ 693
Net Savings on \$100 Medical Expense	--	\$30

1. IRS maximum contribution amount rises to \$2,750 in 2021.

2. Deductible in most states.

3. Same medical expenses paid without Health FSA, using after-tax dollars.



Qualifying Health FSA medical expenses include:

- Deductibles, co-pays, and coinsurance
- Vision expenses, including LASIK, glasses, and contacts
- Dental and orthodontic procedures
- Prescription drugs
- Chiropractic services
- Diagnostic procedures
- Hearing aids
- Ambulance service
- Back, wrist, and knee supports
- Crutches and slings
- Bandages
- Artificial limbs
- Blood pressure monitors
- CPAP supplies
- Diabetic testing monitors and strips
- Flu shots
- Pregnancy test kits
- Lactation aids
- Fertility treatments
- Diabetic supplies
- Special education for learning disabilities
- Smoking cessation programs
- Weight--loss programs
- Telephone equipment for the deaf, hard of hearing, or speech impaired
- Service animals
- Wheelchairs
- Psychiatric care
- Drug addiction treatment programs (inpatient)
- Alcoholism treatment (inpatient)
- Wigs
- Menstrual products
- Long-term care
- Nursing home
- Nursing services
- Oxygen
- Transportation
- Lodging
- OTC medications for cough and cold, allergies, heartburn, and pain relief;
- And much, much more

Set up a Health FSA in 3 easy steps

Design your plan:

- Choose your plan year according to the calendar (Jan-Dec) or your tax year (Jul-Jun, for example) -- a short plan year is available for the first year.
- Determine the rules and limits for your plan -- our order form takes you through it step-by-step.

Order your plan:

- Place your order for the Health FSA plan document package.
- Your personalized plan document package arrives at your inbox, usually* the same day.

Start your plan:

- Print, review, and sign the plan document where indicated;
- Give a copy of the participant packet to each eligible employee; and then,
- Keep the Health FSA plan document on file with other personnel paperwork -- there is no requirement to file the plan document with any agency.

*Most complete document orders placed by 3 PM will be emailed out the same day Monday through Friday. Orders placed on weekends are emailed out Monday morning.