

Flexible Spending Account

Faribault ISD #656
January 1, 2013

SelectAccountSM

Flexible Spending Account

- >For every dollar that you set aside, you do not pay Federal, State, or FICA taxes.
- >This benefit is available to you as a way to reduce your taxable income and increase your take-home pay.

Tax Savings Example

FSA	Example of employee tax savings	
	<u>With Select Account</u>	<u>Without Select Account</u>
Annual Gross Income	\$30,000	\$30,000
Employee Contribution FSA	-\$2,070.00	None
Taxable Income	\$27,930	\$30,000
Federal, State & FICA taxes	-\$4,750	-\$5,492
Eligible Expenses to be paid after taxes	None	-\$2,070
Remaining disposable income	\$23,180	\$22,438
Tax Savings	\$742	None
	Take home pay increased by \$742 when using FSA!	

Two Separate Components

- >Medical Flexible Spending Account
- >Dependent Care Flexible Spending Account

Medical Flexible Spending Account

- >The medical flexible spending account reimburses you for out-of-pocket medical, dental or vision expenses incurred by you or your eligible tax dependents.
- >The medical flexible spending account reimburses you up to your annual election, regardless of the amount of money that has been deducted from your paycheck.

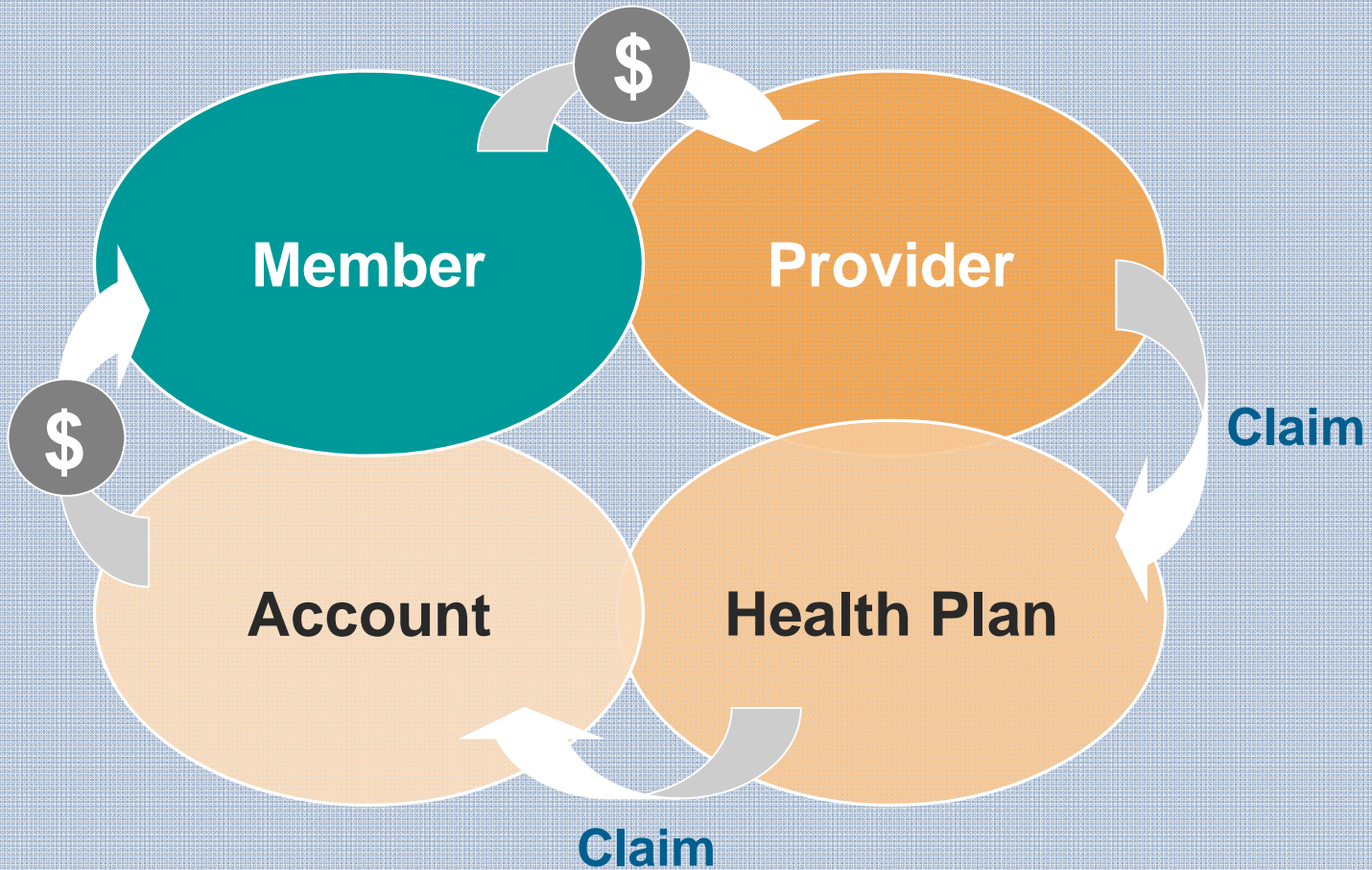
Over The Counter (OTC) Update

- >Effective in January 2011, purchases of OTC items such as aspirin, cough drops, etc. will require a prescription or to be eligible for reimbursement under a medical FSA.
- >Supplies, such as band-aids and insulin continue to be reimbursed without additional documentation.
- >Health Care Reform is a work in progress, so these rules are subject to change at any time.
- >SelectAccount will keep you informed of any changes as they occur.

Medical Flexible Spending Account

- >Crossover feature – optional time saving feature for members with Blue Cross Blue Shield of Minnesota.
- >Eliminates the need to file paper claims for expenses such as deductibles, coinsurance and prescription drugs.
- >You are automatically reimbursed!

Medical Crossover



Dependent Care Flexible Spending

>The dependent care flexible spending account reimburses you for your daycare expenses including:

- Licensed Daycare Facility
- Preschool Programs
- Before/After School Programs
- Day Camp (not overnight camp)
- Elder Care

>The dependent care flexible spending account reimburses you up to the amount of money that has been deducted from your paycheck.

Estimating Expenses

- >For both spending accounts, you need to estimate your expenses for the Plan Year (1/1/13 – 12/31/13), and specify the amount of money you want to allocate to each.
- >Note – if hired after January 1 your effective date is first date under contract.
- >Keep in mind unused funds are forfeited back to your employer.

Minimums and Maximums

- >Medical Flexible Spending Account
 - Minimum election - \$100
 - Maximum election - \$2,500
- >Dependent Care Flexible Spending Account
 - Minimum election - \$100
 - Maximum election - \$5,000 (determined by IRS)

Claims Processing

- >Daily claims processing.
- >Checks are mailed out, or an electronic funds transfer is initiated within five to seven business days from the date of receipt.

Runout Period

Runout Period – additional time to **submit** expenses after the plan year ends

- Medical FSA = 6 months (or until June 30, 2014)
- Dependent FSA = 2 months (or until Feb. 28, 2014)

Direct Deposit

- >You can elect to have your reimbursement directly deposited into your checking or savings account.
- >If you want this feature, you will need to complete a direct deposit form and attach a void check.

Online Account Information

> You have secured online access to your account 24 hour per day, seven days per week.

- Account Balance
- Claim Details
- Payroll Data
- Download Forms

> www.bluecrossmn.com

> www.selectaccount.com

Customer Service

>Customer service is available Monday through Friday from 7:00 am to 7:00 pm.

- 651.662.5065
- 1.800.859.2144

Welcome Packets

>If you choose to enroll, a welcome packet will be mailed to your home address prior to your effective date.

>The welcome packet includes a verification letter and some additional information to get you started.

Pin Letters

- >A pin letter will be sent separate from the welcome packet.
- >This letter will provide you with a pin number to gain access to your account information online.
- >This pin number only applies to access using www.selectaccount.com

SelectAccountSM

Thank you