

HOW MUCH CAN I SAVE?

	With FSA	Without FSA
Salary	\$30,000	\$30,000
FSA Contribution	-\$3,000	- 0
Taxable Pay	\$27,000	\$30,000
Estimated Tax (27.65%)*	-7,466	-8,295
After-Tax Salary	19,534	21,705
After-Tax Expense	0	-3,000
Spendable Income	\$19,534	\$18,705

Tax savings \$829

* Assumes 15% federal income tax, 5% state income tax, and 7.65% Social Security Tax.

Example: Sherrie and Jim Martin expect to spend \$3,000 for day care in the coming year. Sherrie decided to contribute \$3,000 of her salary to a Dependent Care FSA. The example estimates her possible tax savings.

Rules FOR COVERED EXPENSES

HEALTH CARE

- Expenses for any member of your household that you can claim as a tax dependent qualify.
- Expenses cannot be paid by other sources or benefit programs.
- Cosmetic procedures are generally not allowable. Cosmetic procedures are mainly directed at improving the patient's appearance and do not meaningfully promote proper body function or treat or prevent illness.

DEPENDENT CARE

- Care must be needed to allow you and your spouse to work, be a full-time student, or seek employment (volunteer work does not count).
- Care cannot be provided for free.
- Spouse and other dependents don't qualify as providers.
- Children under age 13, dependents who are physically or mentally unable to care for themselves, or elderly parents living in your home are covered.
- Children must qualify as dependents on your federal income tax.
- Travel, clothing, entertainment and food expenses are not eligible.
- Education costs are not covered.
- Overnight camps are not eligible.



Flexible Spending Accounts for employees

Helping you get more from
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UPA

Universal Plan Administrators

208-746-7046

www.upabenefits.com

1-800-222-0901

Start Saving

today with the
U.P.A. Flexible

Spending Accounts (FSA)

Want to get more pay in your paycheck? Of course you would!

Your employer is offering you the opportunity to take advantage of flexible spending accounts (FSA) to help you save money. The U.P.A. FSA allows you to set aside some of your paycheck in a pre-tax account to pay for certain health and dependent care expenses. Pre-tax means you avoid paying up to 35% in taxes! (Social Security taxes, Medicare taxes, plus State and Federal Income taxes).

The U.P.A. FSA is sponsored by your employer and administered by Universal Plan Administrators.

How it works: Simple as 1 - 2 - 3

We keep the process simple.

STEP 1. ESTIMATE how much you may spend for Health and/or Dependent Care FSA for the coming year.

STEP 2. COMPLETE our simple election form. It tells your employer how much pre-tax dollars to put into the Health and Dependent Care FSA. (Once started, you won't have another chance to sign up or make changes until next year's annual enrollment period. Changes may be allowed only if you experience a Qualified Family Status Change during the plan year and notify the plan administrator within 30 days of such event).

STEP 3. ACCESS your account for covered expenses. the best way to access your FSA account, is through your MySourceCard. The Card allows you to pay for most of your covered expenses without the burden of paperwork. Some charges may still require receipts. For other expenses incurred, a simple fax, or scan and email claim form with receipts will initiate a check mailed directly to you for the qualified amount.

It's that easy.

Phone 208-746-7046

Toll Free 800-222-0901

Fax 208-746-7154

What you need to know

There are many advantages to having an FSA, but there are issues you need to know about.

INCOME TAX MAY BE AFFECTED

When you use FSA dollars to pay an expense, you cannot make an itemized deduction on your 1040.

HEALTH AND DEPENDENT CARE ARE SEPARATE

You cannot shift money between health and dependent care accounts.

SOCIAL SECURITY MAY BE AFFECTED

With an FSA, you pay less Social Security tax. This may reduce Social Security, disability and retirement benefits. We recommend you

discuss this with your tax advisor. Reimbursable services must be provided during the FSA plan year and during your period of coverage.

PLAN WITH CARE

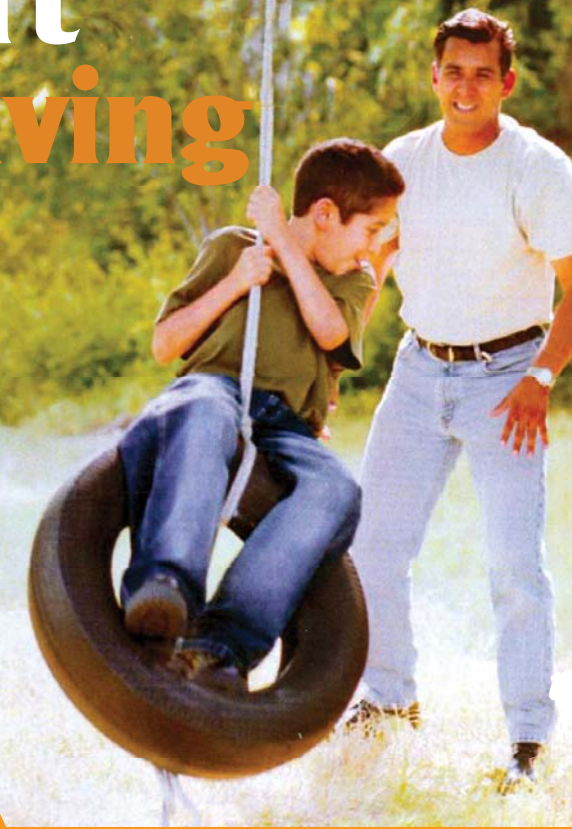
- Carefully consider where you plan to spend each FSA dollar since unused dollars at the end of the plan year are not refundable.
- Expenses are treated as having been incurred when the services are provided and not when you are formally billed, charged, or pay for the expense.
- Health FSA – You can use the Health FSA for incurred expenses up to the about of your total annual contribution any time during the FSA plan year.

What if you leave your job?

If you leave your current employer, you may be eligible under COBRA to continue the Health FSA only. This allows you to avoid forfeiting unused funds.

If you leave the Health FSA, only charges you incurred before you leave are eligible for reimbursement.

Start Saving



- Dependent Care FSA – You can receive reimbursement up to the amount you have contributed. You'll need to plan carefully for your first month in the FSA. You will be contributing to both the Dependent Care FSA and paying dependent care expenses at the same time. You won't be reimbursed until the following month – about eight weeks after the plan begins. Expenses cannot be reimbursed until actual day care services have been provided.

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