

How do I use my FSA?

- Pay for an eligible expense out of your pocket.
- Fax, mail or submit online a reimbursement request form with a copy of the receipt for the eligible purchase to ADP.
- ADP processes your request and promptly reimburses you through direct deposit.

All FSA participants will have access to a secure web site to view account information.

Where can I learn more?

Visit <https://AirForceNAF.adp.com> for additional information about flexible spending accounts, including a list of eligible expenses and an interactive contribution and tax-savings calculator. You can also call **1-844-842-1400** to speak with a Benefit Counselor.



Common Eligible Expenses

Health Care FSA

- Braces
- Chiropractic care
- Contacts
- Copays, deductibles and coinsurance for medical, dental and vision plans
- Diabetic Supplies
- Eyeglasses
- First aid supplies
- Flu Shots
- Hearing Aids
- Laser eye surgery
- Prescriptions
- Smoking cessation products (prescription only)
- And much more!

Dependent Care FSA

- Adult day care
- Before-/after-school care
- Day care
- Placement fee expenses and stipend for an au pair
- Summer day camp

Note: Over-the-counter medications (except insulin) are NOT eligible for reimbursement unless the medication is prescribed. Eligible expenses are subject to change based on IRS guidance.

This brochure provides a general overview of ADP's FSA program and is not inclusive, nor a guarantee of eligibility or payment. Please see your company's plan documents for specifics regarding your plan. If any conflict arises between this brochure and your plan documents, the terms of your company's plan will apply.

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Flexible Spending Accounts

Save Money on Health Care and Child Care

Enroll in a Flexible Spending Account (FSA) today!

Use pre-tax money to save on:

- Medical
- Prescriptions
- Dental
- Vision
- Day Care

What is a Flexible Spending Account (FSA)?

- An employee benefit that saves you money on eligible health care and day care expenses for you and your family.
- An account where you contribute money from your paycheck BEFORE taxes, incur eligible expenses, and get reimbursed.
- A great way to **SAVE MONEY** and **LOWER YOUR TAXES!**

There Are Two Types of FSAs:

- The **Health Care FSA** is used to pay for eligible out-of-pocket medical expenses not covered by insurance.
- The **Dependent Care FSA** is used to pay for eligible child or elder care expenses including day care, before-/after-school care and summer day camp.

How will an FSA save me money?

You pay less in taxes. Here's an example:

| Annual Savings* | With FSA | Without FSA |
|--|--------------|-------------|
| Annual pay | \$50,000 | \$50,000 |
| FSA pre-tax contribution | (\$2,000) | \$0 |
| Taxable income | \$48,000 | \$50,000 |
| Federal income, Social Security and Medicare taxes | (\$10,996) | (\$11,616) |
| After-tax dollars spent on eligible expenses | \$0 | (\$2,000) |
| Real spendable income | \$37,034 | \$36,384 |
| Savings with an FSA | \$650 | |

* Sample tax savings for a single taxpayer with no dependents. Actual savings will vary based on your individual tax situation. Please consult a tax professional for more information.

Should I enroll?



An FSA can save you an average of 30% each year on out-of-pocket costs. That is because FSA funds are taken from your pay pre-tax, reducing the amount you have to pay in taxes. If any of the following apply to you or your eligible family members, enrolling in an FSA can save you money:

Health Care: If you have common out-of-pocket expenses for you and your dependents such as medical, dental, copays, prescriptions, medicine, eyeglasses, vision, orthodontia, etc.

Note: Over-the-counter medications (except insulin) are NOT eligible for reimbursement unless the medication is prescribed.

Dependent Care: If you pay money for child care or dependent care expenses and you and your spouse (if married) are working, looking for a job or attend school full-time, and

- you have children under the age of 13 who attend day care, before-/after school care or summer day camp.
- you provide care for any other person who is mentally or physically incapable of caring for himself or herself and comply with IRS requirements.

Enroll and start saving!

How much should I contribute to my FSA?

That's up to you. The amount you elect to contribute is unique to your health care and dependent care situation. Look at what you typically spend each year on out-of-pocket health care and day care. Use the FSA contribution calculator at <http://www.spendingaccounts.info/calculator.htm> to estimate the amount that's right for you.

Note: The maximum you can elect for a Benefit Period is \$2,550 for HCFSA; \$5,000 for DCFSA. The minimum amount for both accounts is \$100.

What is the use-or-lose rule?

Because FSAs have tax benefits, the IRS places guidelines on them. As a general rule, any funds left in your account at the end of the plan year cannot be rolled over to the next year or paid out to you to reimburse you for eligible expenses you incur after the end of the plan year. So plan carefully when determining how much you want to contribute.

The Air Force offers a 2 ½ month extension (also called "grace period") to help you avoid forfeiting funds. During the grace period, eligible expenses incurred from January 1 through March 15 of the following year can be applied towards your prior year's balance.

How do I enroll?

Enroll in an FSA during your benefits Open Enrollment period. Once you have determined your annual FSA election the Air Force will deduct the amount from your pay in equal amounts throughout the year, before taxes.