



Save money with FSA pretax benefit accounts.

A Flexible Spending Account (FSA) puts more money in your pocket by reducing your taxable income when you contribute pretax dollars to pay for common expenses like these:



HEALTHCARE

- Medical/dental office visit co-pays
- Dental/orthodontic care services
- Prescriptions and vaccinations
- Eye exams; prescription glasses/lenses

DEPENDENT CARE

- Daycare expenses
- Before & after school care
- Nanny/nursery school
- Elder care

TIPS

- You can choose to enroll in a Healthcare FSA, Dependent Care FSA, and more
- Your employer may offer other types of Benefit Accounts too; ask for details
- For a complete list of eligible expenses, see IRS Publications 502 & 503 at irs.gov

Increase your take-home pay by reducing your taxable income.

Each \$1 you contribute to your FSA reduces your taxable income by \$1. With less tax taken, your take-home pay increases!

Consider this example:
(For illustration only)



Richard has:

- Gross monthly pay of \$3,500
- \$600 per month in eligible expenses

Here is his net monthly take-home pay:

Without FSA

(\$600 spent using post-tax dollars)

\$1,932

With FSA

(\$600 spent using pretax dollars)

\$2,098

That's a net increase in take-home pay of **\$166** every month!

To estimate potential savings based on your income and expenses, use the Tax Savings Calculator at www.tasconline.com/tasc-calculators/tasc-flexsystem-calculator/

See how easy it is to start saving with a TASC Benefit Account. See details on reverse.



Determine if your Dependent Care expenses qualify for reimbursement from FSA



The TASC Dependent Care FSA allows you to use pretax dollars to pay for eligible expenses related to care for your child, disabled spouse, elderly parent, or other dependent who is physically or mentally incapable of self-care, so you (or your spouse) can work, look for work, or attend school full time. **Medical expenses for your dependent are not eligible for reimbursement under the TASC Dependent Care FSA.**

Eligibility for the dependent care benefit requires that certain criteria be met, which is outlined in this document.

- A) **The dependent care expenses must be work-related.** The care must be necessary for the employee and/or the employee’s spouse to work, to look for work, or to attend school full-time, or if they are physically unable to care for their children.
- B) **The dependent care expenses provided during a calendar year cannot exceed \$5,000.** In the case of a separate return by a married individual, the limit is \$2,500. This amount may be less if the employee’s earned income or spouse’s earned income is less than \$5,000.

Dependent care expenses must be for the care of one or more qualifying persons.

A “Qualifying Person” is defined as one of the following:

- A dependent child who was under age 13 when care was provided and for whom a tax exemption can be claimed.
- A spouse who was physically or mentally not able to care for him/herself and lived with you for more than half the year.
- A dependent who was physically or mentally not able to care for him/herself and for whom an exemption can be claimed, and lived with you for more than half the year.

Eligible and Ineligible Expenses for Dependent Care FSA Reimbursement (partial list)

Allowed for Reimbursement:

- Fees for licensed day care or adult care facilities
- Before and after school care programs for dependents under age 13
- Amounts paid for services (including babysitters or nursery school) provided in or outside of your home
- Nanny expenses attributed to dependent care
- Nursery school (preschool) fees
- Summer Day Camp – primary purpose must be custodial care and not educational in nature
- Late pick-up fees

NOT Allowed for Reimbursement:

- Medical expenses
- Baby-sitter in or out of your home for reasons other than to enable you to work
- Activity fees/ educational supplies
- Food, clothing, and entertainment
- Transportation expenses
- Child support payments
- Kindergarten fees
- Overnight camp
- Late payment charges

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