



FLEXsmart Benefits Program



What is a Flex Plan?

- ◆ Set aside a portion of your pre-tax income into a Flex Spending Account or a Dependent Care Account.
- ◆ These accounts can be used towards medical expenses or dependent care throughout the year.
- ◆ Money is taken out pre-tax so you end up taking more money home!

Your Paycheck Without a Flex Plan		Your Paycheck With a Flex Plan	
Salary	\$2000	Salary	\$2000
FICA/federal/state taxes	- <u>500</u>	Insurance Premiums	- 100
Adjusted earnings	\$1500	Health & Daycare expenses	- <u>300</u>
Insurance Premiums	- 100	Adjusted earnings	\$1600
Health & Daycare expenses	- <u>300</u>	FICA/federal/state taxes	- <u>400</u>
Net pay without Flex Plan	\$1,100	Net pay with Flex Plan	\$1,200
		Net tax savings with a Flex Plan	\$100

How does a Flex Plan Work?

- ◆ Elect the amount you wish to allocate.
 - ◆ Tally up your qualified expenses for the upcoming year for yourself, your spouse, and your children.
- ◆ After money is put into your account you will be reimbursed for qualified expenses by using your Medicaid debit card or by filing a claim with an attached copy of the receipt.
- ◆ Excess money **does not** rollover at the end of the year.



Medical Expenses Covered

- ◆ Deductibles
- ◆ Co-insurance payments
- ◆ Prescription drugs
- ◆ Chiropractor services
- ◆ Quit smoking medications
- ◆ Orthodontia/retainers
- ◆ Artificial limbs & braces
- ◆ Lasik surgery
- ◆ Vision expenses
(Contact lenses, solutions and supplies)
- ◆ Dental expenses not covered by insurance
- ◆ OB/fertility
- ◆ Hearing devices
- ◆ Alcoholism & drug treatment
- ◆ Diabetic supplies
- ◆ Psychiatric/psychologist's fees
- ◆ Over the counter items
(pain relievers, cold medicines, antacids, & allergy)

Advantages of the Debit Card

- ◆ "Cashless transactions"
 - ◆ Instead of paying for eligible expenses and waiting to be reimbursed, the debit card pays the expense directly from your Medical or Dependent Care Account.
- ◆ No more filing of manual claims and waiting for reimbursements.

Dependent Care

- ◆ You can be reimbursed for up to \$5,000 (\$2,500 for a married employee filing separate tax returns) of dependent care expenses each plan year.
- ◆ Qualified dependents include:
 - ◆ Children age 12 and under
 - ◆ Disabled spouse or,
 - ◆ Dependents who are physically or mentally incapable of self-care and regularly spend at least 8 hours each day in the taxpayer's household.