

# Smart

## Say 'Yes' to saving with an FSA

Yes – you really do save money when you enroll in a health care or dependent care flexible spending account (FSA). Many people save hundreds or even thousands of dollars by putting aside money before taxes into an FSA. Here's how:

- You decide to make a regular contribution to the account from your paycheck before federal, state, or Social Security taxes are calculated.
- Then, you reimburse yourself from the account as you pay for eligible health care or dependent care expenses.

You save money by reducing your taxable income. It's that simple.

### FSA savings example\*

Grace is a mother of two, who:

- Is in the 28 percent federal tax bracket
- Lives in a state with a 5 percent income tax
- Pays 7.65 percent in FICA taxes and
- Deposits \$2,000 into a health care FSA through pre-tax contributions at work

	<b>Savings</b>
28% federal income tax	\$560
5% state income tax	\$100
7.65% FICA	\$153
<b>Total tax savings</b>	<b>\$813</b>

Grace can use her FSA to pay for her daughter's braces and her son's eyeglasses and contact lenses.

\*This example is presented strictly for educational purposes and doesn't include other potential factors, such as pre-tax contributions to a qualified retirement plan, mortgage or other deductions. Please consult a tax, legal or financial advisor about your own personal situation.

### What you can pay for with an FSA

You can find a list of eligible expenses at [myuhc.com](http://myuhc.com)<sup>®</sup> or see your benefit plan information. Some sample expenses are:

- Your share of health plan expenses, like deductibles and copayments (insurance premiums do not qualify)
- Eyeglasses and contact lenses
- Dental work, orthodontia and dentures
- Qualifying prescriptions and over-the-counter medications used solely to treat a medical condition

### You can use your dependent care FSA to pay for:

- Day care services for children under age 13
- Care for other qualifying dependents unable to take care of themselves
- Live-in help who care for a qualifying individual

Your employer may limit coverage on certain eligible expenses, so it is important that you review your benefit information.



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Healing health care. Together.<sup>®</sup>

## Still hesitating? Let us help.

### **“I’m afraid I’ll lose money if I don’t use all the money I put away.”**

So start small to find out how the account works.

It is true that if you don't spend your FSA by the end of the plan year, you will lose that money. Most people are able to spend the money they set aside. Please see your benefit information for details on your spending deadline.

### **“I don’t want to have to file claims to get my money or take reimbursement checks to the bank.”\***

Reimbursement claim forms are available on myuhc.com, where you can sign up to have your FSA reimbursements automatically deposited into your savings or checking bank account. You save time and paper, and reimbursements happen faster.

Your FSA will also come with a convenient Consumer Accounts MasterCard® card to pay for eligible expenses anywhere that MasterCard is accepted.

### **“It’s too much work to figure out what’s covered by my FSA and what’s not.”**

Many pharmacy, grocery and department store chains can now tell you at the cash register if your purchases are eligible for FSA reimbursement. And you can always find a list of eligible medical expenses at myuhc.com.

Note: You should consult your employer's FSA benefit plan to find out what is covered for you.

### **“I’m fairly healthy, so I don’t have many out-of-pocket medical expenses.”**

You don't take pain relievers? Allergy, cold or flu medications? Your health care FSA can also be used for hundreds of medical, dental and vision expenses. Some of them may even surprise you, such as LASIK surgery, smoking cessation programs and alternative therapies, like acupuncture. Like we said, it's flexible.

## **Not sure how much to set aside?**

Use the FSA Savings Calculator. Visit myuhc.com®, and click on “Flexible Spending Account.”



**Everyone is looking for ways to save today. An FSA is one way you can.**

\*Some services may not be offered through your specific plan. Please check your benefit information for details.

Contact a tax, legal or accounting professional for personal advice on tax-related filings and issues. Federal and state regulations are subject to change.

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