

# Flexible Spending Accounts (FSA)

## Overview



With a tax-advantaged FSA, you have a convenient way to save for—and pay for—eligible medical, dental, and other expenses.

### With an FSA, you benefit from the following:

- **Tax Savings** – By saving pre-tax dollars in your FSA, you lower your taxable income and increase your annual take-home pay (see example below).
- **Overall Lower Out-of-pocket Costs** – By using pre-tax dollars to pay for eligible expenses, you gain an automatic discount on these products and services.
- **Flexibility** – The funds in your FSA can be used for a range of products and services (see summary).
- **Convenience** – With your FSA debit card, it's easy to use your funds when you need them.

### Managing Your FSA is Easy

You can access your FSA by simply logging into your account through **myhealthcareonline.com**, where you can:

- Check your current FSA balance and transaction history
- Schedule a contribution and direct deposits
- Utilize tax savings calculator and eligible expense finder
- Submit claims
- And more

Increase Your Take-Home Income*			
	Not Enrolled in an FSA	Enrolled in an FSA	Benefits
<b>Pre-Tax Annual Income:</b>	\$38,000	\$38,000	
FSA Contribution	\$0	-\$500	FSA funded by pre-tax dollars
<b>Taxable Annual Income:</b>	\$38,000	\$37,500	
Federal Income Tax (15%)	-\$5,700	-\$5,625	Pay less in Federal Income Tax
State Income Tax (4%)	-\$1,520	-\$1,500	Pay less in State Income Tax
FICA Tax (7.65%)	-\$2,907	-\$2,869	Pay less in FICA Tax
Out-of-Pocket Medical Expenses	-\$500	\$0	Out-of-Pocket medical expenses paid by pre-tax dollars in your FSA
<b>Take-Home Annual Income</b>	<b>\$27,373</b>	<b>\$27,506</b>	<b>Take-home income increased by \$133</b>

\* Illustration is just an example. Incomes, contributions, and taxes will vary by individual and state.

Summary of Eligible Expenses	
Healthcare FSA	
Braces	Eyeglasses
Copays	Hearing Aids
Contacts	Home Hospice Care
Deductibles	Mental Health
Chiropractors	Machine Tests
Deductibles	Physician Services
Dental Services	Prescriptions
Diagnostic Testing	Surgeries
Durable Medical Equipment	Therapy
	Vision Services
Dependent Care FSA	
Adult Day Care	Nursery School
Child Day Care	Sick-child facility
Day Camp	

Have questions? Please call BCBSRI Customer Service at the number on the back of your member ID card or at (401) 459-5000.

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