Maximize your take-home income with a Flexible Spending Account

Your flexible spending account (FSA) through Blue Cross & Blue Shield of Rhode Island (BCBSRI) allows you to pay for qualified expenses, such as healthcare, dependent care, and commuter services, with pre-tax dollars. Since taxes are not deducted from your FSA payroll contributions, you’ll pay less in federal, state, and FICA taxes—which means more take-home pay!

With an FSA, you benefit from the following:

• The money you put in may reduce your taxable income
• Taxes aren’t deducted, so you get more spending power when you pay for qualified expenses

Increase your take-home income

<table>
<thead>
<tr>
<th></th>
<th>Not enrolled in an FSA</th>
<th>Enrolled in an FSA</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-tax annual income</td>
<td>$38,000</td>
<td>$38,000</td>
<td></td>
</tr>
<tr>
<td>FSA contribution</td>
<td>$0</td>
<td>$500</td>
<td>FSA funded by pre-tax dollars</td>
</tr>
<tr>
<td>Annual taxable income</td>
<td>$38,000</td>
<td>$37,500</td>
<td>FSA contributions can reduce taxable income</td>
</tr>
<tr>
<td>Federal, state &amp; FICA</td>
<td>$10,127</td>
<td>$9,994</td>
<td>Pay less in taxes</td>
</tr>
<tr>
<td>Out-of-pocket medical expenses</td>
<td>$500</td>
<td>$0</td>
<td>Out-of-pocket medical expenses paid by pre-tax dollars in your FSA</td>
</tr>
<tr>
<td>Take-home annual income</td>
<td>$27,373</td>
<td>$27,506</td>
<td>Take home income increases by $133</td>
</tr>
</tbody>
</table>

For illustrative purposes. Your tax situation may be different. Consult a tax advisor.

Here’s how it works

Log in to your FSA account

• Go to [bcbsri.wealthcareportal.com](http://bcbsri.wealthcareportal.com) and click SIGN IN at the upper right corner of the page.
• Explore FSA tools and resources online
  – View your account
  – Calculate your savings
  – Learn how to use your FSA

Make payments

• FSA debit card
• Submit claims
• Paper submission

Download BlueSolutions Spending mobile app

Manage your FSA account on the go. Find details at your FSA account online.
### Healthcare

**Eligible expenses:**
- Ambulance
- Artificial limb or prosthesis
- Birth control
- Braces
- Chemical dependency treatment
- Chiropractors
- Copays
- Contact lenses
- Deductibles
- Dental expenses
- Diagnostic/lab fees
- Eyeglasses
- Eye surgery
- Hearing aids
- Hospital services
- Menstrual care products
- Non-prescription medicines, like cold and flu pills
- Physician fees
- Prescription drugs
- Smoking cessation programs
- Transplants
- Weight loss program

**Ineligible expenses:**
- Cosmetic surgery
- Deodorant
- Electrolysis hair removal
- Funeral expenses
- Health club dues
- Medicated shampoo and soap
- Multivitamins
- Teeth whiteners
- Tissues
- Toiletries

### Dependent Care

**Eligible expenses:**
- Child day care programs
- Before- and after-school programs
- Home care (caregiver cannot be spouse or dependent and is 19 years of age or older)
- Funeral expenses
- Nursery school program
- Tissues
- Toiletries

**Ineligible expenses:**
- Funeral expenses
- Nursery school program
- Tissues
- Toiletries
- Home care (caregiver cannot be spouse or dependent and is 19 years of age or older)

### Commuter

**Eligible expenses:**
- Bus vouchers and passes used to commute to and from work
- Carpooling in a "commuter highway vehicle" to and from work
- Ferry passes used to commute to and from work
- Work-related parking

**Ineligible expenses:**
- Mass transit and parking costs not associated with the commute to and from work

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1 This list is for illustrative purposes and is not a complete list of all eligible and ineligible expenses. Please see IRS Publication 502 for a more detailed and accurate listing of qualified healthcare expenses.

This communication is not intended as legal or tax advice. Please contact a legal or tax professional for personal advice on FSA eligibility, tax treatment, and restrictions.