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.

### Increase Your Take-Home Income*

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Not Enrolled in an FSA</th>
<th>Enrolled in an FSA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Tax Annual Income:</td>
<td>$38,000</td>
<td>$38,000</td>
</tr>
<tr>
<td>FSA Contribution</td>
<td>$0</td>
<td>-$500</td>
</tr>
<tr>
<td>Taxable Annual Income:</td>
<td>$38,000</td>
<td>$37,500</td>
</tr>
<tr>
<td>Federal Income Tax (15%)</td>
<td>-$5,700</td>
<td>-$5,625</td>
</tr>
<tr>
<td>State Income Tax (4%)</td>
<td>-$1,520</td>
<td>-$1,500</td>
</tr>
<tr>
<td>FICA Tax (7.65%)</td>
<td>-$2,907</td>
<td>-$2,869</td>
</tr>
<tr>
<td>Out-of-Pocket Medical Expenses</td>
<td>-$500</td>
<td>$0</td>
</tr>
<tr>
<td>Take-Home Annual Income</td>
<td>$27,373</td>
<td>$27,506</td>
</tr>
</tbody>
</table>

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

### Managing Your FSA is Easy

You can access your FSA by simply logging into your account through mywealthcareonline.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

### 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.