

The Flexible Spending Account Benefits Everyone – Especially You.

A Flexible Spending Account, or FSA, is a smart, simple way for you to put aside money—tax-free—to cover the everyday expenses you know you’ll have in the coming year. You can use it to pay for non-covered medical or dental expenses, child care, and even dependent adult care costs.

But because contributions to an FSA are made before taxes are taken out of your pay, you reduce your total taxable income and get to keep more of every dollar you earn. It’s like giving yourself a raise while you take care of important health and dependent care expenses at the same time. And FSAs aren’t just for people with major expenses: almost everyone can benefit from an FSA. Think of all those routine everyday expenses you might overlook—copayments, deductibles, optical care, dental expenses—they all add up. And they could all be reimbursed to you through your own FSA.

Take a look at a few examples of how an FSA could benefit you:

	Single Parent		Working Couple		Single Person	
	Without FSA	With FSA	Without FSA	With FSA	Without FSA	With FSA
Total Monthly Income	\$2,335	\$2,335	\$4,583	\$4,583	\$3,000	\$3,000
Pre-Tax Deductions						
Medical/Dental/Vision Expenses	0	50	0	80	0	75
Child-Care Expense	0	300	0	375	0	
<i>Income after pre-tax deductions</i>	\$2,335	\$1,985	\$4,583	\$4,128	\$3,000	\$2,925
Taxes						
Federal, State, FICA*	\$584	\$496	\$1,145	\$1,032	\$750	\$731
<i>Income after taxes</i>	\$1,751	\$1,489	\$3,438	\$3,096	\$2,250	\$2,194
Post-Tax Deductions						
Medical/Dental/Vision Expenses	50	0	80	0	75	0
Child-Care Expenses	300	0	375	0		
<i>Income after post-tax deductions</i>	\$1,401	\$1,489	\$2,983	\$3,096	\$2,175	\$2,194
Available Income	\$1,401	\$1,489	\$2,983	\$3,096	\$2,175	\$2,194
Employee monthly tax savings	0	88	0	113	0	19
Employee annual tax savings	0	\$1,056	0	\$1,356	0	\$228

*Examples assume a 25% tax bracket.