



HRC TOTAL SOLUTIONS

Healthcare Flexible Spending Account (FSA)

What Are They?

A FSA is an account that an employee sets up with HRC Total Solutions (similar to a savings account). It enables them to deduct money out of their payroll on a pretax basis and directly deposit these funds into an account with HRC Total Solutions. These funds can be withdrawn from this account on a tax free basis to pay for eligible medical, dental, vision, over the counter, and prescription expenses for themselves, their spouse, and eligible children. They are a great way to save taxes and reduce your out of pocket expenses!

How Do They Work?

Before the effective date of your FSA plan year (Decided by your employer), you will calculate how much money you think you and your dependents will spend during the plan year on your out of pocket expenses for medical, dental, vision, over the counter, and prescription expenses. You then take this annual number and divide it by the amount of payrolls during the plan year and this amount will be deducted from your payroll each period and deposited into your FSA. For example, if you wanted to put \$520 in the account, and you are paid on a weekly basis, then \$520 divided by 52 payrolls would equal \$10 per paycheck. This money comes out before you pay Federal Tax, FICA Tax, and State Tax. When you add up your tax savings with your money in this account, you effectively have increased your take home pay.

You will have the opportunity to change your election each plan year and also if you have a qualifying event; which includes marriage, divorce, death, or birth in your immediate family. If you have a qualifying event, you can increase or decrease your annual election within a 30 day period following the event.

How Do I Get My Money Out?

There are two ways you can get your money out of the account.

- 1 You can submit a claim online, mail it, fax it, or drop the claim off to us along with the receipt showing the expense.

- 2 You can use the VISA you received from us after you enrolled. To use the VISA, simply present it at the doctor's office or pharmacy. Only use this card for eligible expenses and keep your receipts, you may be contacted to verify the expense.

You can use your entire annual election on the first day the plan starts. Please refer to your plan documents regarding how funds are handled at the end of the plan year. You do have 90 days after the end of a plan year to submit your expenses that were incurred during the plan year. HRCTS will request your receipt if needed according to the IRS regulations. Receipts will not be needed for co pays associated with your company's group health plan, reoccurring expenses provided one receipt has been submitted for the year or if you are shopping at a merchant with an Inventory Approval System (IIAS) where your card will only work for eligible items. Please refer to the IRS Receipt Submission Policy online at HRCTS for more details.

Examples of Tax Savings

	No FSA	FSA
Annual Income	\$30,000	\$30,000
FSA Contributions	\$ 0	\$ 1,000
Taxable Pay	\$30,000	\$29,000
Minus Taxes (Bases on 30%)	\$ 9,000	\$ 8,700
Take Home Pay	\$21,000	\$20,300
Minus (Medical/dental/Vision/Costs)	\$ 1,000	\$ 0
Total Take Home Pay	\$20,000	\$20,300
What You Saved	\$ 0	\$ 300



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Healthcare Flexible Spending Account (FSA) Worksheet/Election Calculator



Examples of Eligible Expenses

Medical: deductibles, co pays, co-insurance, diagnostic tests, durable medical equipment, lab work, chiropractic care and acupuncture.

Dental: exams, x-rays, cleanings, fillings, sealants, root canals, dentures, crowns and orthodontia.

Vision: exams, contacts, glasses, lasik eye surgery, prescription sunglasses and contact lens solution.

Prescriptions: all prescriptions are covered. This includes over the counter medications with a RX.

Over the Counter: first aid supplies, hearing aids, orthopedic inserts, thermometers, and sunscreen.

* Treatments for cosmetic reasons are not covered.

* Some services/purchases need to have a note of medical necessity or prescription to be eligible.

* You can access an updated list of eligible expenses at: <http://expenses.hrcts.com>

Please note this list of eligible expenses is subject to change according to the IRS.

Examples of Ineligible: cosmetic surgery, teeth whitening, toothpaste, family counseling, shampoo, laser hair removal and deodorant.

Examples of Expenses requiring documentation: vitamins, pain relief, digestive aids, allergy medication, acid controllers, cold & flu medications, eye drops and massage therapy.

(These items must be used to treat the condition and cannot be for preventative purposes. A doctor's prescription or note of medical necessity is required.)



How Do You Determine Your Expenses?

You can use this worksheet to estimate how much you will need to put into your FSA. Please be conservative and don't forget that this account covers you, your spouse, and eligible children.

Health Care Expenses	You	Your Spouse	Your Children
Deductibles:			
Medical	\$ _____	\$ _____	\$ _____
Dental	\$ _____	\$ _____	\$ _____
Vision	\$ _____	\$ _____	\$ _____
Co-pays:			
Medical	\$ _____	\$ _____	\$ _____
Dental	\$ _____	\$ _____	\$ _____
Dental Care	\$ _____	\$ _____	\$ _____
Prescriptions	\$ _____	\$ _____	\$ _____
Vision Care:			
Eye Exams	\$ _____	\$ _____	\$ _____
Glasses	\$ _____	\$ _____	\$ _____
Contacts	\$ _____	\$ _____	\$ _____
Chiropractic	\$ _____	\$ _____	\$ _____
Other	\$ _____	\$ _____	\$ _____
Total Estimated Expenses	(A.) \$ _____	(B.) \$ _____	(C.) \$ _____
(Total Annual Election)	(D.) \$ _____	(Add total of lines A, B and C above)	

Number of Pay Periods In Plan Year (E.) _____	Divide Line D. Above By Line E. (This is your deduction per payroll) \$ _____
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FSA Store

THE FLEXIBLE SPENDING ACCOUNT SITE

Flexible Spending Account Resources and Eligible Products are Available at FSA Store

FSA Store is exclusively stocked with FSA eligible products so there are no guessing games about what is and is not reimbursable by an FSA. The site also offers tools and resources to help you better understand and use your funds.

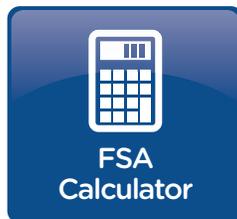
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Estimate your annual FSA spending



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 expiration date of 12/31/2016