



# BE MONEY SMART.

Put up to \$500 in a medical FSA with **no risk** of losing it at year's end.

## Putting Money in an FSA is Smart and Safe.

Everybody has medical bills, right? Expenses for prescriptions, co-pays, doctor's office visits, glasses and contacts, and dental work add up over the course of a year. With an FSA, you can **save 30%** on these expenses by paying for them with pre-tax dollars.

### Keep your money, yours.

It can be a challenge to estimate how much money to set aside each year in an FSA. But now you have a \$500 safety net! New government regulations allow you to carryover up to \$500 (if allowed by your employer) of your unused medical FSA funds from year to year.

### How much will you elect this year?

Enrolling in an FSA is a savvy way to save money on health expenses. Everyone who anticipates any out-of-pocket medical expenses should take advantage of the benefits of an FSA. There is no risk to contribute at least \$500. At the end of the year, if your medical expenses are below that amount, you can carryover any amount up to \$500 and use it next year—with no cost or penalties.

If you've participated in an FSA in the past, you already know how much you can save. And now you're safe to increase your annual election by \$500, knowing if you don't use it this year, you can carryover a maximum of \$500 to the next year with **no risk of forfeiture** at the Plan Year end.

FSA contributions are deducted pre-tax from your payroll. The more you elect, the more your taxable income is reduced—which means more take-home pay!

If you do not wish to elect a new deferral amount for this new plan year, you do not need to complete a new enrollment form. You will still have access to any rolled over funds up to \$500 from the previous plan year.

Rollover funds are not immediately available on July 1st. TASC waits 90 days to ensure no further claims are pending from the previous plan year. Rollover funds will automatically be released into the member's TASC account on October 1st. In the event that you need your funds prior to October 1st, you may login to the member portal at [www.tasconline.com](http://www.tasconline.com) and release your funds early. This will require you to sign an affidavit that there are no previous plan year claims pending.

## FlexSystem® FEATURES:

- TASC Card pays for and substantiates most eligible expenses at the point of purchase.
- Reimbursements are deposited in MyCash and accessible via the TASC Card.
- Mobile App, texting, and 24-hour phone system for easy access on the go!
- Convenient account management, including online reimbursement requests.
- Dedicated customer support team.





## Common FSA Eligible Expenses

\*Over-the-counter (OTC) medicines and drugs, except for insulin, require a prescription from your physician to be reimbursed from your Healthcare FSA.

The prescription will need to be included with each OTC medicine or drug

claim request submitted. Health-related supplies purchased over-the-counter continue to be eligible without additional documentation. Below is a sample list of permissible expenses reimbursable through a Full Scope Healthcare Flexible Spending Account (FSA) that are incurred by you, your spouse, or qualified dependents. Please note a Limited Purpose Healthcare FSA only allows dental and vision expenses.

**FlexSystem FSA Healthcare**

### Medical Expenses

- Acupuncture
- Artificial limbs
- Bandages
- Birth control, contraceptive devices
- Birthing classes/Lamaze – only the mother’s portion (not the coach/spouse) and the class must be only for birthing instruction, not child rearing
- Blood pressure monitor
- Blood sugar test kits/test strips
- Chiropractic therapy/exams/adjustments
- Contact lens and contact lens solutions
- Co-payments
- Crutches (purchased or rented)
- Deductible and co-insurance
- Diabetic supplies
- Eye exams
- Eyeglasses, contacts, or safety glasses, prescription only (warranties are not reimbursable)
- Flu shots
- Hearing aids and hearing aid batteries (warranties are not reimbursable)
- Heating pad
- Incontinence supplies
- Infertility treatments
- Insulin
- Lactation expenses (breast pumps, etc.)
- Laser eye surgery; LASIK
- Legal sterilization
- Medical supplies to treat an injury or illness
- Mileage to and from doctor appointments
- Nasal strips
- Optometrist’s or ophthalmologist’s fees
- Orthopedic inserts
- Physicals

- Physical therapy (as medical treatment)
- Physician’s fee and hospital services
- Pregnancy test
- Prescription drugs and medications
- Psychotherapy, psychiatric and psychological service
- Reading glasses
- Sales tax on eligible expenses
- Services connected with donating an organ
- Sleep apnea services/products (as prescribed)
- Smoking cessation programs
- Treatment for alcoholism or drug dependency
- Vaccinations
- Wrist supports, elastic wraps
- X-ray fees

### OTC Medicines and Drugs

Purchases require a prescription or an OTC Prescription Order Form for reimbursement:

- Bengay, Flexall, pain relieving creams or gels
- Calamine lotion
- Canker/cold sore relievers
- Cold medicines
- Corn removal
- Diaper rash ointment
- GasX, baby gas drops
- Hemorrhoid creams and treatments
- Hydrogen Peroxide or rubbing alcohol
- Indigestion or anti-acid relievers
- Laxatives
- Nicotine patch
- Pain relievers (Tylenol, Advil, Aspirin, etc)
- Sinus medicines
- Suppositories
- Teething gel
- Wart removal medication

### Dental Expenses

- Braces and orthodontic services
- Cleanings
- Crowns
- Deductibles, co-insurance
- Dental implants
- Dentures, adhesives
- Fillings

### Eligible Expenses for FSA Dependent Care

*Eligible dependent care expenses must be employment related.*

- Day Camp – primary purpose must be custodial care and not educational in nature
- Dependent care expenses that are necessary for you (and your spouse) to work, actively look for work, or attend school full-time.
- Dependent care for a child under age 13
- FICA/FUTA taxes of day care provider
- Late pick up fees
- Nanny expenses attributed to dependent care
- Nursery school (Pre-School)
- Registration fees – when allocated to dependent care services that have been provided



# Flexible Compensation Enrollment Form

Client TASC Id:  
4904-9270-3992

Plan Name:  
City of Holyoke

KAYLA RODRIGUEZ  
CITY OF HOLYOKE  
ROOM 17  
536 DWIGHT STREET  
HOLYOKE MA 01040

Make sure to sign, date, and complete each line on the enrollment form. Please enter zero (0) where no amount is being deducted. **Return the completed and signed form to your employer.** For enrollment assistance, call toll-free 800-422-4661. Have your enrollment form, Client ID, and company name ready. **Please Print.**

Please circle your pay frequency (the number of paychecks per year): 24      22      21      12

Participant Last Name \_\_\_\_\_ First Name \_\_\_\_\_ Middle Initial \_\_\_\_\_

Participant TASC ID (if known) \_\_\_\_\_ Participant Email Address\* \_\_\_\_\_

Participant Home Phone Number\* \_\_\_\_\_ Participant Mobile Phone Number\* \_\_\_\_\_

Participant Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Participant's Plan Effective Date \_\_\_\_\_ Date of First Payroll \_\_\_\_\_

\*Required to access your account online or via your mobile phone, or to receive personal account notifications. Information is confidential and is not used for marketing purposes.

### Election Amounts

**Prior to completing your election amounts, refer to the instructions and frequently asked questions on page 2.**

I request the following amount(s) to be deducted pre-tax:	Maximum Employee Salary Reduction	Employee Annual Salary Reduction
Medical (Out-of-Pocket) Expenses	\$ 2,550.00	\$ _____
Dependent Care Expenses(Daycare)	\$ 5,000.00	\$ _____
Non-Employer Sponsored	No Maximum	\$ _____

### TASC Card

#### Additional TASC Card for Spouse or Dependent

Each participant may receive one additional card for their spouse or dependent free of charge. To request an additional TASC Card for your spouse or dependent, print their name below. Cards are mailed to your home address 7 – 10 days after your enrollment has been updated in FlexSystem.

Spouse or Dependent Name (Last, First, MI): \_\_\_\_\_

AUTHORIZATION: I certify the above information to be true to the best of my knowledge and that the children for whom I will be claiming dependent or child care expenses either reside with me in a parent-child relationship or are legally dependent on me for their support. I agree to have my compensation reduced by the deduction amount(s) stated above. I understand amounts remaining in my flexible spending account(s) not used for qualified expenses incurred during the plan year will be forfeited in accordance with current plan provisions and tax laws. I further understand the Flexible Spending Amount will be in effect for the entire plan year and cannot be changed or revoked except as permitted by federal law. I understand my share of eligible group premium(s) will be automatically deducted before taxes. I also understand, that if I do not wish to have my eligible insurance contributions deducted pre-tax and prefer to be taxed on these dollars, I will contact my payroll department. I understand additional TASC Cards issued to my spouse or dependent will provide the named individual with access to my flexible spending account(s) and MyCash account. I accept all responsibility for card transactions incurred by the named individual and will submit supporting documentation, as requested, for those transactions. I agree that upon inappropriate or fraudulent use of the TASC Card or termination of employment, I will immediately return all TASC Cards to my Employer.

Authorize Signature \_\_\_\_\_ Date: \_\_\_\_\_

## Enrollment Form Instructions

**Medical (Out-of-Pocket) Expenses:** This amount is usually paid per year toward deductible and co-insurance portions of health insurance, dental expenses, orthodontic expenses, eye care, and other miscellaneous healthcare expenses. Per IRS regulations, a Participant may salary reduce the maximum of \$2,550 (2016) per Plan Year (indexed annually for inflation). Your employer may have a Plan Year maximum less than the IRS allowed amount. Review your Summary Plan Description (SPD) or check with your employer for your Plan's maximum amount.

**Dependent Care Expenses:** Amount paid for day care expenses per year. The maximum allowable amount under IRS regulations is \$5,000 per calendar year per family; \$2,500 per calendar year for married individuals filing single.

**Non-Employer Sponsored Premiums:** Pre-tax reimbursement of privately purchased insurance premiums such as health, disability, and cancer insurance. Examples of insurance premiums NOT eligible are employer sponsored group insurance (premiums deducted from your paycheck or your spouse's paycheck), life insurance, long-term care insurance, and premiums for coverage under the federal exchange "Marketplace" program. Please note, when disability premiums are pre-taxed, the benefits received are taxable.

### Questions Frequently Asked by Employees

**1. What does FlexSystem offer?** FlexSystem offers you a choice to pay for certain qualified benefits on a pre-tax basis. Paying for certain benefits with pre-tax dollars reduces the amount you pay in taxes and increases your take-home pay. Every dollar paid on a pre-tax basis results in a savings to you. (See example in box.)

**2. Any cost or fee to me? No**

**3. Must I participate in my employer's health insurance?** FlexSystem is not tied to any insurance plan or company. You may participate in FlexSystem regardless of your particular insurance provider.

**4. What are qualified medical expenses?** These expenses include dental care, prescriptions, eyeglasses, and out-of-pocket medical expenses not covered by insurance. However, vitamins and other dietary supplements taken for general health purposes are not eligible. Purchases of over-the-counter (OTC) medicines and drugs (with the exception of insulin) are only reimbursable if accompanied by a prescription or Prescription Order Form from your medical practitioner. Below are some examples of eligible OTC health related expenses:

**OTC items that require a prescription or Prescription Order Form:** Acid Controllers, Allergy and Sinus, Antibiotic Products, Cough, Cold and Flu, Digestive Aids, Pain Relief, Respiratory Treatments, Sedatives, and Stomach Remedies.

**OTC items that are eligible and need no physician authorization:** Bandages, Blood Pressure Kits, Contact Lenses, Contact Lens Solution, Diabetes Testing Supplies, Durable Medical Equipment, Hearing Aid Batteries, Heating Pads, Insulin, Nebulizers, Thermometers, Walkers and Wheelchairs.

**5. How does the Dependent Care Account compare with the tax credit available on the individual Form 1040?** The circumstances that determine which option offers greater savings vary from family to family, as such, the decision to choose the tax credit or the dependent care deduction may be made on a case by case basis only. Participation in FlexSystem results in an immediate savings on Federal, State, and Social Security tax, whereas the Federal credit will affect Federal Income Tax only and will be taken at year-end.

**6. How does a Cafeteria Plan affect Social Security benefits?** Reduction of your Social Security benefits will be minimal and is offset by the tax savings and lower health care costs available under FlexSystem. To compensate for this minimal reduction, you may consider increasing your retirement plan funding.

**7. Under what circumstances can the annual election be changed?** The elections may be changed only if there is a change in family or employment status. See the Change of Elections Form for more detail.

**8. What is the Use-or-Lose Rule?** To avoid an account balance at year-end, be conservative when making elections. Any funds left unused at the end of the Plan Year are forfeited, unless your employer offers a Carryover (for Medical Out-of-Pocket Expenses Benefit only).

**9. What is the Medical (Out-of-Pocket) Expenses Carryover?** An employer may allow Participants in the Medical (Out-of-Pocket) Expenses Benefit to carryover to next year's Medical Expense Benefit a portion of their unused balance. The Carryover amount applies to the following year's benefit after close of the prior Plan Year Runout, at which time it may be used to reimburse expenses incurred in the new Plan Year. While the IRS Carryover maximum is \$500, your employer may establish a lower amount. Refer to your Summary Plan Description for details specific to your Plan.

**10. Who determines the rules and regulations of FlexSystem?** Flexible Spending Accounts are regulated by the IRS. Our documentation guidelines are intended as a means to ensure eligibility of your requests for reimbursement. It is the Participant's responsibility to comply with these guidelines and to avoid duplication of requests or submission of ineligible charges. Failure to adhere to the above requirements could lead to payment delays or denial of expenses. In the event of an error or omission in the course of administering the Plan on behalf of the employer and participating employees, TASC will notify and remedy the error or omission. The employer and employees agree to TASC's procedures for making any corrections, including but not limited to payroll reduction. An error by the employer or TASC does not constitute an assumption of liability for the amount of the error.

### Pre-Tax Example

	Without FlexSystem	With FlexSystem
Gross Pay	\$3,500/mo	\$3,500/mo
<b>Pre-Tax Benefits</b>		
-Medical/Dental Premiums	0	300
-Medical Expenses	0	100
-Dependent Care Expenses	0	400
<b>TOTAL</b>	<b>0</b>	<b>800</b>
Wages subject to tax	3,500	2,700
Federal Tax	525	405
FICA Tax (Social Security)	268	207
State Tax	175	135
Out-of-Pocket expenses	800	0
<b>Spendable Income</b>	<b>1,732</b>	<b>1,953</b>

#### Net Increase in Take-Home Pay = \$221/mo

This is an illustration only and actual numbers may vary. Paying certain qualified expenses before tax increases your take-home pay.