

# Know your



## Flexible Spending Accounts

Many of us take steps to reduce our out-of-pocket costs for healthcare, such as choosing generic drugs, seeing in-network providers and visiting urgent care clinics rather than emergency rooms.

**Don't overlook another opportunity to reduce your out-of-pocket costs!**

Flexible Spending Accounts (FSAs) are a great way to save on income taxes while you budget for healthcare and dependent care expenses. PCS offers both a Healthcare FSA and a Dependent Care FSA to help you save.

FSA's allow you to pay for out-of-pocket medical expenses (such as prescription drug deductibles and co-pays) or dependent daycare costs with pre-tax dollars. This leaves a smaller amount of your income subject to taxes. **When you pay less income taxes, your take-home pay increases!**

**When you elect a healthcare FSA, you have access to your full annual election amount on the very first day of the plan year!**

### **HEALTHCARE FSA:**

Pay for eligible medical, dental and vision expenses for you and your family members.

Minimum deduction of \$10 per pay period, not to exceed \$2500 per year

Keep your receipts – you may be asked to provide documentation when you use your FSA debit card.

### **DEPENDENT CARE FSA:**

Pay for day care costs for your dependent child up to age 13.

The IRS annual dependent care limit is \$5000 per household/family.

Funds become available as they are deducted from your paycheck and deposited into your account.

**USE IT OR LOSE IT RULE** – estimate your FSA contributions carefully! Any FSA balance not used by the end of the plan year must be forfeited.