

EAST VALLEY SCHOOL DISTRICT No. 361  
S P O K A N E , W A S H I N G T O N

**Flexible Spending  
Accounts**



# Flexible Spending Accounts

## Three Components

- ❖ Insurance Premium Payment
- ❖ Health Care Reimbursement
- ❖ Dependent Care Reimbursement



# Flexible Spending Accounts

## Insurance Premium Payment

**TAX FREE** treatment of your cost of Medical and Dental insurance premiums

- ❖ This plan is provided automatically at no cost to you.



# Flexible Spending Accounts

## Health Care Reimbursement

- ❖ “Deposit” a portion of your salary, before taxes are deducted, to your Health Care Reimbursement account.
- ❖ Your reimbursement for medical expenses will be **TAX FREE!**
- ❖ Maximum election is \$3,600
- ❖ Full amount available at time of election



# Flexible Spending Accounts

## **Eligible Health Care Expenses**

- Prescriptions
- Co-Pays
- Doctor Visits including Annual Well Physical
- Glasses, Contacts & Solutions
- Laser Eye Surgery
- Major Dental – Crowns, Bridges, etc.
- Orthodontia (1/3 down, then amortized over treatment period)
- Some over the Counter Drugs and Medicines



# Flexible Spending Accounts

You don't pay  
taxes on this  
money.

## Dependent Care Reimbursement

- **TAX FREE** reimbursement of Child or Adult Dependent care expenses you would normally pay out on an after tax basis.
- Maximum allowable election is \$5,000
- May NOT use BOTH Dependent Care Reimbursement AND Federal Dependent Care Tax Credit
- Limited to the amount credited to your individual account



# Flexible Spending Accounts

## Restrictions

- Enrollment and Elections are Non-revocable
- Decisions must be made at the Beginning of the plan year: Unless there is a Change in Status –  
*Marital Status, Dependent Status, Employment Status, Other IRS Acceptable Changes*
- “Use It or Lose It’ Rule ---BE CONSERVATIVE



# Flexible Spending Accounts

*Here's how it works...*

	With Flexible Benefits Plan	Without Flexible Benefits Plan
Gross Monthly Pay	\$2,500	\$2,500
<i>Pre-Tax</i> Coverage Under Plan	\$300	--
Taxable Income	\$2,200	\$2,500
Estimated Federal Tax (20%)	\$440	\$500
FICA Tax	\$169	\$192
<i>After-Tax</i> Coverage	--	\$300
Take Home Pay	\$1,591	\$1,508

Total Monthly Savings...

\$83

Total Annual Savings...

\$996

