

The background of the slide features several stacks of US dollar bills, including \$100 and \$20 bills, arranged in a way that creates a sense of depth and abundance. The bills are slightly out of focus, emphasizing the text in the foreground.

How can  
Flexible Spending  
Accounts  
Save Me Money?

# What is a Flexible Spending Account?

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Flexible Spending Accounts (FSAs) are an employee benefit designed to help reduce the amount employees pay in federal income taxes. These accounts allow you to save money by paying certain expenses from your pre-tax income rather than from your after-tax income. This enables you to have more money in your pocket on payday.



# Eligible FSA Expenses

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- Medical
- Dental
- Vision
- Dependent care
- Elder care
- Transportation
- Parking



# Who may participate in the Flexible Benefits Plan?

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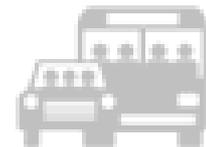
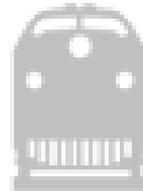


All central state employees who receive a regular paycheck are eligible to participate.

# What expenses may be paid using Flex funds?

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Use the funds to pay dependent care expenses and medical expenses not covered by insurance. This can be especially important if you anticipate LASIK, orthodontia, or any major medical or dental expenses. These expenses can be for you or your family. Transportation expenses to/from work as set up in the guidelines and parking expenses are also qualified expenses.



# How do I enroll in Flex?

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- New employees have 30 days from their hire date to enroll in Medical and Dependent Care accounts.
- Current employees can enroll in Medical and Dependent Care accounts during the annual enrollment/transfer period each fall. Employees must re-enroll in these plans to continue the reimbursement accounts for each plan year.
- Transportation and Parking accounts can be enrolled in and changed at any time.
- The effective coverage date for the FSA program is the first day of the month following one full calendar month of employment. For example, if hire date is 8/2, coverage begins 10/1. Expenses incurred prior to the coverage begin date are not eligible for reimbursement.



Enroll by using Edison Employee Self Service.

# How do I enroll in Flex? (cont'd)

To enroll in the plan in Edison go to Employee Self Service>Benefits>Benefits Enrollment.

- Enrollment cannot be changed during the plan year unless you have a change in family status and you report the change to the plan within 60 days of the event.



# Common Medical Expenses

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- Ambulance services
- Co-payments/Deductibles
- Dental fees
- Eyeglasses
- Hospital fees
- LASIK
- Orthodontics
- Physical therapy
- Surgery
- Contact lenses
- Crutches
- Doctors' fees
- Hearing aids
- Lab fees
- Optometrist
- Prescription drugs
- Smoking Cessation Program
- Transportation/Mileage



# Contribution/Election Amounts

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- The maximum election amount for the Medical Reimbursement account is \$2,550 per year.
- The maximum election amount for the Dependent Day Care account is \$5,000 per year for those filing married, single, or head of household and \$2,500 for those married filing single.
- The maximum election amount for Parking is \$250 per month and Transportation is \$130 per month.

# Why should I participate in the plan?

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Depending upon the amount you put into the plan and your tax rate, participating in Flex may save you thousands of dollars each year.



For healthcare alone, individuals with health insurance average more than \$1,000 per year in out-of-pocket expenses while a family of four or more pays more than \$2,000 per year.

# How does the plan work?

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- Tax-free deductions are taken from your paycheck before federal income tax and Social Security tax are calculated. This means your taxes are calculated on the reduced amount.
- The amount remaining in your paycheck is your take-home pay for this period. Since you have paid less in taxes, you will have more money to spend or save.



Visit [www.treasury.tn.gov/flex](http://www.treasury.tn.gov/flex) to estimate the contribution amount that is right for you.

# What about health insurance premiums?

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- State health and dental insurance premiums are automatically deducted before taxes.
- The amount of savings depends on your level of coverage and tax bracket.



# How do I estimate my Medical expenses?

	Last Year's Expenses	This Year's Projected Expenses
Insurance deductibles	_____	_____
Medical/dental/prescription co-payments	_____	_____
Dental expenses	_____	_____
Eye glasses and contacts	_____	_____
Routine examinations & physicals	_____	_____
Transportation to/from medical provider	_____	_____
Non-cosmetic surgery	_____	_____
Medically necessary nursing home care	_____	_____
Total expenses for the year	_____	_____
<b>Divide total by your number of regular pay periods</b>		
<b>Enter this amount into Edison Self Service.</b>		



Visit [www.treasury.tn.gov/flex](http://www.treasury.tn.gov/flex)  
for the PDF version of this  
worksheet.

# How do I estimate my Dependent Care expenses?

	<b>Last Year's Expenses</b>	<b>This Year's Projected Expenses</b>
Infant/Toddler	_____	_____
Preschool	_____	_____
Before & after school care	_____	_____
School half days	_____	_____
In-service days (child not in school)	_____	_____
School holidays	_____	_____
School vacation days	_____	_____
Other dependent care	_____	_____
Total expenses for the year	_____	_____
<b>Divide total by your number of regular pay periods</b>		
<b>Enter this amount into Edison Self Service.</b>		



# How am I reimbursed?

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- Submit a completed form (available at [www.treasury.tn.gov/flex](http://www.treasury.tn.gov/flex)). Email a scanned copy to [Flexible.Benefits@tn.gov](mailto:Flexible.Benefits@tn.gov), fax it to (615) 401-6815, or send it via messenger/U.S. mail.
- Be sure to include all necessary receipts, EOBs, etc. with detailed information.
- When filling out the form, remember:
  - ✓ The forms are updated annually, so please use the updated forms
  - ✓ Your Edison ID number is **not** your login ID or password
  - ✓ The form **must** be signed
  - ✓ Please fill out the form completely (“see attached” makes it difficult for us to verify what you’re claiming)



# How am I reimbursed (cont'd)?

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- For the Dependent Daycare Reimbursement Account, you must provide the name, **address**, dates of service and **tax identification number or social security number** of the dependent care provider.
- The amount will be deposited directly into your bank account within 10 business days of your reimbursement request (provided the form is initially approved).
- Dependent care and transportation/parking reimbursement deposits are based on the availability of funds in your account.
- Canceled checks and bank statements are not acceptable as receipts.



# Popular topics

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- Per IRS regulations, over-the-counter medications can only be reimbursed if you have a prescription for them.
- Contributions to medical reimbursement accounts will be limited to \$2,550. Future limits will be tied to increases in the Consumer Price Index (CPI).
- The mileage reimbursement amount for medical travel is 23 cents per mile.
- Flexible Spending Accounts are regulated by Internal Revenue codes 125, 126, and 132.
- IRS publication 502 lists many eligible dental and medical reimbursement items.
- IRS publication 503 lists dependent care guidelines.



**State of Tennessee**

**Treasury Department**

**Phone: 1-877-681-0155**

**Fax: (615) 401-6815**

**[www.treasury.tn.gov/flex](http://www.treasury.tn.gov/flex)**

**[Flexible.Benefits@tn.gov](mailto:Flexible.Benefits@tn.gov)**