



Health Care Account Debit Cards

- ▶ **Fast**
- ▶ **Convenient**
- ▶ **Avoid out-of-pocket expense**

The Health Care Account Debit Card is an additional convenience offered by your employer for use with your ADP Health Care Flexible Spending Account (FSA). The Card is a convenient and easy-to-use tool that allows you immediate access to your FSA funds ... simply swipe your card at the provider's payment terminal. Just like your bank account debit card, the Health Care Account Debit Card will automatically debit your FSA account for eligible expenses. By using the Card to purchase your eligible healthcare items and services, you avoid paying for an expense with money out of your pocket. And, you can virtually eliminate the need to file paper claims for your eligible healthcare expenses just by using the Card.

Save Your Receipts

Because no taxes are taken on the funds in your Health Care FSA, the Internal Revenue Service requires that you retain all of your itemized receipts for purchases made with the Card. It may be necessary for you to submit a receipt to prove the eligibility of a purchase you have already made. ADP will notify you if a receipt is needed for a particular purchase. So, please make a habit of saving all of your itemized purchase receipts.

Using The FSA Card

The Health Care Account Debit Card may be used to purchase the same eligible items and services for which you can submit paper-based claims for reimbursement. The Card is accepted at medical and dental offices, hospitals, healthcare clinics, pharmacies and online pharmacies. In addition, many large retailers who sell eligible healthcare items have received IRS approval to accept the card. An extensive list of retail merchants who accept the Card, as well as a list of eligible expenses, is available on the FSA website.

You Will Receive a Card Automatically

If your employer offers the Card as part of your Health Care FSA plan, you will automatically receive a Card in the mail shortly after your enrollment in the plan. However, you always have the choice of using the Card or filing paper-based claims ... whichever you prefer. Likewise, if a provider or merchant selling eligible items or services does not accept the Card, you can still pay for the eligible expense out-of-pocket and submit a paper claim for reimbursement.

Visit the FSA website at www.flexdirect.adp.com to learn more about the Health Care FSA.



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Health Care Flexible Spending Accounts



The Value of Health Care Flexible Spending Accounts

A Health Care Flexible Spending Account (FSA) helps you to save BIG on healthcare expenses that are not covered by your medical, dental and vision insurance plans. Uncovered expenses such as deductibles, co-payments and certain over-the-counter items can mean significant costs are still being paid directly from your pocket.

Save 20% - 40% on your healthcare expenses



Because your FSA contributions are exempt from Federal income tax, Social Security taxes (FICA) and, in most cases, state income tax, you can save 20% - 40% on health services and products you have to purchase every day. While your actual savings is based on your individual tax rate, let's look at some potential yearly savings for a family of four at a 30% tax rate:



	Your Out-of-Pocket Cost	Net Cost to You	Tax Savings with the FSA
Deductibles (2 adults, 2 children)	\$2,000	\$1,400	\$600
Prescription Co-payments	\$360	\$252	\$108
Doctor's Co-payments	\$480	\$336	\$144
Orthodontia	\$5,000	\$3,500	\$1,500
Eligible over-the-counter items	\$750	\$525	\$225
		Total Savings:	\$2,577

For an average family of four, and just on these few expenses, that's an annual savings of over \$2,500 per year! With the cost of living rising every day, think about the impact that kind of savings can have on your household budget.



- Save 20% - 40% on expenses not covered by insurance
- Receive reimbursement on an extensive list of eligible expenses
- Fund your account with simple paycheck deductions
- Reduce your income taxes

Plan Your Contributions

The key to getting the most from your FSA is to maximize your contributions based on the expenses you expect to incur during the benefit year. To plan your contributions, just follow these simple steps:

- Review the list of eligible expenses on the FSA website
- Review your healthcare expenditures from last year
- Write down any new eligible expenses you anticipate during the benefit year (new medications, scheduled surgery, changes in insurance coverage, orthodontia, etc.)
- Be sure to include insurance plan deductibles
- If desired, set aside a little extra “padding” for those unexpected expenses. If you don’t incur any unexpected expenses, you can use those funds to purchase contact lenses, prescription sunglasses, an extra pair of eyeglasses or any eligible over-the-counter items you may need.
- Then estimate your cost for each of these expenses. The total of your individual estimates is what you should contribute to your FSA.

You may be surprised by how much of your healthcare costs are actually paid out of your pocket.

It is also important to remember that an FSA is not a savings account. You must use all of your contributions each year or risk losing any unused balance at the end of the benefit year. So, base your contributions on what you expect to be able to spend on eligible expenses during the benefit plan year. If needed, contribution planning assistance can be located on the FSA website.

Note: Your employer determines the minimum and maximum amount you may contribute to the Health Care FSA. Be sure to verify your employer’s plan limits before enrolling in the plan.



Coverage Eligibility

You may enroll in you employer’s FSA plan even if you receive insurance coverage through your spouse’s employer. And your FSA funds can be used to cover eligible expenses for all your qualified dependents.

Eligible Expenses

Because your Health Care FSA is funded before any taxes are taken from your salary, the Internal Revenue Service determines which expenses are eligible for reimbursement. The list of eligible expenses is extensive and is updated often. If you are uncertain about whether or not an expense qualifies for reimbursement, you should verify its eligibility before incurring the expense. A current list of IRS-approved expenses can be located on the FSA website.

It’s All Yours

Your employer provides the Flexible Spending Account at no cost to you ... no setup fees, no premiums or membership fees, no hidden fees. And, as a special advantage with the Health Care FSA, you have immediate access to your entire election amount from the first day of the benefit year ... before all your contributions have been made.

Opening Your Account

It’s as simple as 1-2-3 to begin contributing to your new Health Care FSA

- 1** Plan your contributions. Use the Spending Accounts *Learn More* link on the FSA website for contribution planning assistance.
- 2** Enroll in the Health Care FSA during your annual enrollment or new hire election period.
- 3** Review your account through the FSA website soon after the plan year begins and at least monthly thereafter.

Your payroll contributions to your new FSA account will begin with the new benefit year or according to your employer’s plan documentation.

Visit the FSA website at www.flexdirect.adp.com to learn more about Flexible Spending Accounts.



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Dependent Care Flexible Spending Account



The Value of Dependent Care Flexible Spending Accounts

A Dependent Care Flexible Spending Account (FSA) helps you to save BIG on the care and supervision of your child. Whether you're a single parent or you and your spouse work or attend school full-time, providing supervised care for your dependents is essential to your livelihood. Expenses such as daycare, before and after-school care or even day camps can amount to significant costs paid directly from your pocket.

Save 20% - 40% on your dependent care expenses!



Because your FSA contributions are exempt from Federal income tax, Social Security taxes (FICA) and, in most cases, state income tax, you can save 20% - 40% on the child and elder care services you require every working day. While your actual savings is based on your individual tax rate, let's look at a typical scenario for a family of four at a 30% tax rate:

The Johnsons both work and place their two young children in daycare each week day. For the two children, they pay \$250 per week. Although their actual daycare costs are much higher, they take advantage of a Dependent Care FSA account and contribute the maximum amount of \$5,000. Given their 30% tax rate, the Johnson's FSA contributions create a savings of \$1,500 per year. **That's like getting six free weeks of daycare every year!**

With the cost of living rising every day, think about the impact that kind of savings can have on your household budget.

It's All Yours

There is no cost to you to have and use a Dependent Care Flexible Spending Account ... no setup fees, no premiums or membership fees, no hidden fees.



- Save 20% to 40% on your dependent care expenses
- Fund your account with simple paycheck deductions
- Receive reimbursement for expenses through simple claims filing
- Reduce your income taxes

Plan Your Contributions

The key to getting the most from your ADP Dependent Care FSA is to maximize your contributions based on anticipated eligible expenses. To plan your contributions, follow these simple steps.

- Review the list of eligible expenses on the FSA website.
- Review your child or elder care expenses from last year.
- Write down any anticipated changes to your dependent care needs during the benefit year (changes in provider cost, placing a new child in daycare, requiring daycare for an elder dependent.)
- Estimate your cost for each dependent care item.

The total of your individual estimates is what you should contribute to your Dependent Care FSA.

Remember, the more you need to spend on eligible expenses, the greater the value and savings you will gain from your Dependent Care FSA.

It is also important to remember that an FSA is not a savings account. You must use all of your contributions each year or risk losing any unused balance at the end of the benefit plan year. If needed, contribution planning assistance can be located on the FSA website.

Remember, you must actively re-enroll in your Dependent Care FSA each benefit plan year.



Eligible Expenses

Because your Dependent Care FSA is funded before any taxes are taken from your salary, the Internal Revenue Service determines which expenses are eligible for reimbursement. If you are uncertain about whether or not an expense qualifies for reimbursement, you should verify its eligibility before incurring the expense. A comprehensive list of IRS-approved expenses can be located on the FSA website. Some of the eligible expenses include:

- Care at licensed nursery schools or child centers
- Care provided in or outside your home during your working hours
- Before and after-school care
- Day camps
- Eldercare

Note: \$5,000 is the annual regulatory maximum per household for Dependent Care FSA contributions. Your employer determines the minimum amount you may contribute to the Dependent Care FSA. Your employer's plan documents may also define the types of expenses covered under the plan. Be sure to review your employer's plan documents before enrolling in the plan.

Opening Your Account

It's as simple as 1-2-3 to begin contributing to your new Dependent Care FSA:

- 1** Plan your contributions. Use the Spending Accounts *Learn More* link on the FSA website for contribution planning assistance.
- 2** Enroll in the Dependent Care FSA during your annual enrollment or new hire election period.
- 3** Review your account through the FSA website soon after the plan year begins and at least monthly thereafter.

Your payroll contributions to your new FSA account will begin with the new benefit year or according to your employer's plan documentation.

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