

Flexible Spending Account Information

A CBIZ Flex plan is a “win-win” for employees. Employees save all Federal, State, FICA and Medicare taxes on their contributions.

EMPLOYEE TAX SAVINGS EXAMPLE

Let’s look at how contributing to a Flexible Spending Account could affect an employee’s paycheck and save taxes. Example: Employee earning \$30,000 per year and contributing \$2,500 annually to the Flex plan for medical and dependent care.

	Without FSA	With FSA
Annual Salary	\$30,000	\$30,000
Annual FSA Election		\$2,500
Taxable Income	\$30,000	\$27,500
<u>Estimated Taxes</u> combined Federal, State & FICA (30%)	\$9,000	\$8,250
After-Tax Income	\$21,000	\$19,250
Non-Taxable Flex Reimbursement	\$0	\$2,500
Net “spendable” Income	\$21,000	\$21,750
Annual Tax Savings	\$0.00	+ \$750

Below are some helpful tips and information for these benefits:

- ❖ **Claims** are processed and reimbursed weekly. You are able to view your account anytime at <https://myplans.cbiz.com>.
- ❖ **A receipt for reimbursement requires the following 4 items:**
 - Item purchased or type of service provided
 - Date of service
 - Provider information
 - Participant responsibility.
- ❖ **Credit Card/Debit Card receipts** and **Cancelled Checks** are not acceptable receipts per the IRS guidelines. The receipt must show the item or procedure provided, date of service, provider information and the amount you paid.
- ❖ Items that are **cosmetic** in nature are not reimbursable under the Medical Reimbursement plan.
- ❖ **Dual Purpose Procedures/Items** may be claimed for reimbursement if a qualified Letter of Medical Necessity accompanies the claim. A qualified letter must have the specific item being claimed and what is being treated. The letter is placed on file for one year and will need to be updated annually.
- ❖ To ensure timely processing of your claim keep in mind the following 5 items:
 - **Credit Card or Debit Card** receipts are not acceptable
 - A **receipt** must accompany the claim
 - The **original date of service** must be on the receipt
 - The **type of service** must be on the receipt
 - A **prescription** must accompany the claim for **Over-the-Counter items**

