

Why a Flexible Spending Account May Be Perfect for You



Take control of your health care spending by taking advantage of this valuable savings tool! Here are just a few reasons why millions of people use FSAs to help them manage their health care costs.

- You choose how to use your money to pay for health care services
- You can use your funds for a wide range of health care services and products including services — such as dental care — that may not be covered by your health plan
- Account funds are available to qualified spouses and dependents
- It's flexible. Use all or part of your funds when you need them. Your total annual contribution is available to you at day one of your health plan benefit year, so **you don't have to wait to save** to handle an immediate-care need.
- You get **tax savings** because you're not taxed on your contributions, and withdrawals you make to pay for qualified medical expenses are tax-free
- It's **convenient**. Everything you need to manage your FSA is in one location at ibxpress.com



BlueSaverSM Health Account Solutions: Flexible Spending Account

The perfect companion to your health plan

Independence 

Independence Blue Cross is an independent licensee of the Blue Cross and Blue Shield Association.

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Independence 

Helping You Better Manage Your Health Care Dollars

Your employer is offering you a valuable addition to your health plan — a Flexible Spending Account, or FSA.

Your FSA is a tax-advantaged account established through your employer to help you pay for out-of-pocket health care costs during your health plan benefit year. You can even use your account funds to pay for qualified medical expenses not covered by your health plan such as **acupuncture, chiropractic care, and dental care.**

You can also use FSA funds for other items such as alternative medicines, exercise equipment and programs, and even vitamins when your physician prescribes them.

Enrolling in an FSA is a smart choice. **You control how you use the money you save.** Plus, **even a modest contribution can save you money** on federal income taxes and provide a reserve for health-related expenses.

Understanding Your Flexible Spending Account

When you enroll in an FSA, you choose the amount you want to contribute for the health plan benefit year. Payments are then divided among the pay periods, and money is deducted from each paycheck. You use your FSA to pay for qualified out-of-pocket health expenses throughout the health plan benefit year.

One of the unique benefits of your FSA is that the total amount of your annual contribution is available to you at day one of your health plan benefit year. So, **you don’t have to wait to save** to handle an immediate-care need like an unexpected chiropractic or dental visit!

It’s important to plan your account contributions carefully to make the most of your savings because an FSA has a use-it-or-lose-it rule that applies. Therefore, any remaining funds in your FSA at the end of the plan year must be forfeited.

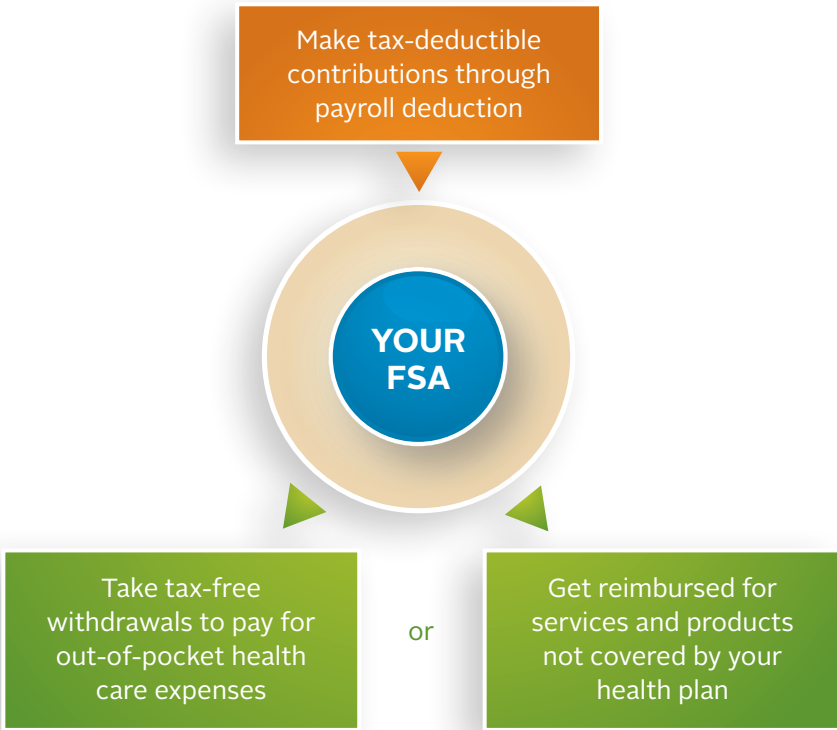


Flexible spending accounts are simple to set up, easy to use, and save you money

Learn More about Qualified Medical Expenses
You can review a complete list of qualified medical services and products you can purchase through your BlueSaver FSA by visiting ibx.com

How Does Your BlueSaver FSA Work?

Using your account is simple and straightforward. How you use your account depends on whether you are paying for services covered under your Independence Blue Cross health plan or for services and products not covered by your plan.



- **For plan-covered services,** you can use the money in your account to cover your out-of-pocket costs. You may have the option to have your care claims automatically submitted to your account and have account funds sent directly to you or your health care provider. There are several methods of payment and reimbursement available. Your employer will select those that best meet the needs of your organization.
- **For services and products not covered by your health plan,** you can conveniently enter claims online and even submit your receipts electronically to save time.

How to Fund Your Account

When you enroll, you choose the amount of money to contribute for the year. Payments are then divided among the pay periods, and money is deducted from each paycheck on a pre-tax basis.

The U.S. Department of the Treasury sets FSA contribution limits for the tax year. The contribution limit for 2014 is \$2,500. Annual limits are published each year in Internal Revenue Service (IRS) publication 969 *Health Savings Accounts and Other Tax-Favored Health Plans*, which is available online at the Internal Revenue Service website: irs.gov.



Tax Savings Add Up!

Paying for health-related services and products through a flexible spending account not only helps you better manage your costs, it can put more money in your wallet

How to Manage Your Account

Everything you need to manage your FSA is at your Independence Blue Cross member website. So in one convenient, central location you can:

- Reimburse yourself or pay health care providers directly
- Enter claims online and even submit your receipts electronically to save time
- Check the status of a claim
- Sign up to receive email notifications when claims are paid or denied, or when substantiation is required
- View deposits, transactions, and claims
- Track your health care costs
- Learn more about typical health care costs by using online health-education tools

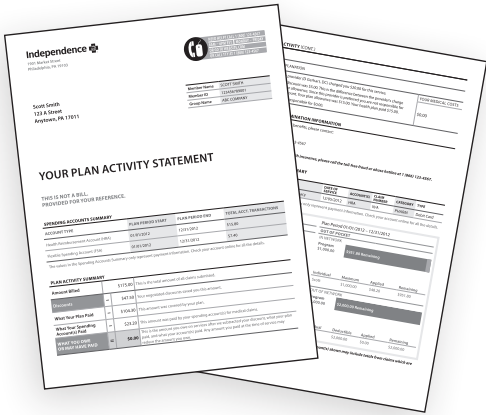
Start Contributing and Start Saving!

One of the significant advantages of your FSA is that your contributions are tax-advantaged and your withdrawals are tax-free. This chart illustrates the tax savings that can be generated through an FSA for a family with a gross income of \$45,000 and with an annual FSA contribution of \$2,000. Using a 15 percent tax bracket, this family would have **saved \$430 in taxes by contributing to an FSA.**

Expense Category	Without FSA	With FSA
Annual Income	\$45,000	\$45,000
FSA Contribution	\$0	–\$2,000
Taxable Income	\$45,000	\$43,000
Estimated Federal Income Tax	–\$6,750	–\$6,450
Total	\$38,250	\$36,550
Social Security & Medicare Taxes	–\$2,926	–\$2,796
Total	\$35,324	\$33,754
Health Care Expenses	–\$2,000	\$0
Net Income	\$33,324	\$33,754
FSA Savings	\$0	\$430

For more information about the features and benefits of a Flexible Spending Account, visit us at www.ibx.com or call 1-800-ASK-BLUE (1-800-275-2583).

The information in this brochure is not intended to provide legal or tax advice. You should consult with your own legal and/or tax advisor regarding the tax advantages of a spending account.



Straightforward and easy-to-read plan activity statement

Tax-advantaged contributions and tax-free withdrawals make FSAs a smart way to save money