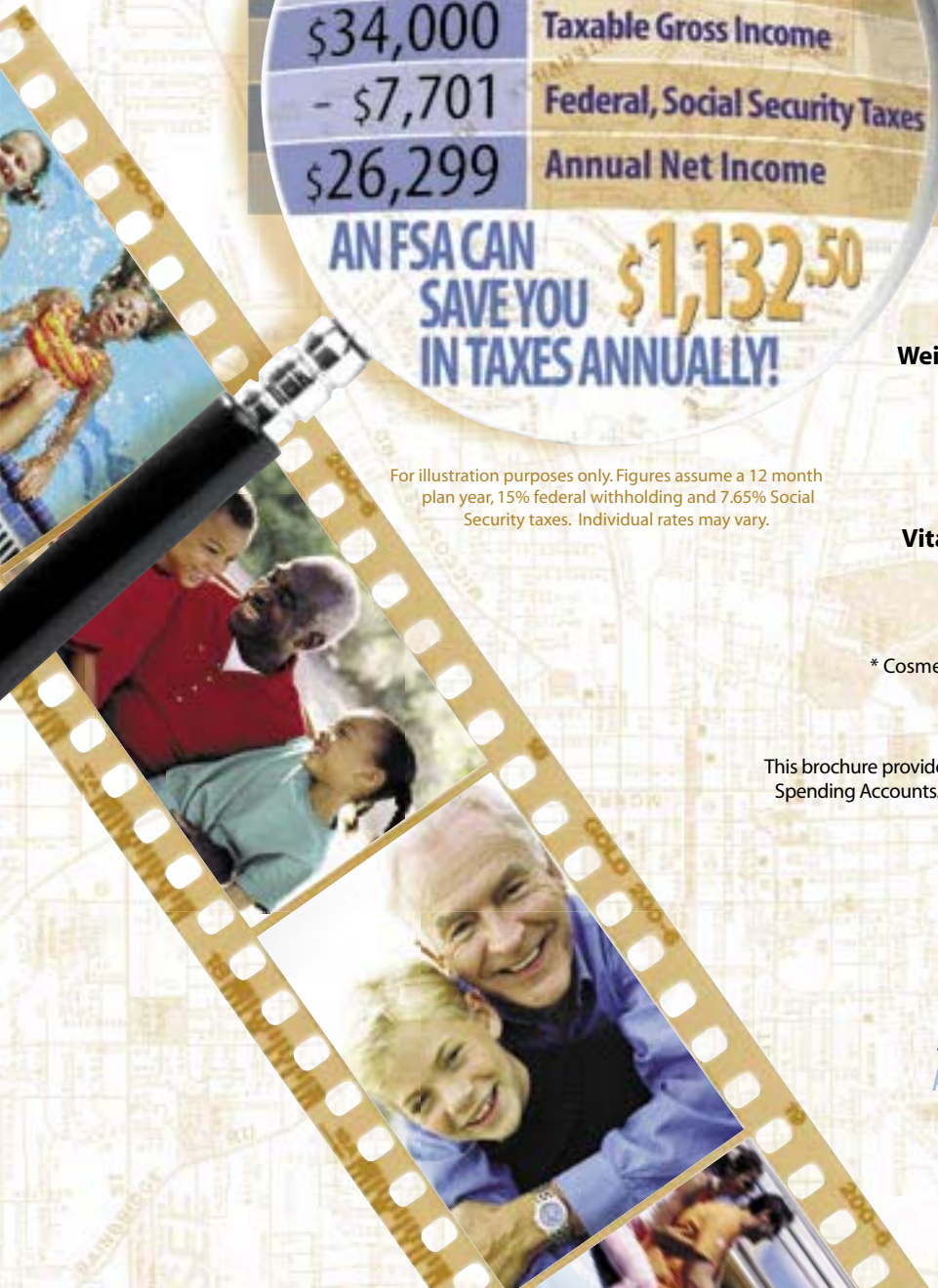


| | |
|---|---|
| $39,000 | Annual Gross Income |
| - 5,000 | FSA Deposit |
| $34,000 | Taxable Gross Income |
| - $7,701 | Federal, Social Security Taxes |
| $26,299 | Annual Net Income |

**AN FSA CAN SAVE YOU $1,132.50 IN TAXES ANNUALLY!**

For illustration purposes only. Figures assume a 12 month plan year, 15% federal withholding and 7.65% Social Security taxes. Individual rates may vary.

## Accelerate your Savings*

- Acupuncture
- Chiropractic Care
- Massage
- Birth Control Pills
- In Vitro Fertilization
- Prophylactics
- Eyeglasses
- Contact Lenses
- Guide Dogs
- LASIK
- Braces
- Dental Care
- Retainers
- Over-the-Counter Remedies
- Weight Loss Programs or Meetings
- Ambulance Services
- Nursing Services
- Wheelchairs
- Doctors' Fees
- Vitamins and Herbal Supplements
- Injections and Vaccinations
- X-rays

* Cosmetic expenses are generally not eligible for reimbursement.

This brochure provides general information about FBMC Flexible Spending Accounts. Check your employer's plan documents for specifics regarding your plan.

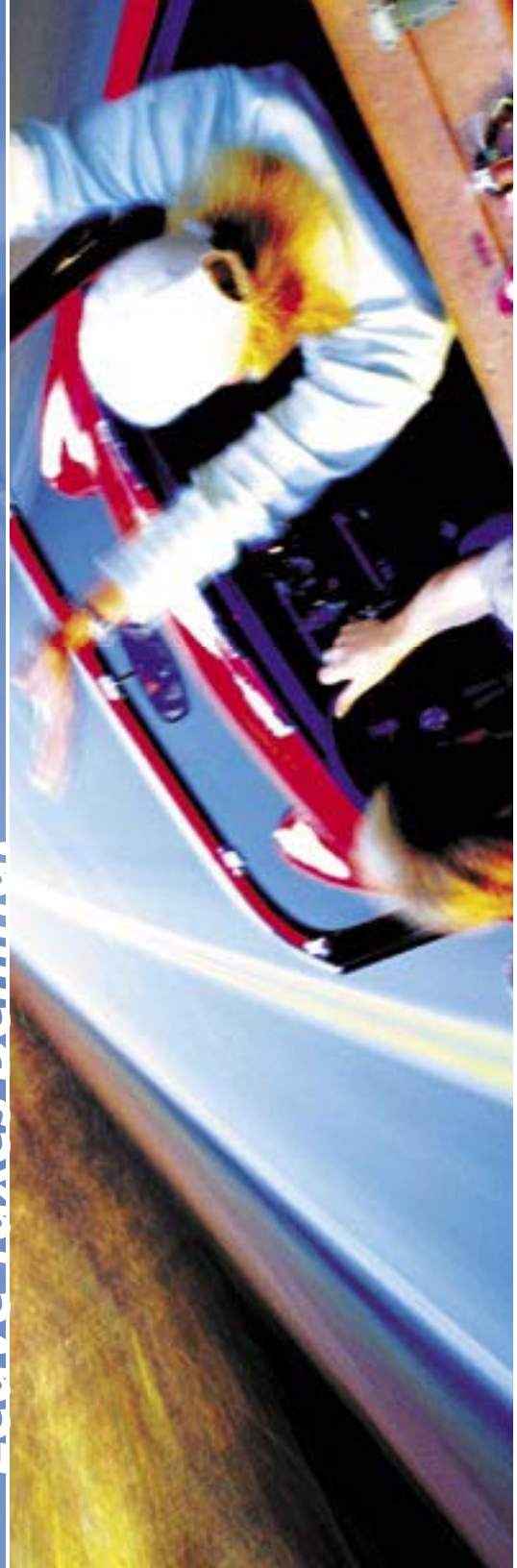
FBMC

*proven benefit solutions*

Fringe Benefits Management Company
Customer Service 1.800.342.8017
www.fbmc-benefits.com

FBMC/FSA/0304

# Leave Taxes Behind!



# FLEXIBLE SPENDING ACCOUNTS

## Leave Taxes Behind!

It's about time you get a tax break on expenses you know you will have. Save money when you pay for pain relievers. Increase your savings when you pick up prescriptions. Bypass taxes when you pay for daycare.

With either a Medical Expense or Dependent Care Flexible Spending Account (FSA), the IRS allows you to escape the burden of taxes. All you do is designate a per-pay-period deduction from your paycheck into this specialized account. Your deductions will always be tax free and are available for use on eligible expenses. As you incur expenses throughout your plan year, simply submit a claim for reimbursement. The bottom line is reduced tax liability and a significant increase in your savings.

## Unlock Medical Savings

It's tough to keep up with the skyrocketing price of medical coverage. The least you can do is save on tax money. A Medical Expense FSA allows you to pay for eligible co-payments, medical services, prescription drugs and more. Before your plan year begins, jot down your expected medical expenses. You'll be surprised how easily you can detour tax liabilities.

## Bring your Dependents

How much do you pay annually for dependent care? A Dependent Care FSA shelters your money from taxes while helping you pay for care provided in your home or at a qualified day care facility. Eligible facility fees, local day camp fees and babysitting dollars can add up quickly. As long as your dependent is under age 13, disabled, or elderly, you're on your way to saving money. Simply submit a claim.

## Start your Engine

Medical Expense FSA – You've just spent $500 on prescription glasses. Because this amount is less than 7.5% of your adjusted gross income, you cannot claim it on your 1040 tax form. Take $500 from your FSA and you've just saved $113.25 in taxes.

Dependent Care FSA – Your children are in daycare while both you and your spouse are at work. Instead of claiming $3,000 on your 1040 tax form and receiving only a portion of it in return, your entire $3,000 balance is available from your FSA. This saved you $679.50 in taxes.

## Plot your Course

The IRS permits your Medical Expense FSA funds be available to you on the first day of the plan year. This means you are able to spend the entire amount even before you've contributed all the funds. A Dependent Care FSA requires you to only withdraw from the amount that you have contributed.

## Proceed with Caution

Maximize your tax savings by ensuring you spend all of the funds in your FSAs. The IRS prohibits the return or extension of any unused funds left over in these accounts. Be sure to calculate your contributions conservatively prior to your open enrollment period.

**To determine your potential savings, get a personalized Tax Analysis at www.fbmc-benefits.com/customer/taxanalysis.asp.**