



Flexible Spending Account

“Will a flexible spending account complement my benefits program and deliver cost savings?”

It's the benefit of knowing.

SelectAccount[®]

Looking for a spending account that fits your company?

An attractive benefits program is essential for employers who need to stay competitive in the marketplace. And increasingly, spending accounts are part of the benefits mix. Why? Because they give individuals the help and support they need to pay for health care costs, while offering tax advantages for both employers and employees.

A flexible spending account (FSA) from SelectAccount is one type of medical spending account that's easy to understand and easy to use—for both you and your employees. And choosing SelectAccount as the administrator of your FSA gives your employees the benefit of convenience and control over their health care dollars.

It's the benefit of knowing your options

There are two types of FSAs that you can choose for your employees: a medical FSA and a dependent care FSA. SelectAccount administers both account types according to the rules set out by Section 125 of the Internal Revenue Service Code, which oversees FSAs, and Section 129 for dependent care.

Not sure if you can offer an FSA? You'll be happy to know that any corporation (Subchapter S or Subchapter C), partnership, nonprofit organization, government entity, limited liability company, limited liability partnership or sole proprietorship can offer an FSA to their employees. However, certain individuals, such as those who are owners or individuals who are not considered employees, cannot participate in an FSA.



Dependent Care FSA

Allows employees to use the account for day care expenses for their children or adult dependents.



Medical FSA

Allows employees to use the account for eligible expenses that aren't covered by the health plan, such as dental care, orthodontia, and vision care.



Here's how an FSA works:

1: Elect how much to contribute

Once you decide to offer an FSA, your employees can “elect” to participate by authorizing pre-tax payroll deductions for each type of account you offer. These funds are held by the employer until needed for claims.

2: Request reimbursement

Throughout the year, employees request reimbursement from the FSA for eligible expenses. SelectAccount administers those reimbursement requests.

3: Use it, or lose it

Any money left in the account at the end of the year goes back to you, the employer. It's important that your employees understand this aspect of the account and how to manage their account to avoid this situation.

SelectAccount charges a monthly fee for administering your FSA. This fee is based on the type of plan you choose and the administrative services you select. Any money that is forfeited back to you at the end of the year can be used to offset this administrative fee, or you can allocate those funds to employees in a way that is fair and reasonable.

It's the benefit of saving money

Most employers struggle with the desire to offer benefits that protect their employees, while needing to manage health care costs. With an FSA from SelectAccount, you give your employees the security of an account that can help them pay for health care and dependent care expenses, while reducing their taxable income. And in the end, that helps your company's bottom line.

Here's how an FSA can save money for you and your employees: When an employee contributes to an FSA with pre-tax dollars (through automatic payroll deductions that you allow), they reduce their taxable income. And less taxable income for your employees, means less payroll taxes for you.

An example of how a SelectAccount FSA can save employees money:

	With an FSA	Without an FSA
Annual Gross Income	\$30,000	\$30,000
Employee Contributions	-\$2,070	None
Taxable Income	\$27,930	\$30,000
Federal, State and FICA Taxes	-\$4,750	-\$5,492
Eligible Expenses to be Paid After Taxes	None	-\$2,070
Remaining Disposable Income	\$23,180	\$22,438
Employee Tax Savings	\$742	None
Employer Tax Savings	\$158	None

Note: Because fewer taxes are taken out, future Social Security benefit may be reduced. However, the tax savings with a SelectAccount FSA will likely offset that reduction. Remember, this is only an example. Your employee savings may vary.

Why should you offer an FSA to your employees?

Saving money is important, but we know that keeping employees happy is also a priority for you, as an employer. With this in mind, consider the following factors that make a SelectAccount FSA a proven winner for you and your employees:



It's easy to implement

Because an FSA can be paired with any health plan, it's easy to implement and administer. Plus, the SelectAccount Online Group Service Center makes it easy for your benefits team to manage your company's FSA.



It reduces taxes

An FSA can save your company and your employees tax dollars. When your employees contribute to an FSA, they reduce their taxable income. This, in turn, reduces the amount of payroll tax you pay.



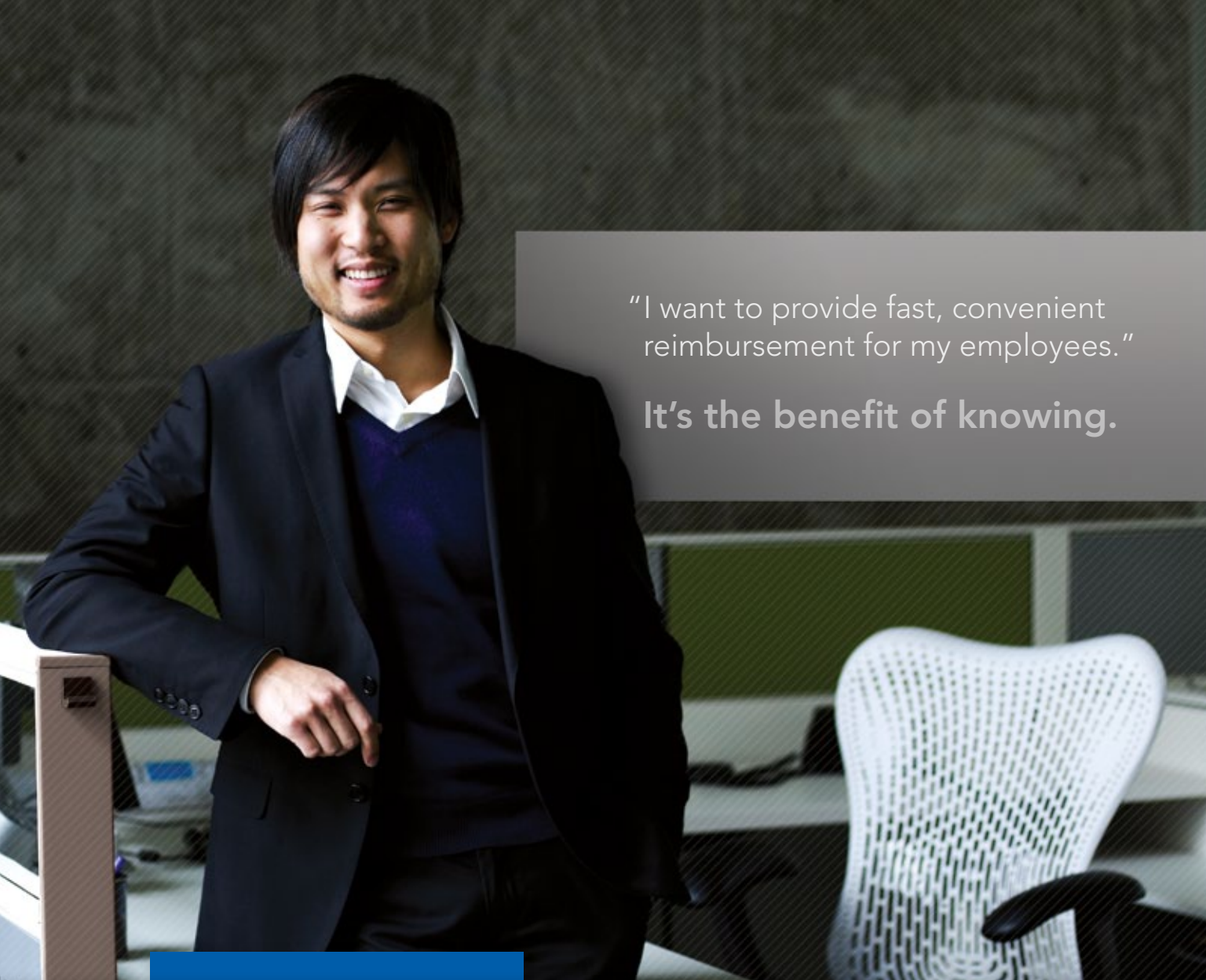
It's easy to communicate

An FSA is pretty straightforward, which makes it easier for you to communicate with employees. SelectAccount also provides communication tools to help you spread the word about this valuable benefit.



It's convenient

With SelectAccount, your employees will have fast, easy access to their FSA dollars—especially when they use automatic claims crossover with direct deposit. Plus, employees can use www.SelectAccount.com to monitor their account activity.



“I want to provide fast, convenient reimbursement for my employees.”

It's the benefit of knowing.

Online. Anytime.



Your employees will have access to our Online Member Service Center to manage their FSA anytime, any place. To talk to a real person, employees simply call our specially trained customer service team between 7 a.m. and 7 p.m., Central Time, Monday through Friday.

www.SelectAccount.com

(651) 662-5065 (Twin Cities)

1-800-859-2144 (Toll-Free)

Why should you choose SelectAccount?

SelectAccount is one of the country's leading account administrators, with more than 20 years experience in tax-advantaged spending accounts. So, we know you have many options when it comes to choosing an administrator for your FSA. Here's what you'll get with SelectAccount that you won't find with other administrators:



A hassle-free partnership promise

We're here for you, every step of the way: from setting up electronic contribution files, to completing employee enrollment and conducting non-discrimination testing. We make the hard stuff easy.



Expert claims processing

We offer claims processing for medical and dependent care claims, including eligibility review, verification of expenses incurred during the coverage period, and verification of third-party documentation.



Online Group Service Center

The SelectAccount Online Group Service Center gives your human resources or benefits staff the tools to manage your accounts and to communicate with employees.



Regular reports

Reporting helps you monitor your accounts, including: explanation of payments (EOPs) for employees, monthly activity reports for you, as well as weekly claims payment reports.



Automatic claims crossover

If available to your group, this feature allows your health plan to submit claims directly to SelectAccount on behalf of your employees for reimbursement. Crossover reduces paperwork for members and, by auto-enrolling employees in this feature at the beginning of the plan year, you can reduce your monthly FSA participant fees.



A knowledgeable team

Our service and account management teams help employees get the most from their accounts, along with our dedicated Group Leader Line.

SelectAccount[®]

It's the benefit of knowing **SelectAccount**.



To learn more about how SelectAccount can meet your spending account needs, including the administration of your FSA, call or visit us online.

www.SelectAccount.com

1-888-460-4013