



2012 BENEFIT PERIOD

AN FSA ISN'T FOR EVERYONE.

JUST FOLKS WHO LIKE SAVING MONEY.

HEALTH CARE AND DEPENDENT CARE ACCOUNTS

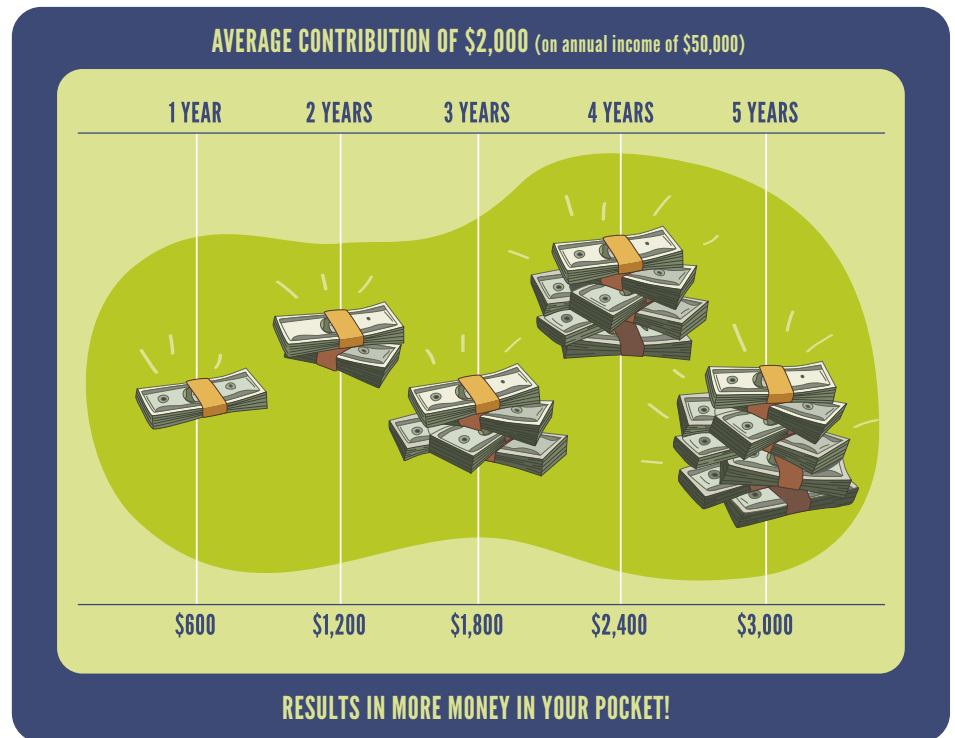
FSA
FEDS 

A FED-FRIENDLY TAX BREAK

With an FSAFEDS flexible spending account, you save on a wide variety of everyday medical, dental, vision and day care expenses. It's a tax break that's simple to use and works for all active Federal employees. You're going to have these expenses anyway, so why pay more in taxes than you have to?

Your contributions to FSAFEDS are deducted from your salary **BEFORE** taxes... just like your Thrift Savings Plan contributions. That's how you save – you don't pay taxes on your FSAFEDS contributions and end up with more money in your pocket as a result!

The average person will save about 30% each year. That's like receiving a 30% off coupon. Who can say "no" to that? With that type of savings, a Fed earning \$50,000 and contributing \$2,000 to an FSAFEDS account will have around \$600 more to spend each year.



THAT'S MORE MONEY IN MY POCKET!

HOW DOES IT WORK?

<h3>1 HEALTH CARE FLEXIBLE SPENDING ACCOUNT (HCFA)</h3>	<ul style="list-style-type: none"> Reimburses eligible health care expenses not covered or reimbursed by: <ul style="list-style-type: none"> the Federal Employees Health Benefits Program (FEHB) the Federal Employees Dental and Vision Insurance Program (FEDVIP) any other insurance coverage Covers expenses for you and/or your tax dependents; including adult children, through the end of the calendar year in which they turn 26 \$5,000 maximum is NOT a household limit <ul style="list-style-type: none"> your spouse can have a separate HCFA
<h3>2 LIMITED EXPENSE HCFA (LEX HCFA)</h3>	<ul style="list-style-type: none"> Reimburses ONLY eligible dental and vision expenses not covered or reimbursed by: <ul style="list-style-type: none"> the Federal Employees Health Benefits Program (FEHB) the Federal Employees Dental and Vision Insurance Program (FEDVIP) any other insurance coverage You MUST be enrolled in, or covered by, a High Deductible Health Plan in 2012 AND have a Health Savings Account in 2012 Covers expenses for you and/or your tax dependents; including adult children, through the end of the calendar year in which they turn 26 \$5,000 maximum is NOT a household limit <ul style="list-style-type: none"> your spouse can have a separate account
<h3>3 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT (DCFA)</h3>	<ul style="list-style-type: none"> Reimburses eligible day care expenses for your: <ul style="list-style-type: none"> children UNDER age 13 dependents on your Federal tax return who are incapable of self-care You (and your spouse, if married) must be: <ul style="list-style-type: none"> working, or looking for work (with income during the year), or attending school full-time \$5,000 maximum IS a household limit <ul style="list-style-type: none"> includes child care subsidy amounts and other FSA dependent care accounts \$2,500 maximum, if married filing separately

VERY IMPORTANT INFORMATION

OTC—Over-the-counter drugs and medicines (except insulin) are **ONLY** eligible for reimbursement when prescribed by a physician.

ADULT CHILDREN—HCFA expenses are reimbursable for adult children, through the end of the calendar year in which they turn 26.

OPEN SEASON—The 2012 Federal Benefits Open Season begins November 14, 2011 and ends December 12, 2011.

GRACE PERIOD—The additional 2½ months from January 1, 2013 to March 15, 2013 during which you can incur eligible expenses that can be reimbursed from any remaining 2012 balance.

EXPENSE DEADLINE—You must incur all eligible expenses for 2012 by March 15, 2013.

USE OR LOSE—You forfeit (lose) all money remaining in your 2012 FSA/FEDS account(s) after March 15, 2013 for which you have not incurred an eligible expense and filed a timely claim.

CLAIMS DEADLINE—You must submit all claims for 2012 by April 30, 2013.

RE-ENROLL—You **MUST** re-enroll each year to continue participation. Enrollments **DO NOT** carry forward from year to year.

NEW EMPLOYEES—You have 60 days from your hire date to enroll, but you must enroll before October 1 or wait for Open Season.

HCFA—WHAT'S ELIGIBLE?

✓ ELIGIBLE EXPENSES		✗ NOT ELIGIBLE EXPENSES
<ul style="list-style-type: none"> ✓ Co-payments, co-insurance and deductibles ✓ Acne treatments** ✓ Acupuncture ✓ Blood pressure monitors ✓ Body scans ✓ Childbirth classes ✓ Chiropractic care ✓ Contact lenses, solutions, cleaners and cases ✓ Dental care (including crowns, endodontic services, fillings, implants, oral surgery, periodontal services and sealants, but not toothpaste or porcelain veneers) ✓ Diabetic supplies ✓ First aid kits ✓ Flu shots ✓ Foot care (e.g., athlete's foot products, arch supports, callous removers, etc.) ✓ Hand sanitizer ✓ Hearing aids (including batteries) ✓ Home diagnostic tests and kits (e.g., cholesterol, colorectal screenings, etc.) ✓ Home medical equipment (e.g., crutches, wheelchairs, canes, oxygen, respirators, etc.)* ✓ Laser eye surgery ✓ Learning disability treatments and therapies (including speech therapy and remedial reading)* 	<ul style="list-style-type: none"> ✓ Medical supplies ✓ Mental health counseling ✓ Occupational therapy ✓ Orthodontia ✓ Orthopedic shoes* ✓ Orthotic inserts ✓ Over-the-counter medical items such as, but not limited to, band aids, braces & supports and reading glasses ✓ Physical therapy ✓ Prescription drugs ✓ Preventive care screenings ✓ Prosthetics ✓ Psychiatric services and care ✓ Service animals ✓ Shipping and handling charges for medical needs, such as eligible over-the-counter items and mail-order prescriptions ✓ Smoking cessation programs (including over-the-counter treatments**) ✓ Specialized equipment and services for disabled persons* ✓ Substance abuse treatment ✓ Sunscreen ✓ Transportation expenses related to medical care ✓ Vision care (including eyeglasses, prescription sunglasses, refractions and vision correction procedures) 	<ul style="list-style-type: none"> ✗ Day care expenses ✗ Cosmetic procedures (unless required to restore appearance or function due to disease or illness) ✗ Expenses you claim on your income tax return ✗ Expenses reimbursed by other sources, such as insurance ✗ Fitness programs (unless medically necessary*) ✗ Hair transplants ✗ Illegal treatments, operations, and drugs ✗ Insurance premiums, including COBRA, Tricare, dental, vision and long term care insurance ✗ Over-the-counter drugs and medicines (except insulin) unless prescribed by a physician ✗ Physician retainer fees including boutique and concierge practice membership fees ✗ Prescription drug discount program fees ✗ Weight loss programs and drugs for general well-being ✗ Expenses incurred after March 15, 2013 ✗ Claims submitted after April 30, 2013 <p><i>* These expenses require a Letter of Medical Necessity from your health care provider in order to be considered eligible for reimbursement.</i></p>

IMPORTANT OVER-THE-COUNTER EXPENSE INFORMATION

**Over-the-counter (OTC) drugs and medicines (except insulin) are only eligible for reimbursement when prescribed by a physician.



LEX HCFSA—WHAT'S ELIGIBLE?

✓ ELIGIBLE EXPENSES	✗ NOT ELIGIBLE EXPENSES
<ul style="list-style-type: none"> ✓ Co-payments, co-insurance and deductibles related to dental and/or vision insurance coverage ✓ Contact lenses, solutions, cleaners and cases ✓ Crowns ✓ Dental cleanings ✓ Eyeglasses ✓ Fillings ✓ Over-the-counter items such as denture care products (but not toothpaste or porcelain veneers) ✓ Refractions ✓ Vision correction procedures 	<ul style="list-style-type: none"> ✗ Day care expenses ✗ Health care expenses that are not for dental or vision care ✗ Cosmetic services—even if dental or vision related (unless required to restore appearance or function due to disease or illness) ✗ Insurance premiums, including COBRA, Tricare, dental, vision and long term care insurance ✗ Expenses you claim on your income tax return ✗ Expenses reimbursed by other sources, such as insurance ✗ Over-the-counter drugs and medicines (except insulin) unless prescribed by a physician ✗ Expenses incurred after March 15, 2013 ✗ Claims submitted after April 30, 2013

DCFSA—WHAT'S ELIGIBLE?

✓ ELIGIBLE EXPENSES	✗ NOT ELIGIBLE EXPENSES
<ul style="list-style-type: none"> ✓ Child care (at a day care center, day camp, sports camp, nursery school or by a private sitter) ✓ Late pick-up fees ✓ Before and after-school care (must be billed separately from tuition) ✓ Adult day care expenses ✓ Expenses for a housekeeper whose duties include caring for an eligible dependent ✓ Placement fee expenses and stipend for an au pair <p><i>Eligible day care services cannot be provided by a person you claim as a dependent.</i></p>	<ul style="list-style-type: none"> ✗ Health care expenses ✗ Education and tuition fees ✗ Expenses you claim on your income tax return ✗ Late payment fees ✗ Overnight camps (in general) ✗ Sports lessons, field trips, clothing, uniforms ✗ Transportation to and from day care ✗ Expenses incurred after March 15, 2013 ✗ Claims submitted after April 30, 2013

GO TO WWW.FSAFEDS.COM AND CLICK ON “ELIGIBLE EXPENSES JUKE BOX”, UNDER THE “QUICK LINKS” DROP-DOWN MENU, TO VIEW AN EXTENSIVE LIST OF ELIGIBLE EXPENSES

QUESTIONS?

CALL US TOLL-FREE AT
1-877-FSAFEDS (372-3337)
 OR TTY AT **1-800-952-0450**
MONDAY–FRIDAY, 9:00 A.M.
TO 9:00 P.M. EASTERN TIME



SEE HOW MUCH YOU CAN SAVE

COMPLETE THE FOLLOWING STEPS TO ESTIMATE YOUR SAVINGS FROM ENROLLING IN FSAFEDS:

1. Find your Federal Income Tax rate in the chart below, based on your expected 2012 income:

TAX RATE*	SINGLE OR HEAD-OF-HOUSEHOLD (HOH)	MARRIED—FILING JOINTLY OR SEPARATELY
15%	\$8,501 to \$34,500 Single \$12,151 to \$46,250 HOH	\$17,001 to \$69,000 Jointly \$8,501 to \$34,500 Separately
25%	\$34,501 to \$83,600 Single \$46,251 to \$119,400 HOH	\$69,001 to \$139,350 Jointly \$34,501 to \$69,675 Separately
28%	\$83,601 to \$174,400 Single \$119,401 to \$193,350 HOH	\$139,351 to \$212,300 Jointly \$69,676 to \$106,150 Separately

* 2012 Federal tax rate schedules were not available at date of publication. These rates are based on 2011 numbers.

2. Determine your TOTAL Federal tax rate by:

Using the number above, add 1.45% for CSRS employees _____ %
OR 7.65% for FERS employees _____ %

3. Enter your planned FSAFEDS contribution for 2012 \$ _____

4. Multiply step 3 and step 2. This is how much you can save! \$ _____

Scratch Pad

Here's an example:

ANNUAL SAVINGS*	CSRS		FERS	
	With FSA	Without FSA	With FSA	Without FSA
Annual pay	\$50,000	\$50,000	\$50,000	\$50,000
Pre-tax FSA contribution	(2,000)	0	(2,000)	0
Taxable income	\$48,000	\$50,000	\$48,000	\$50,000
Federal income and Social Security Tax	(8,820)	(9,350)	(11,797)	(12,450)
After-tax dollars spent on eligible expenses	0	(2,000)	0	(2,000)
Available after-tax income	\$39,180	\$38,650	\$36,203	\$35,550
SAVINGS with an FSA	\$530* or 26%		\$653* or 33%	



*This example illustrates potential tax savings based on 25% Federal and 7.65% FICA taxes for FERS employees; 1.45% FICA taxes for CSRS employees. This results in up to a 33% savings for FERS employees, 26% for CSRS employees, on eligible expenses reimbursed from an FSA. This example is based on 2011 withholding estimates for a single filer as illustrated by IRS Publication 505 (January 2011). Actual savings will vary based on your individual tax situation. You may wish to consult a tax professional for more information on the tax implications of an FSA.

**MANAGE YOUR FSAFEDS
ACCOUNT(S) ONLINE AT
WWW.FSAFEDS.COM**

- Claim forms
- Savings calculator
- Eligible expenses juke box
- Account information

USING FSAFEDS IS EASY AS PIE

1 Determine your contribution

First, figure out how much money you'd like to set aside for the year. If you need help in determining that amount, use the FSA calculator at www.FSAFEDS.com (click "Savings Calculator" located under the Quick Links menu).

Please be sure to estimate your expenses carefully and elect conservatively.

2 Enroll during Open Season November 14–December 12, 2011

Go to www.FSAFEDS.com and click "Enroll Now." To enroll by phone, call an FSAFEDS Benefits Counselor toll-free at 1-877-FSAFEDS (372-3337) or TTY at 1-800-952-0450 Monday–Friday, 9:00 a.m. to 9:00 p.m., Eastern Time. Your election will be effective for the Benefit Period starting on January 1, 2012.

If you are a newly-hired employee

You have 60 days after your hire date to enroll in an HCFA or LEX HCFA and/or a DCFA, but you must enroll before October 1.

Go to www.FSAFEDS.com and click "Enrollment" and then "New Hire Enrollment".

If you are hired on or after October 1, 2012 you are not eligible to participate in 2012 but can elect an FSA during the next Federal Benefits Open

Season. That election will be effective for the Benefit Period starting on January 1, 2013.

If you have experienced a Qualifying Life Event (QLE)

You have 60 days after the event date to enroll in an HCFA or LEX HCFA and/or a DCFA, but you must enroll before October 1.

Go to www.FSAFEDS.com and click on "Qualifying Life Event Information" located under the Enrollment section.

3 Incur eligible expenses

When you incur an eligible expense, you first pay for it out-of-pocket. For example, pay your day care provider directly or pay for sunscreen at the pharmacy, like you normally would.

4 Submit your claims

Download a claim form from www.FSAFEDS.com. Complete it and fax or mail to FSAFEDS. You must include appropriate documentation with all claims, such as that receipt for your sunscreen.

Alternatively, if your FEHB and/or FEDVIP plan participates, you may wish to sign up for Paperless Reimbursement. This means FSAFEDS will automatically receive notification of your out-of-pocket

expenses directly from your plan and you won't have to submit paper claims for those expenses. Visit www.FSAFEDS.com for more information about Paperless Reimbursement.

5 Get reimbursed fast!

FSAFEDS processes claims on a daily basis during the work week, in the order they are received. Payment is wired to your savings or checking account via Electronic Funds Transfer (EFT) as soon as possible after receipt of your claim and supporting documentation.

GO PAPERLESS!

It's easy, and it eliminates the claim form!

If your FEHB and/or FEDVIP plan participates, you may wish to sign up for Paperless Reimbursement (PR). Doing so will eliminate the need to manually submit a claim for your out-of-pocket expenses. How great is that?!

- Check the PR Quick Reference Guide at www.FSAFEDS.com to see if your FEHB and/or FEDVIP plan participates.
- Review your plan's Quick Reference Guide for specific details.
- Choose PR when you enroll in FSAFEDS.
- Monitor your PR claims online at www.FSAFEDS.com.

To take advantage of great tax savings, visit www.FSAFEDS.com or call FSAFEDS toll-free to speak to a Benefits Counselor.

The Federal Benefits Open Season begins November 14, 2011 and ends December 12, 2011.

Current participants MUST re-enroll each year to continue participation.

ENROLL IN THE BENEFIT THAT SAVES YOU MONEY!

TEL: 1-877-FSAFEDS
(TOLL-FREE 1-877-372-3337)
MONDAY–FRIDAY, 9:00 A.M. TO 9:00 P.M.
EASTERN TIME

TTY: 1-800-952-0450 (TOLL FREE)
FAX: 1-866-643-2245 (TOLL FREE)
OR 1-502-267-2233

WEB: WWW.FSAFEDS.COM
MAIL: FSAFEDS PROGRAM
P.O. BOX 36880
LOUISVILLE, KY 40233

QUESTIONS?
EMAIL US: FSAFEDS@SHPS.COM

The Office of Personnel Management selected SHPS, Inc. as the third-party administrator for the day-to-day administration of FSAFEDS.

The information presented in this brochure is not all-inclusive, nor a guarantee of eligibility or payment. Eligibility will be determined by the applicable provisions of the plan, based on Internal Revenue Service regulations for FSA programs.

