



# Flexible Spending Accounts

Maximize Your Benefits



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# What can a Flexible Spending Account do for you?

*Have you noticed your paycheck has money that was deducted to pay state and federal taxes and to fund Social Security (FICA) taxes? The taxes you pay are translated into a percent of pay. Each state's percentage is different but the average percentage is 20-30%.*

**Wouldn't it be great to cut your withholdings simply by setting money aside before taxes are calculated?**

That's exactly what a FSA plan can do for you. The IRS developed the Section 125 plan to allow you to pay for certain health and dependent care expenses with pre-tax dollars. **This benefits both you and your employer.**



## Simple & Easy

All you need to do is determine a dollar amount that your employer will transfer to your FSA before calculating taxes each pay period. After the funds are transferred to your FSA, your gross income is lower, so the amount withheld for taxes is lower. Use the money in your FSA to pay for certain out-of-pocket expenses, deductibles and coinsurance. If you're paying for dependent care services each month, you can put money aside pre-tax to cover those expenses as well.

## Bottom Line *You have more money in your pocket each month!*

	No FSA Plan	FSA Plan
Monthly Income	\$3,500	\$3,500
Pretax Medical Expenses	\$0	\$100
Pretax Daycare Expenses	\$0	\$100
Pretax Premiums (health & dental)	\$75	\$75
Taxable Income	\$3,425	\$2,925
Withholdings (28% for taxes, FICA & Medicare)	\$959	\$819
Post-Tax Medical Expenses	\$100	\$0
Post-Tax Daycare Expenses	\$400	\$0
<b>Net Income</b>	<b>\$1,966</b>	<b>\$2,106</b>

# Choose Your Plan

*You are funding your benefits based on future earnings. So when you are designing your plan, carefully estimate the costs you expect to incur in the coming year.*



## Health FSA

Pays for out-of-pocket medical expenses incurred during the plan year. This includes:

- copayments
- deductibles
- prescription drugs
- diabetic supplies
- eye glasses
- dental services
- orthodontics/braces
- and more!

## Dependent Care FSA

Covers dependent day-care expenses while you (and your spouse) are at work. This benefit is eligible for children up to age 13 and for elder dependents (like aging parents) who live in your home. You and your spouse must work or attend school full time to be eligible for the Dependent Care FSA. Please note that if you're divorced or separated, the IRS only considers the custodial parent or guardian (the one who has custody more than 50% of the time) eligible for this account.



## Individual Premium FSA

For any medically-related insurance billed to your home.  
(Please note: Some employers may not offer this benefit plan)

# Overview



## Flex Card

With your Flex Card, you have immediate access to your FSA. Just swipe the flex card like you would any credit/debit card at the time of purchase. Eligible expenses are recognized by the plan and will be deducted from your account. Your card can be used at eligible day-care centers, doctor/dental offices, clinics, vision centers and pharmacies as long as they accept Visa or MasterCard



## Online Access

With this benefit, you have online access to view your account, view recent transactions, view available balance and file a claim online. You may do this all through our website: [allianceinsgroup.com](http://allianceinsgroup.com)



## Fast Claims

In some cases, you may need to file a manual claim for reimbursement. You can fax, e-mail, mail or submit claims online. The process is easy and fast. Simply download a claim form and submit to us with the receipts that you are requesting. The option to upload the claim to the online website is available as well. We encourage you to enroll in the Direct Deposit for faster processing of your claim. You may request a check for reimbursement but direct deposit is the fastest way, plus, it saves paper and a trip to the bank. Claims are usually processed within 2 to 3 business days!

## Keep In Mind

All expenses must fall within the guidelines to be considered “eligible” for reimbursement. This benefit can only pay for expenses that are incurred during the current plan year. Expenses incurred in the previous year are not eligible for reimbursement even if you are paying for them in the new year. The only exception is orthodontia because it is considered an on-going service. Please plan carefully. If you have money left in your account at the end of the plan year and you do not claim it within the run-out period (defined by your employer), you forfeit the money. The IRS passed regulations to add a 2 ½ month extension to the end of the plan year. This ruling allows you to receive services with the extension time period in order to claim leftover funds in your account. Please contact us to see if your employer added the extension to your plan.

# FSA Eligible Expenses Examples

Acne treatments	Dental Care (including implants)/Non-Cosmetic	Nasal sprays & strips	Speech therapy
Acupuncture	Dentures, bridges, etc.	Norplant insertion or removal	Spermicidal (RX)
Allergy & sinus medicine and products	Diabetic monitor, test kits, strips and supplies	Occupational therapy (related to a medical condition or disability)	Student health fees billed for actual services received (dental, medical, prescription, vision)
Alcoholism Treatment	Diagnostic services	OB/GYN fees	Sterilization
Allergy medication	Diaper rash ointments and creams	Occlusal guards to prevent teeth grinding	Sunscreen with SPF 15+ and "broad spectrum", sunburn creams & ointments
Ambulance and emergency health services	Drug addiction treatment	Operations (for non-cosmetic purposes)	Sunglasses (RX only)
Anesthesia (for non-cosmetic purposes)	Drugs (prescription)	Operations for dental	Surgery (for non-cosmetic purposes)
Antacid	Ear drops and wax removal	Operations for vision	Teeth grinding prevention devices
Antibiotic ointment	Eye drops and treatments	Optometrist / ophthalmologist fees	Therapy (for treatment of a medical condition)
Aspirin or other pain reliever	Eye examinations	Organ transplants (recipient and donor)	Transportation, parking & related travel expenses (essential to receive eligible care)
Asthma medicines or treatments	Eye surgery or treatment to correct vision	Ortho keratotomy	Tubal ligation
Athletic treatments/braces	Eye glasses	Orthodontia (braces and retainers)	Urological products
Bandages and related items (over-the-counter)	Fertility treatment (for employee, spouse or dependent)	Orthopedic & surgical supports	Vaccinations
Birth control (over-the-counter)	First aid kit (over-the-counter)	Over-the-counter bandages	Varicose vein removal surgery (for medical care)
Birth control (RX)	Flu shots	Over the-counter health care products	Vasectomy
Blood pressure monitor	Gastrointestinal medication	Over-the-counter drugs and medicines (including for motion sickness, sleep aids and sedatives)	Viagra and similar prescription medications
Body scans	Hearing aids and batteries	Over-the-counter products for dental, oral and teething pain	Vision co-insurance
Breastfeeding classes	Hospital services and fees	Over-the-counter vision medications	Vision co-payment
Breast pumps (for a lactating woman)	Immunizations	Ovulation monitor (over-the-counter)	Vitamins (prescription only)
Canker & cold sore treatments ed)	Incontinence supplies	Oxygen	Walking aids (canes, walkers, crutches and related supplies)
Chest rubs	Infertility treatment (for employee, spouse or dependent)	Physical exams	Wart removal treatments
Chiropractic office visit or treatment	Insulin, testing materials and supplies	Physical therapy	Weight loss drugs (for treatment of a medical conditions) (RX Only)
Cholesterol test kits and supplies	Laboratory fees	Pregnancy tests (over-the-counter)	Wheelchair and repairs
Co-insurance (dental, medical, RX, vision)	Lactose intolerance (Over the counter- RX needed)	Prescription drugs (for non-cosmetic purposes)	X-ray fees (dental, medical)
Cold & flu medicine	Laser eye surgery/LASIK	Prosthesis	<p><b>IMPORTANT REMINDER:</b> For each expense, you must be able to submit documentation from the provider or a third party that includes Date of Service/ Amount/ Provider/Type of Expense</p>
Condoms	Laxatives	Psychiatric care	
Contact lenses and solutions	Learning disability treatments	Psychologist fees	
Contraceptives	Lice treatment	Radial keratotomy (Rx)	
Corn and callus remover	Listening therapy	Reading glasses (over-the-counter)	
Corneal keratotomy	Mastectomy-related special bras	Removal of benign mole, cyst or tumor	
Cough drops, cough syrup, sore throat lozenges	Medical abortion (letter required)	Retin-A (for non-cosmetic purposes)	
Crutches, canes, walkers or like equipment (purchase or rental)	Medical equipment (for treatment of medical condition) and repairs	Sales tax, shipping and handling fees (for any eligible expenses)	
Deductibles for dental, medical, prescription and vision plans	Menstrual products	Smoking cessation, gum and / or patches	
	Monitors & test kits (over-the counter)		