



Dear Employee:

**It's that time of the year again when you have the opportunity to choose the best health benefits for you and your family.**

When selecting your new plan-year benefits, consider the advantages of a Health Care **Flexible Spending Account (FSA)** and/or the **Dependent Care Account (DCA)**. The FSA and DCA are separate programs that are valuable benefits when paying for health-related, out-of-pocket medical costs not covered by your insurance (FSA) and paying for dependent care expenses (DCA). The more you use these programs, the more you save through reduced tax dollar savings. If you have not considered an FSA or DCA in the past, it pays to take another look.

**The FSA and DCA programs make sense for anyone who will incur out-of-pocket expenses for medical or dependent care.** Take a moment to consider the out-of-pocket health care costs you might have this year for doctor visits, dental work, prescriptions, glasses and contact lenses, etc. An average family of four in the U.S. can expect to pay close to \$2,000 annually on the type of expenses that are covered by the FSA. In addition, the cost of child care is rising and many families are now spending more than \$5,000 annually on dependent care expenses.

**You work hard for your paycheck, and we want you to keep as much of your money as possible.** With a Health Care FSA and DCA, every dollar you set aside provides increased tax savings and accessible income. Your annual program election amounts are deducted from your paycheck each pay period before federal income taxes, Social Security taxes, and state income taxes (in most cases) are taken out, which means you do not pay taxes on your FSA and DCA contributions. You'll be surprised at how much you will save with just a couple hundred dollars of expenses. For Example:

**If you contribute \$2,000 into a Health Care FSA, you can save over \$500 in taxes!**

**&**

**If you contribute \$5,000 into a Dependent Care FSA, you can save over \$1,500 in taxes!**

Accessing your FSA and DCA funds can be as easy as a swipe of a card. The Progressive Benefit Solutions FSA and DCA come with the PBS Prepaid Benefits Card! The PBS Prepaid Benefits Card is loaded with the value of your annual elections amounts, helping you keep cash in your wallet.

**You can use your PBS Prepaid Benefits Card to pay for eligible medical expenses in the FSA plan such as:**

- Covered prescription and doctor copayments and deductibles
- LASIK surgery, eyeglasses & Contacts
- Out-of-pocket dentist or other provider fees
- Health plan deductibles and coinsurance
- Patient balance due
- Orthodontics
- RX Mail Order

Simply present the PBS Prepaid Benefits Card at locations that accept MasterCard® and the amount of your eligible expense will be automatically deducted from your account. When you use the card, you'll have no claim forms to complete and you won't have to wait to get a reimbursement check in the mail. If you participate in both the FSA and DCA programs, your contributions are loaded on the same card. The card is programmed to know which account to take your funds from when swiped. (DON'T FORGET! Always save your receipts for FSA and DCA purchases, as you may be asked to submit receipts to verify that your expenses comply with IRS guidelines.) Additionally, you can check your account balances or account details anytime using the PBS On-line system or through a quick phone call.

**Already have an FSA or DCA?** Perhaps now is the time to increase your contributions. If you're not currently participating in a health care FSA or DCA, **now is the time to enroll. Sign up today.**

Your HR Department & Progressive Benefit Solutions (PBS)