

# Savings with Your Healthcare FSA

A Healthcare FSA lets you pay for qualified out-of-pocket healthcare expenses on a pre-tax basis. The money you contribute to a Healthcare FSA is not subject to payroll taxes, so you end up paying less in taxes and taking home more of your paycheck.

Your Estimated Tax Savings			
Without Healthcare FSA		With Healthcare FSA	
Gross annual pay	\$60,000	Gross annual pay	\$60,000
Tax rate (30%)	- \$18,000	Max. annual Healthcare FSA contribution	- \$2,550
Net annual pay	= \$42,000	Adjusted gross pay	= \$57,450
Annual Healthcare expenses	- \$2,550	Tax rate (30%)	- \$17,235
Final take-home pay	= \$39,450	Final take-home pay	= \$40,215

**Take home this much more with a Healthcare FSA**
\$765

*All figures in this table are estimates and based on an annual salary of \$60,000 and maximum contribution limits to the benefit account. Your salary, tax rate, healthcare expenses, and tax savings may be different.*

## Contributing to Your HealthCare FSA

You can contribute up to a maximum of \$2,650 (2018) to your HealthCare FSA each plan year and plan details are in your employer’s benefit Summary Plan Description.

Usually, all elections must be used within the plan year and it is important that you estimate how much you will spend on eligible expenses\* for you and your dependents.

\*Eligible expenses are defined under IRS IRC 213 (d)(1). It defines “medical care” to include amounts paid “for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body.”

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