

Save on Laser Vision Correction with FSA dollars!

What is a Flexible Spending Account (FSA)?

A Flexible Spending Account is an employer-sponsored benefit that allows you to pay for eligible medical expenses on a pre-tax basis. If you expect to incur medical expenses that won't be reimbursed by your regular health insurance plan, you should consider taking advantage of your employer's FSA, if one is offered.

What are the benefits of an FSA?

There are several advantages to an FSA:

- An FSA allows you to pay for out of pocket expenses with pre-tax money
- Without an FSA, you would still pay for these expenses, but you would do so using money remaining in your paycheck after Federal, State and FICA taxes are deducted
- You can withdraw funds from the account to pay for qualified medical expenses even if you have not yet placed the funds in the account

When do I contribute?

At the beginning of the plan year, you will designate how much you wish to contribute annually. Your employer will determine a maximum dollar amount or percentage that can be contributed. Your employer will deduct amounts periodically, generally every payday, in accordance with your annual election.

What expenses are eligible?

The IRS considers certain items eligible for reimbursement under health care flexible spending accounts. Laser vision correction is currently an eligible expense under the IRS guidelines. You can access this information through IRS Publication 502, available at www.irs.gov or by phone at (800) TAX-FORM. Keep in mind that the IRS and/or your employer may modify its list of eligible expenses. If you are unsure if an expense is eligible, refer to your employer's FSA documents.

FSA Disadvantages

FSA accounts are "use-it-or-lose-it" plans. Generally, contributions not spent by the end of the plan year are forfeited. (Your plan may provide for a grace period of up to 2 ½ months after the end of the plan year. Check with your employer to see if this grace period is a part of your plan). Because of the "use it or lose it" provision, it is important to base your contribution on an estimate of the qualifying expenses you will have during the year.