



## Section 125 Option – Flexible Spending Account

The district offers three types of Flexible Spending Accounts:

<i>Type of Account</i>	<i>Description</i>
Section 125 Personal Choice	Pre-tax dollars used to offset premium costs for medical, dental/vision insurance
Health Care Spending Account	Funds withheld pre-tax for out-of-pocket expenses for medical dental/vision.
Dependent Care Spending Account	Funds withheld pre-tax for monthly dependent care expenses.

The following example shows how your Flexible Spending Account may save you money: Assume you pay about \$1,500 each year on prescriptions, co-payments, deductibles, other medical expenses and you spend another \$4,000 on child care. As you see, you can reduce your taxable income and increase your spending by \$1,200.

	If you Participate	If you don't participate
Annual Salary before taxes	\$25,000	\$25,000
Less: Health Care	-\$1,500	-\$0
Dependent Care	-\$4,000	-\$0
<b>Taxable Income</b>	<b>\$19,500</b>	<b>\$25,000</b>
Less Taxes @ 22%	-\$4,290	-\$5,500
<b>Take Home Pay</b>	<b>\$15,210</b>	<b>\$19,500</b>
Less Health Care/Dependent Care	\$0	-\$5,500
Net Pay you could spend	\$15,210	\$14,000
<b>Your Tax Savings</b>	<b>\$1,201</b>	<b>\$0</b>

**How the account works:** Each pay period, you simply make a contribution to your Health Care Spending Account, just like you would a savings account – when you need money, you draw it out. Just fill out the form, attach receipts, and the Plan Administrator will send you a check for the amount of your expense.

Health Care Spending Account: Plan year Maximum - \$2,400

Dependent Care Maximum - \$5,000 (\$2,500 if married and filing separate returns).

YES, I AM PARTICIPATING IN THE FLEXIBLE SPENDING ACCOUNT (Go to contribution worksheet and enrollment form)

NO, I AM NOT PARTICIPATING (GO TO WAIVER FORM)