



## REVIEW: Flexible Spending Accounts (FSAs)

### Providing a Way to Maximize Employee Healthcare Dollars While Saving your Organization Some Time and Money Too!

**W**hen was the last time that you were able to find an employee benefits program in this economy that could lower your employee's out-of-pocket expenses while providing budgetary relief for your company? In today's challenging environment, PROXUS knows how important it is for our clients to reduce costs while maximizing their employee's healthcare dollars. Allow us to briefly reintroduce you to the many benefits of using Flexible Spending Accounts and a great new solution.

Although FSAs have been available since the 1970s, the emergence of consumer-driven healthcare and increased employee cost-sharing has made them an integral benefits solution that provides substantial tax savings to both employers and employees. Many employees have started using them more frequently due to the rising costs of healthcare.

There are **three** types of Flexible Spending Accounts:

1. **Medical Reimbursement Accounts:** Accounts used to pay for eligible unreimbursed medical expenses such as co-pays, deductibles, dental, vision, prescription, over-the-counter drugs, and more.
2. **Dependent Day Care Reimbursement Accounts:** Accounts used to pay for the daily care of an eligible child or adult dependent as defined by the IRS.
3. **Commuter Reimbursement Accounts:** Accounts used to pay for eligible transportation and parking expenses.

### 21<sup>st</sup> Century Solution

To further enhance the benefits of implementing FSAs, PROXUS' award-winning vendor of choice, **AmeriFlex**, offers the AmeriFlex Convenience Card<sup>®</sup> MasterCard<sup>®</sup>. This single-platform debit card allows for the automatic electronic transfer of pre-tax dollars from an FSA when paying for qualified expenses. Most importantly, the AmeriFlex Convenience Card<sup>®</sup> can accommodate and administer all three accounts on the same card without an incremental fee. The AmeriFlex Convenience Card<sup>®</sup> eliminates the majority of time-consuming paperwork that was previously associated with Flexible Spending Accounts.

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### About Flex Fund Accounts

Flexible Spending Accounts (FSAs), commonly referred to as "Section 125" plans or "Cafeteria" plans, were developed in the 1970s as part of Internal Revenue Code - Section 125 to provide employees with tax relief for their unreimbursed medical and dependent day care costs. FSAs enable employees to utilize pre-tax dollars and save Federal, FICA, and, in most cases, state taxes when paying for eligible expenses not covered by traditional insurance plans.

*For additional information on FSAs or to receive a proposal for a 'Section 125' Flexible Spending Account, please contact John Israel, PROXUS Principal at 215-654-9140 - ext. 110 or [jisrael@proxushr.com](mailto:jisrael@proxushr.com).*

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