

Flexible Benefits Plan

What is a flexible spending account?

A Flexible Spending Account (FSA) provides a tax-advantaged way to pay for eligible out-of-pocket healthcare expenses and dependent day care expenses. The FSA allows you to pay for eligible expenses with “pre-tax” dollars, thereby lowering your taxable income. The maximum amount you can elect in your medical spending account is \$2,500 on an annual basis.

A Dependent Care Spending Account (DCA) allows you to set aside money on a pre-tax basis to pay for child or adult day care expenses so that you and, if married, your spouse can work. These expenses include day care, before-and-after school programs, nursery school or preschool, summer day camp and even adult day care. The plan provides that your dependent care spending election must not exceed \$5,000 on an annual basis.

How much money can I expect to save in taxes with an FSA?

Most participants save federal taxes, state taxes (if applicable), and social security taxes. Generally, federal taxes range from 15% to 28% and social security taxes equate to 7.65%. Adding these amounts to your state taxes will generally equate to a tax savings of approximately 30% on the money you elect to contribute to your FSA.

FSA Tax Savings Example

Tax Savings	Without the FSA	With the FSA
Salary	\$1000.00	\$1000.00
Pre-tax Election	\$0.00	-\$100.00
Taxable Income	\$1000.00	\$900.00
Taxes Withheld (30.65%)	-\$306.5	\$275.85
After Tax Expense	-\$100.00	\$0.00
Take Home Pay	\$593.50	\$624.15
Increase in Take Home Pay w/ the FSA	\$0.00	\$30.65

How do I get reimbursed?

As you incur healthcare expenses throughout the year, you can access your funds by using your Benefits Card® for eligible expenses or get reimbursed for your out-of-pocket expenses by submitting a claim form. We encourage our participants to submit any manual claims online and upload their receipts.

What is the Benefits Card®?

The Benefits Card® is a MasterCard® that can be used for qualified healthcare expenses. When you use the card for purchasing healthcare related items, your healthcare account is automatically debited to pay for eligible expenses. You can use the card at qualifying merchant locations that accept MasterCard®.

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Can I change my election during the plan year?

Since these plans are regulated by the IRS, there are specific rules that apply. The IRS requires that you make your election decision before the new plan year begins each year; or before your effective date if you are newly eligible. The election decision remains in effect for the plan year, unless you have a Qualifying Life Event or status change, such as a marriage, birth, death of a dependent, etc. See your HR manager for more details on the rules.

Special Plan Rules

- You may only enroll in the FSA during open enrollment or when you first become eligible.
- Once you establish your plan year contribution, you can only change it if you experience a Qualifying Life Event.
- You may file claims through your Plan's run out period as long as the claims were incurred during the plan year and/or grace period if applicable for your Plan.
- If you or your family members are covered by health insurance elsewhere, you can still claim the qualifying out-of-pocket healthcare expenses under your employer's FSA.
- Remember that your expenses must be incurred during your period of coverage. Expenses are considered as having been incurred when you are provided healthcare or dependent care services, not when you are formally billed.
- Always keep your receipts. You may be asked to submit proof of purchase. IRS and DOL rules may require a doctor's prescription when purchasing certain Over-The-Counter (OTC) items and/or submitting a claim for reimbursement.

Do I have access to my account information?

Yes! To check the balance in your account, view transactions, submit claims and receipts and review your claim history, go to www.mywealtheonline.com/murfeemeadows.

Contact Information

Mail: Murfee Meadows, Inc.
120 Office Park Drive, Suite 100
Birmingham, Al 35223

Phone: 205-871-9515
800-600-0947

Fax: 205-871-9519

Email: 125info@murfeemeadows.com