

# Flexible Spending Frequently Asked Questions

## What is a Flexible Spending Account Plan?

A benefit provided by your employer that lets you set aside a certain amount of your paycheck into an account before paying income taxes. Then, during the year you can be directly reimbursed from your account for qualified healthcare and dependent care expenses.

## Why should I participate in the Healthcare Reimbursement Account when I already have health insurance?

This account is used to pay for expenses that are not covered by insurance. For example, your insurance may not cover annual physicals, co-payments, eye exams, eye surgery, glasses, orthodontics, prescription drugs, or dental care, just to name a few.

## If I set aside part of my pay, won't I make less money?

No. Your net take-home pay will increase by the amount of taxes you did not pay.

## Can I change my contributions during the year?

Only if you have a change-in-status, such as: marriage, birth, adoption, or a change in your or your spouse's employment status.

## What if I currently take the dependent care credit on my annual tax return?

Whether to participate in the daycare portion of this plan depends on your income, filing status, number of dependents and annual daycare expenses.

The amount you deposit in your Dependent Care Reimbursement Account reduces the amount, dollar for dollar, that you can claim as a credit on your tax return. Contact your plan administrator for further information. Important changes to the Dependent Care Credit for 2005 - The amount for which you can claim as a credit for 2005 has increased. [Click here for a comparison.](#)

## How do I get reimbursed for my expenses?

Once you have completed the Enrollment Form, you will receive a claim form and instructions on how to file your claim. Simply complete the form, attach a copy of the healthcare or dependent care bill, and mail or fax your form to your Plan Administrator. Within a short time, you will receive your reimbursement.

## Do I have to wait for the money to be deposited in my account in order to make a claim for reimbursement?

The amount you set aside each year for the Healthcare Reimbursement Account is available to you at any time throughout the plan year. The amount available to you from your Dependent Care Account is the amount you have contributed to date.

## How do I know how much is available in my accounts?

Each time you receive a reimbursement, a statement (attached to your reimbursement check) will show the dollar amount you have set aside as well as the amount you have been paid to date. Or you may check your account online.

## What happens to my accounts if I terminate my employment?

You will be able to request reimbursement for healthcare and daycare expenses that you incurred prior to your termination. Check your SPD for any additional rights or benefits provided by your company's plan.

## What if I don't use all of the money I set aside in my account(s)?

Carefully review your estimated expenses before making the decision to participate. Any contributions that are not used during the plan year may not be paid to you in cash or used in a later plan year.

## What if I am not covered under my company's health insurance plan?

You and your family can still participate in the Healthcare, Dependent Care, and Adoption Reimbursement Accounts.

## How do I benefit by participating?

Your biggest advantage is the tax savings. Every dollar you set aside in your account reduces how much you pay in income taxes. Plus, you can be reimbursed for qualified expenses that you are already paying for!

## Are there any negatives that I should know about?

Yes. Because you are not paying any social security tax on that portion of your income that has been set aside, your social security benefits may be slightly reduced. Most tax advisors would tell you that the benefit of saving taxes now will be far greater than the potential loss of social security benefits when you retire.



# Flexible Spending Customer Service Information

## Consociate • Dansig

Your Partner in Managing Your Employee Benefits. At Consociate • Dansig we believe that we are most successful when we become a partner with our clients. Once we know the needs of their organization, we can effectively assist them with their employee benefit management needs.

## The Consociate • Dansig Advantage

- **Service:** Unparalleled customer contact is the mission of every Consociate • Dansig employee.
- **Expertise:** Consociate • Dansig professionals have extensive experience in the many aspects of employee benefits, health care, and insurance.
- **Cost Containment:** Consociate • Dansig provides a number of unique saving programs.
- **Performance:** Fast claims processing, high accuracy rates, prompt reporting our statistics speak for themselves.
- **Comprehensive Product Line:** Consociate • Dansig offers a wide array of programs and services allowing you to deal with only one administrator, us.

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Life Insurance  
Dental Insurance  
Vision Programs  
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