

Your Benefits Depend on You

**Healthcare
Flexible Spending
Accounts**

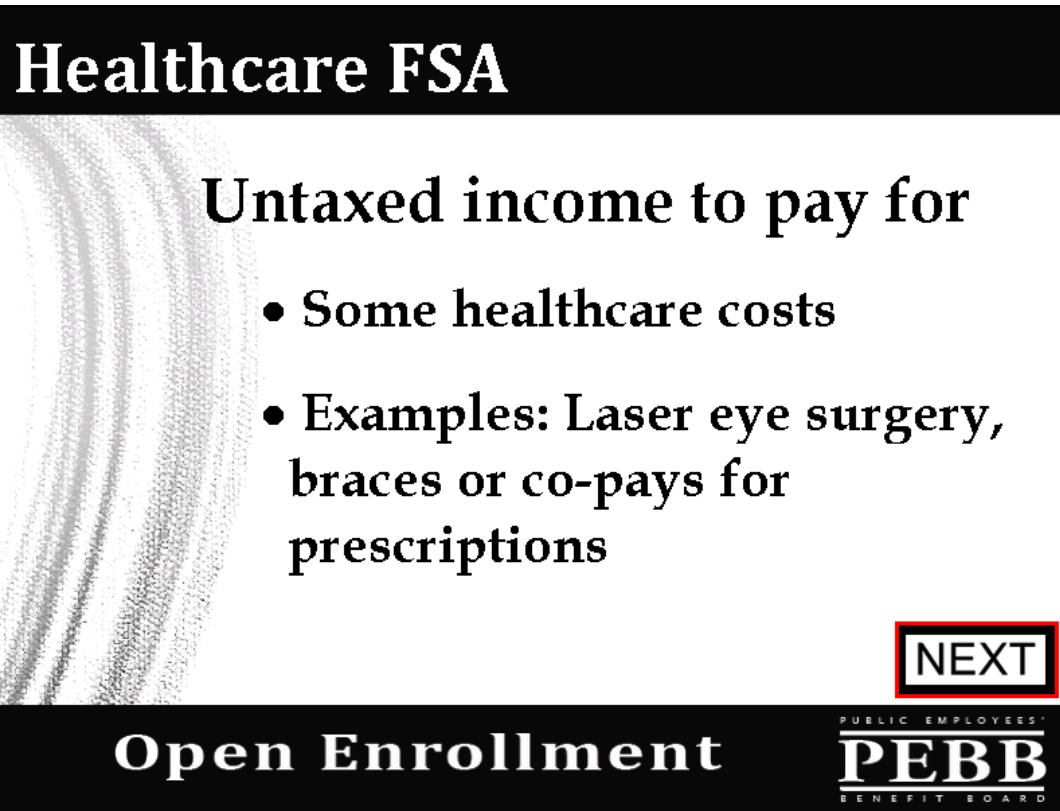
***This is not tax advice**

Open Enrollment

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This message about healthcare flexible spending accounts runs about one minute. It's intended for employees eligible for PEBB benefits. This general information is not tax advice.



Healthcare FSA

Untaxed income to pay for

- **Some healthcare costs**
- **Examples: Laser eye surgery, braces or co-pays for prescriptions**

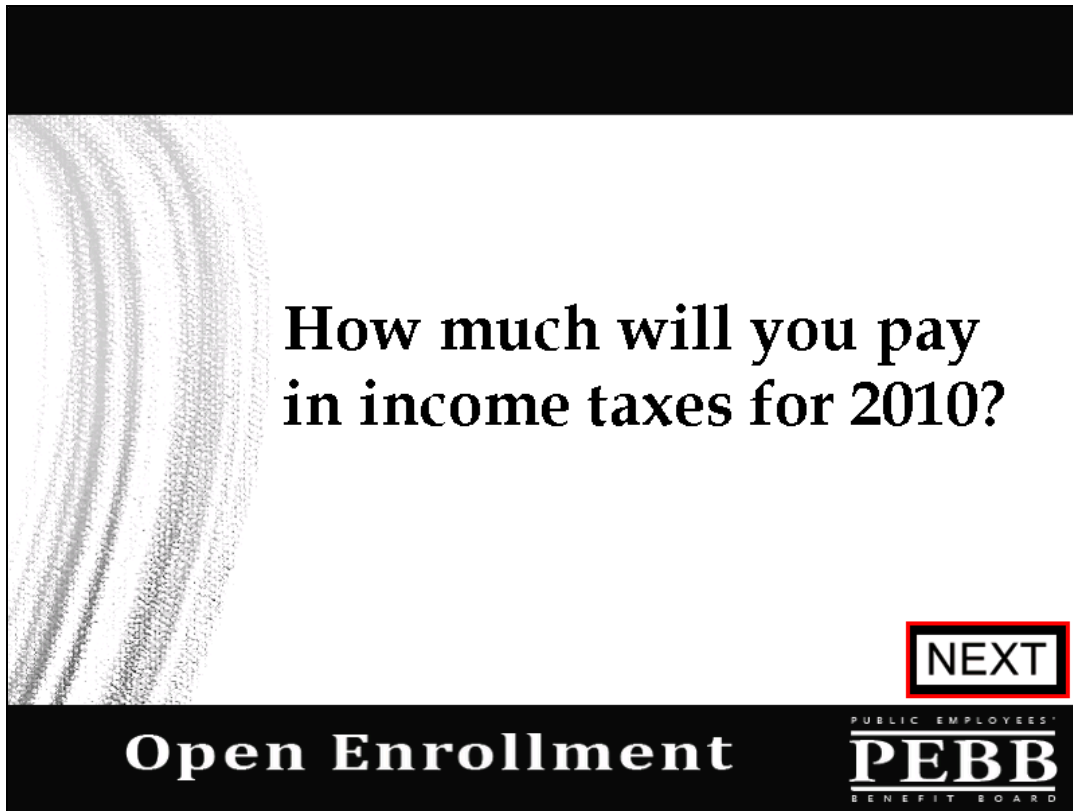
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The graphic features a background of vertical, wavy lines on the left side. The text is arranged in a clear, hierarchical layout, with the title at the top, followed by the main heading, a bulleted list of examples, and the 'Open Enrollment' and 'PEBB' branding at the bottom. A small 'NEXT' button is positioned to the right of the list.

A healthcare flexible spending account – FSA – lets you use untaxed income to pay for some healthcare costs that aren't fully covered by your plans. Like laser eye surgery or braces and co-pays for prescriptions.



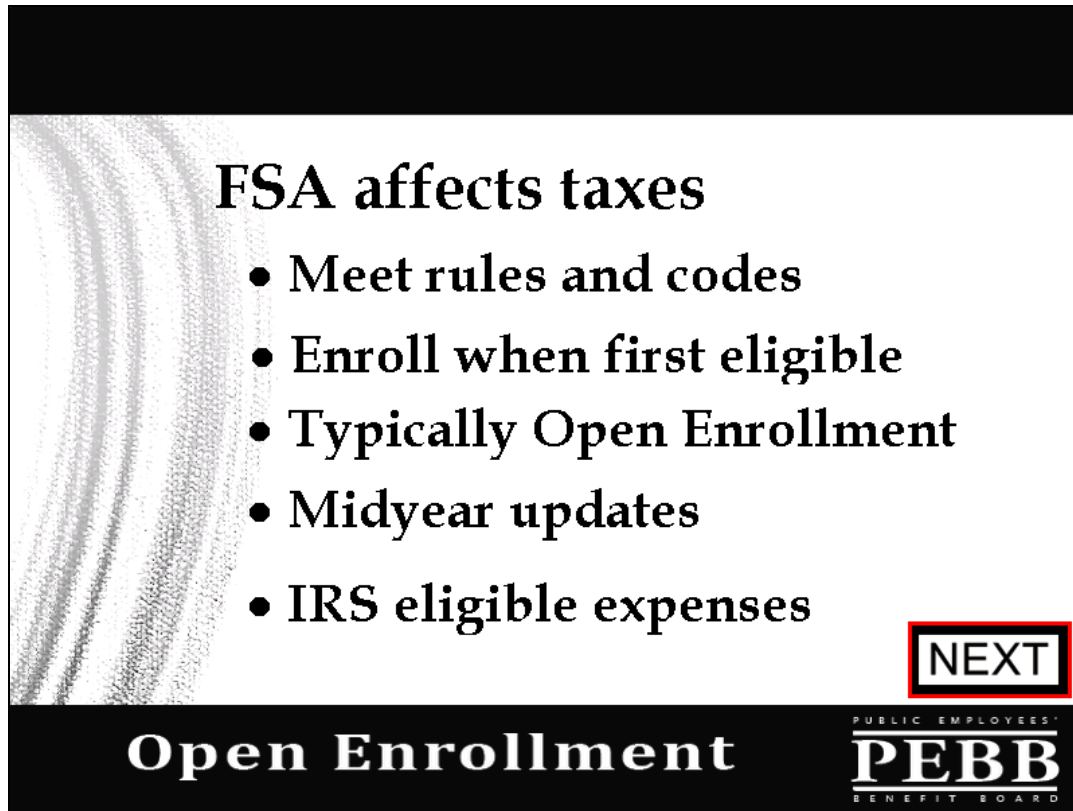
**How much will you pay
in income taxes for 2010?**

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Think about how much you'll pay in income taxes for 2010. An FSA won't increase your total income, but it may reduce the amount on which you must pay in taxes.



FSA affects taxes

- **Meet rules and codes**
- **Enroll when first eligible**
- **Typically Open Enrollment**
- **Midyear updates**
- **IRS eligible expenses**

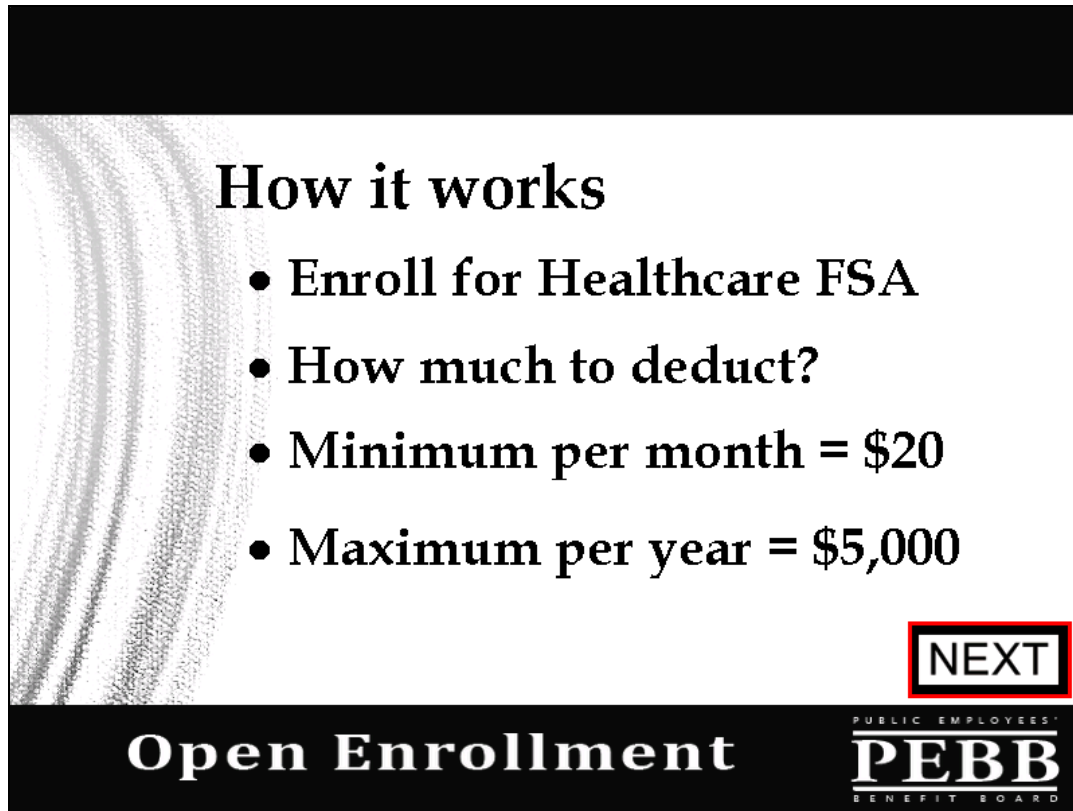
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Because an FSA affects taxes, it must meet rules and codes. You enroll for the full plan year when you first become eligible. That's typically during Open Enrollment.

You can make changes during the plan year only when a change in your life affects your eligibility. You must incur the expenses during the plan year you are enrolled, and they must be expenses the IRS agrees are eligible.



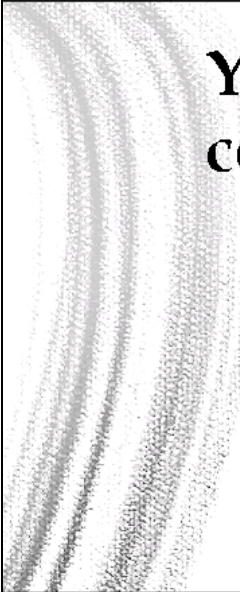
How it works

- **Enroll for Healthcare FSA**
- **How much to deduct?**
- **Minimum per month = \$20**
- **Maximum per year = \$5,000**

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Here's how it works. When you enroll for benefits, you elect a healthcare FSA. You choose how much you want payroll to deduct each month for your FSA. They must be equal monthly deductions. Twenty dollars is the minimum per month, and \$5,000 is the maximum per year.





You may access total yearly contribution anytime

- **Submit a claim along with proof of the expense**
- **Reimbursement**
- **Debit card***

***Special rules apply**

Open Enrollment



You may access the balance of your total yearly contribution amount any time during the plan year for eligible expenses. After you incur an eligible expense, you submit a claim along with proof of the expense. The FSA administrator reimburses the eligible amount, up to the annual maximum.

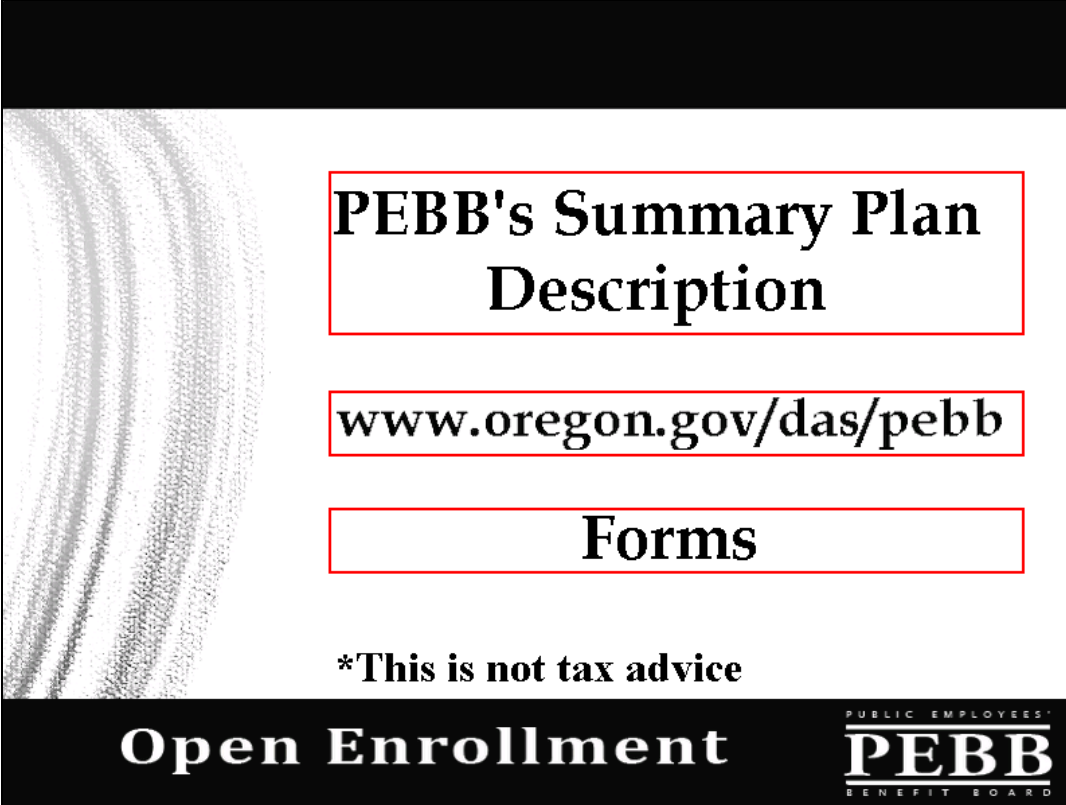
The FSA allows use of a special debit card for some purchases, if you are interested in a debit card be aware that special rules apply...for more information on debit cards go to....

**FSA is a use-it or lose-it
account**

***PEBB gives you a grace period** **NEXT**

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An FSA is a use-it-or-lose-it account. Generally, if you put more in than you use, you lose the balance at the end of the plan year. However, PEBB's plan gives you a grace period after the end of plan year.

A graphic with a black background. On the left, there is a vertical, textured, wavy pattern. On the right, there are three red-bordered boxes containing text. The top box contains "PEBB's Summary Plan Description", the middle box contains "www.oregon.gov/das/pebb", and the bottom box contains "Forms". Below these boxes is the text "*This is not tax advice". At the bottom left, the text "Open Enrollment" is written in a large, bold, white font. At the bottom right is the PEBB logo, which consists of the words "PUBLIC EMPLOYEES" in small letters above the large letters "PEBB", with the words "BENEFIT BOARD" in small letters below "PEBB".

**PEBB's Summary Plan
Description**

www.oregon.gov/das/pebb

Forms

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Is an FSA right for you? Review the summary plan description at www.oregon.gov/das/pebb. This is a tax related account so you may want to ask a qualified tax advisor.