



AXIOM
FAMILY OF COMPANIES

Flexible Spending Accounts

A **Flexible Spending Account (FSA)** allows you to contribute pretax earnings from your paycheck into an account for reimbursement of expenses you regularly pay for, such as health care and day care. When you use tax-free dollars to pay for certain expenses, such as health and other qualified insurance premiums, prescription drugs, eye-glasses, and day care expenses, you realize an increase in your spending power through tax savings.

There are two parts to the Flexible Spending Account in which you can enroll:

- 1. Healthcare FSA**
- 2. Dependent Care FSA**

1. Healthcare FSA

If you are a full-time Axiom Family of Companies, you may save additional taxes by redirecting, or “banking” a portion of your salary in a TAX FREE account. The account may be used as needed for out-of-pocket qualified medical expenses incurred by you, your spouse, or your dependents.

- You may set aside a maximum of \$1,200 in this account each year
- Redirected salary will not appear on your W-2 and will be exempt from federal, state, and local taxes. Only qualified expenses NOT reimbursed by insurance can be paid from this account.
- Eligible expenses include:
Co-pays, out of pocket medical expenses, over-the-counter drugs and remedies such as pain relievers, sleep aids, ointments, eye drops; eyeglasses/contact lenses; laser eye surgery; dentures; medical monitoring devices; walking assistance devices; wheelchairs.
- In collaboration with Paychex, the FSA Store (FSAstore.com) provides an expansive list of FSA-eligible items on which employees can use funds.

2. Dependent Care FSA

Employees may also be eligible to save taxes on dependent care expenses. A Dependent Care FSA (DCFSA) can be used to pay for your qualified day care expenses with pre-tax dollars. The DCFSA limit is set by the IRS and has a calendar year limit of \$5,000 per household (married, filing jointly), or \$2,500 if married and filing separately.

Eligible expenses include:

- Expenses paid to a dependent care center or care provider for care of dependents age 12 and under.
- Expenses paid for care of an older dependent who is physically or mentally incapable of self care.

Important notes regarding the Flexible Spending Account Plan:

- If you have elected to have money set aside in this account before taxes are calculated, you may not change your plan elections until the end of the plan year, December 31st, unless there is a significant change in your family status (marriage, divorce, death of spouse, birth of child, termination of spouse’s employment, or a significant change in your spouse’s health coverage). If a change in status occurs, you may make changes consistent with the qualifying event.
- Plan expenses carefully. Reimbursement for FSAs must be applied for on or before March 31st following the close of the plan year (closes on December 31st), or the remaining funds are forfeited as required by the IRS.
- You must request reimbursement of expenses incurred during the plan year within 90 days of your termination date. The IRS requires that any unused funds be forfeited.