

# Maximize your take-home income with a Flexible Spending Account



Your flexible spending account (FSA) through Blue Cross & Blue Shield of Rhode Island (BCBSRI) allows you to pay for qualified expenses such as healthcare, dependent care, and commuter services with pre-tax dollars. Since taxes are not deducted from your FSA payroll contributions, you'll pay less in federal, state, and FICA taxes—which means more take-home pay!

With an FSA, you benefit from the following:

- **The money you put in may reduce your taxable income**
- **Taxes aren't deducted, so you get more spending power when you pay for qualified expenses**

Increase your take-home income*	Not enrolled in an FSA	Enrolled in an FSA	Benefits
Pre-tax annual income	\$38,000	\$38,000	
FSA contribution	\$0	\$500	FSA funded by pre-tax dollars
Annual taxable income	\$38,000	\$37,500	FSA contributions can reduce taxable income
Federal, state & FICA	\$10,127	\$9,994	Pay less in taxes
Out-of-pocket medical expenses	\$500	\$0	Out-of-pocket medical expenses paid by pre-tax dollars in your FSA
Take-home annual income	\$27,373	\$27,506	<b>Take home income increases by \$133</b>

## Here's how it works

### Log in to your FSA account

- Go to [bcbsri.wealthcareportal.com](http://bcbsri.wealthcareportal.com) and click SIGN IN at the upper right corner of the page.
- Explore FSA tools and resources online
  - View your account
  - Calculate your savings
  - Learn how to use your FSA

### Make payments

- FSA debit card
- Submit claims
- Paper submission

### Download BlueSolutions Spending mobile app

Manage your FSA account on the go. Find details at your FSA account online.





## Learn about eligible/ineligible expenses\*

### Healthcare

#### **Eligible expenses:**

Ambulance	Eye surgery
Artificial limb or prosthesis	Hearing aids
Birth control	Hospital services
Braces	Menstrual care products
Chemical dependency treatment	Non-prescription medicines, like cold and flu pills
Chiropractors	Physician fees
Copays	Prescription drugs
Contact lenses	Smoking cessation programs
Deductibles	Transplants
Dental expenses	Weight loss program
Diagnostic/lab fees	
Eyeglasses	

#### **Ineligible expenses:**

- Cosmetic surgery
- Deodorant
- Electrolysis hair removal
- Funeral expenses
- Health club dues
- Medicated shampoo & soap
- Multivitamins
- Teeth whiteners
- Tissues
- Toiletries

### Dependent Care

#### **Eligible expenses:**

Child day care programs	Funeral expenses
Before and after school programs	Nursery school program
Home care (caregiver cannot be spouse or dependent and is 19 years of age)	Tissues
	Toiletries

### Commuter

#### **Eligible expenses:**

Bus vouchers and passes used to commute to and from work	Ferry passes used to commute to and from work
Carpooling in a "commuter highway vehicle" to and from work	Work-related parking

#### **Ineligible expenses:**

- Mass transit and parking costs not associated with the commute to and from work

\*This list is for illustrative purposes and is not a complete list of all eligible and ineligible expenses. Please see IRS Publication 502 for a more detailed and accurate listing of qualified healthcare expenses.

This communication is not intended as legal or tax advice. Please contact a legal or tax professional for personal advice on FSA eligibility, tax treatment, and restrictions.



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