

## **Flexible Spending Account**

With the **Medical Reimbursement Account** you can save 15%-40% on your out-of-pocket expenses that are not covered by the medical, dental or vision plans. Simply calculate your estimated expenses for the year and have that amount set aside in a Medical Reimbursement Account. The money is taken from your check before taxes, so you don't pay most federal, state, Social Security and Medicare taxes on that amount.

### **How the Account Works**

A debit card will be issued to you if you sign up for the Flexible Spending Account. The debit card may be used to pay for eligible expenses. If you forget to use your debit card or if a vendor does not accept debit cards as a method of payment, you may pay for your expense out of pocket and submit a claim for reimbursement. BASIC will reimburse you via check or direct deposit (if you have signed up for direct deposit).

Plan Limit:

**Medical Reimbursement Account:** Minimum is \$260 (\$10 per pay check per 26 pay periods). Maximum is \$2,550 per eligible employee per year. If you and your spouse are employed by the City each can contribute \$2,550.

### **The US Treasury Department has modified its Flexible Spending Account (FSA) "use-it-or-lose-it" provision to allow carryover of FSA funds.**

This is great news for you, because:

- You can carryover up to \$500 of your unused Medical Reimbursement Account funds at the end of the plan year.
- This eliminates the risk of losing Medical Reimbursement Account funds if you elect \$500 or less. If you chose not to participate in the past because of the "use-it-or-lose-it" mandate, now is the time to take another look. The benefit will automatically take effect on your account should you decide to participate in the Medical Reimbursement Account.

### **LEARN MORE**

You can find more information at:

<http://eweb.cabq.gov/>  
[www.basiconline.com](http://www.basiconline.com)

The full amount of your Medical Reimbursement Account election is available on the first day of your plan year.

**You should check with a tax advisor to see what your savings might be if you participate in the Flexible Spending Account program. Note that you are unable use certain tax credits if you use the FSA accounts.  
Tax Savings Calculator**

To use our calculator to estimate your tax savings when you choose to participate in the FSA visit:

[www.basiconline.com/fsasavingscalculator](http://www.basiconline.com/fsasavingscalculator)

### **Eligible FSA medical expenses include:**

- Ambulance; crutches; eye glasses
- Copays and deductibles
- Nursing care; Physical Therapy
- Orthodontics
- Birth Control
- Diabetic Supplies

For a reference of FSA eligible expenses go to [www.basiconline.com](http://www.basiconline.com)

Examples of **ineligible health care expenses** include cosmetic surgery, marriage counseling, and prepayment of services.

**You must enroll each year if you want to continue participating in the Flexible Spending Account program.**

**\*Employees or employees spouses who are contributing or receiving contributions into an HSA, are not permitted to participate in the Medical Reimbursement Account. Employees may still sign up for the Dependent Care Account.**

**For Questions:**

**800-444-1922 ext 1**