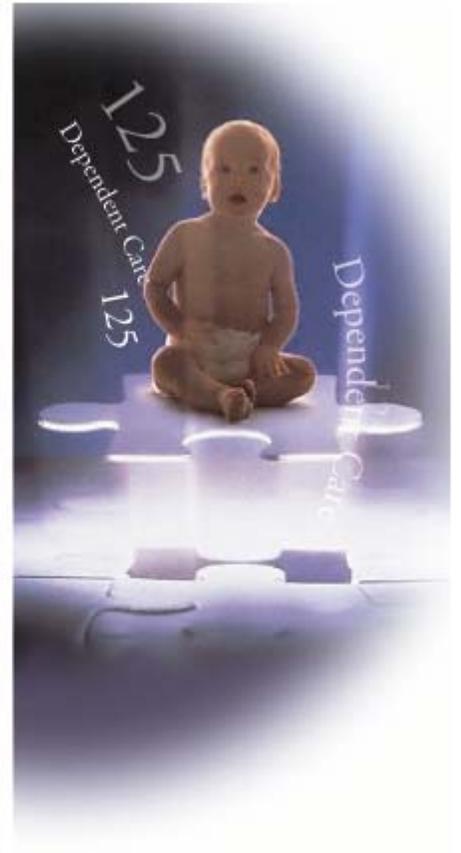
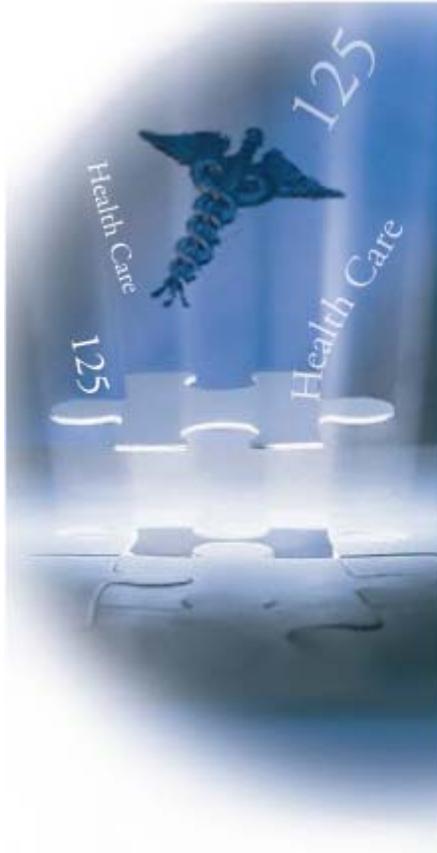


Flexible Spending/Dependent Care Accounts

*Reduce your taxes and save money
while providing the care your family
needs*



Enroll Today...

What Is A Section 125 Cafeteria Plan?

A Flexible Spending Account (FSA) is an add-on benefit program that allows you to save money, on a pre-tax basis, on eligible expenses. If you choose to participate in this valuable benefit, you and your qualified dependents can pay for medical, dental and vision expenses as well as dependent care expenses tax-free. The net result is an increase in your take home pay.

1. Medical FSA—This account is used to pay for medical, dental and other eligible health related expenses, for you and your family, incurred within the plan that are not covered under any insurance program up to the IRS 2015 maximum of \$2,550* or your company's plan maximum. Eligible expenses typically include: deductibles, copayments, prescription drugs, medical, dental and vision services and supplies. *2014 IRS Maximum: \$2,500.

2. Dependent Care FSA—This account offers the opportunity to pay for the first \$5,000 of annual employment related dependent care (child or adult) expenses tax-free. Some eligible expenses include: after-school care, summer day camp and nursery school. If you contribute to this account, your employer will include your dependent care deduction on your W-2 Form for IRS reporting purposes only. This benefit has a \$2,500 (individual filing) or \$5,000 (married filing jointly) *calendar year* maximum.

You may want to estimate possible tax savings with this account compared to the possible savings under the Federal Dependent Care Tax Credit. Consult your tax advisor if you have questions about your individual situation.

By participating in a Flexible Spending Account, you will not pay federal, state or Social Security taxes on your elected amount. This generally means a 20% to 40% savings!

See For Yourself How The Plan Adds Up

TAX SAVINGS COMPARISON	WITHOUT THE PLAN Deductions are taxed	WITH THE PLAN Deductions are TAX-FREE
Annual Earnings	\$40,000	\$40,000
Insurance Premium Payment	-	-1,000
Estimated Medical FSA Expenses	-	-500
Estimated Dep. Care FSA Expenses	-	-2,500
Taxable Income	\$40,000	\$36,000
Estimated Federal & Social Security Taxes (24%)	9,600	8,640
Adjusted Income	\$30,400	\$27,360
Insurance Premium Payment	1,000	-
Additional Medical Expenses	-500	-
Dependent Care Expenses	-2,500	-
Take Home Pay	\$26,400	\$27,360
	Take Home Salary Increase:	\$960

Sounds Easy Because It Is!

Simply follow the enrollment instructions provided by your employer. You will need to determine how much you want to set aside to cover out-of-pocket expenses. Then, follow the plan's reimbursement procedures. Claims must be accompanied by the bills and/or receipts for expenses you and your family incurred during the plan year. Claims may be submitted anytime during the plan year or up to 90 days following the end of the plan year.

Optional Features

A FSA debit card will allow the participant to pay for eligible expenses at the point of purchase. The mobile app allows the participant to view their account(s) and file claim(s) for eligible FSA medical expenses. Your company offers a rollover of a maximum \$500 of unused Medical FSA funds. These unused funds are added to the new plan year automatically. Please contact either your HR department or Baystate Benefit Services for additional information regarding your plan offering.

Simple Ways to Use Your Remaining FSA Funds

There are a few ways to use your remaining medical FSA funds at the end of the company's plan year. Some common ways to use these funds are as follows:

- ◆ www.fsastore.com (view FSA eligible items)
- ◆ Mileage to and from doctor's appointments
- ◆ Parking at medical facilities

ELIGIBLE & INELIGIBLE EXPENSES FOR MEDICAL & DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

The list below includes some, but not all, eligible and ineligible Medical FSA and Dependent Care expenses. It may be used as a guide to identify your projected medical expenses.

ELIGIBLE MEDICAL EXPENSES

- ◆ Acupuncture
- ◆ Alcohol & drug addiction treatment
- ◆ Insurance deductibles, coinsurance & copayments for medical, dental and vision care
- ◆ Chiropractic treatment
- ◆ Dental expenses not covered or not paid in full by insurance
- ◆ Diabetes care expense (insulin, syringes & monitoring equipment)
- ◆ Eye exams, eyeglasses, contact lenses and necessary supplies
- ◆ Health club fees, IF prescribed by a medical provider to treat a specific medical condition
- ◆ Hearing exams & hearing aids
- ◆ Lodging & Transportation costs (per IRS regulations) for medical care
- ◆ Orthodontia

INELIGIBLE MEDICAL EXPENSES

- ◆ Premiums for Health insurance & Medicare
- ◆ Medically unnecessary cosmetic treatments & procedures
- ◆ Any expenses reimbursable by insurance, Workers' Compensation, HRA, or any other means.
- ◆ Marriage Counseling
- ◆ Multi-Vitamins
- ◆ Non-prescription contacts/sunglasses
- ◆ Teeth Whitening
- ◆ Tooth Paste

DEPENDENT CARE ELIGIBLE EXPENSES

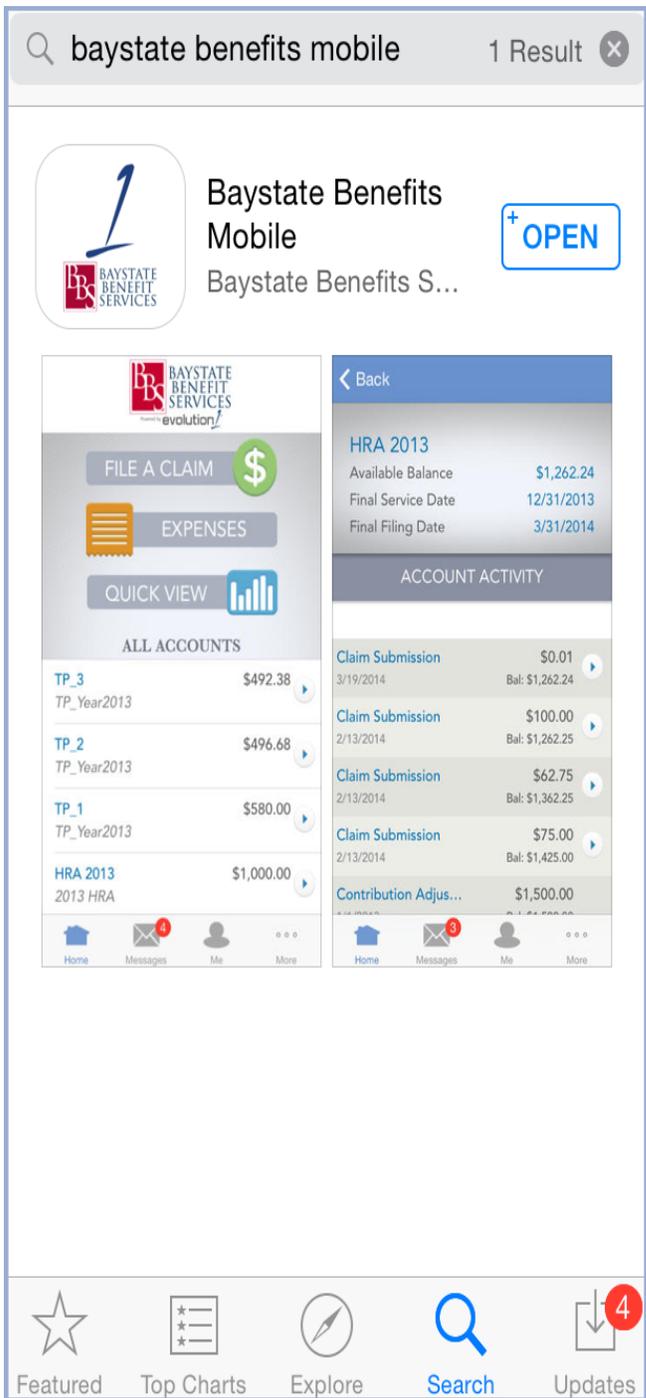
ELIGIBLE EXPENSES

- ◆ Nursery school or day camp
- ◆ Someone to care for an elderly or incapacitated dependent
- ◆ A baby-sitter (either inside or outside your home)
- ◆ A child care or adult care center that complies with state and local regulations
- ◆ Dependent care duties performed by a housekeeper
- ◆ A relative who cares for your dependents, so long as he or she is age 19 or older and is not one of your dependents

INELIGIBLE EXPENSES

- ◆ Baby-sitting that is not work related
- ◆ School costs for kindergarten and higher
- ◆ Meals and fees (supplies, activity, field trips, etc.)
- ◆ Overnight camps
- ◆ Expenses that are deducted on your tax return at year end

The healthcare app that's made for mobile but *designed* for you.



Want to check your healthcare account balances and submit receipts anywhere, anytime? There's an app for that!

Baystate Benefit Services, Inc. enables you to easily and securely access your healthcare spending accounts. You can view account balances and detail, submit healthcare account claims, and capture and upload pictures of your receipts anytime, anywhere on any iPhone, Android or tablet device. You can also sign up to receive account alerts via text message.

But wait, there's more to it....

It takes a special understanding of use and purpose to design a mobile app for handheld devices like smartphones and tablets. So we've focused on just that—smart, purposeful design. And the result? A simple, intuitive experience for you. This means things like “easy-in/easy-out access” to common tasks like capturing receipts and viewing balances; and pictures and words where pictures and words make sense. Try it and you'll see how we're simplifying the business of healthcare.

Baystate Benefits Mobile, the newest mobile app from Baystate Benefit Services, Inc., provides time-saving options for you to:

- ◆ Check current healthcare account balances, FSA and HRA
- ◆ View account activity and receive alerts via text message
- ◆ View FSA, and HRA transaction details
- ◆ File new claims with receipt images
- ◆ Review expense information
- ◆ Enter a new expense
- ◆ Submit healthcare claims and upload receipts using the mobile device's camera
- ◆ Manage expense receipts
- ◆ Promptly file claims for their reimbursement accounts

The Baystate Benefits Mobile app provides you with seamless account access since it is an extension of the Baystate Benefit Services, Inc. portal—and doesn't require you to setup any additional credentials. Now by using your smartphone you can assess your account balances administered by Baystate Benefit Services, and you'll know how much money you have available to spend on qualified medical expenses at the time of purchase.

Claims must be submitted no later than 90 days from the end of the plan year for expenses incurred within the plan year or the employee's participation in the plan.* Terminated employees have 90 days from the date of their termination date to submit expenses incurred within their participation in the plan.

Terms of benefits described and what benefits are provided are subject to change at any time by the company and/or IRS regulations. For additional information regarding your plan, please refer to the summary plan documentation.

For more information on eligible expenses, please visit our website at www.baystatebenefits.com or www.irs.gov.

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