

ILLINOIS INSTITUTE  
OF TECHNOLOGY

---

**IIT Presents**

**Flexible Spending  
Plan**

Transforming Lives. Inventing the Future. [www.iit.edu](http://www.iit.edu)

---

---

---

---

---

---

---

---

ILLINOIS INSTITUTE  
OF TECHNOLOGY

---

**What is it?**

- Plan managed by Ceridian that lets you deduct dollars from your paycheck and put them into a special account that's protected from taxes.
- There are two kinds of accounts:
  - Healthcare
  - Dependent care

Transforming Lives. Inventing the Future. [www.iit.edu](http://www.iit.edu)

---

---

---

---

---

---

---

---

ILLINOIS INSTITUTE  
OF TECHNOLOGY

---

**Healthcare FSA**

is an easy-to-use benefit that reimburses you for healthcare related expenses not covered by insurance

- Prescriptions and over-the-counter medications
- Deductibles, co-insurance and co-payments
- Eyeglasses, contact lenses or LASIK
- Dental and orthodontia expenses

Transforming Lives. Inventing the Future. [www.iit.edu](http://www.iit.edu)

---

---

---

---

---

---

---

---

ILLINOIS INSTITUTE  
OF TECHNOLOGY

---

**And more...**

- Prescription sunglasses
- Artificial teeth/dentures
- Smoking cessation programs
- Prescribed birth control
- Vaccinations
- School and work physicals
- Chiropractic care
- Psychiatric care
- Hearing aids/batteries
- Dermatologist's fees
- Wheelchair and / or crutches
- Assistance for the disabled
- Diabetic supplies
- Orthopedic shoes
- Well baby care
- Amounts over plan limits
- Ambulance
- Physical therapy
- Acupuncture

Transforming Lives. Inventing the Future. [www.ill.edu](http://www.ill.edu)

---

---

---

---

---

---

---

---

---

---

ILLINOIS INSTITUTE  
OF TECHNOLOGY

---

**Dependent care FSA**

is a valuable benefit that allows you to pay for day care to take care of your children or elderly parents while you work

- Child care centers (if more than 6 children, state and local regulations must be met)
- Elder care services
- In-home providers
- Care providers must report the income
- Summer day camp

Transforming Lives. Inventing the Future. [www.ill.edu](http://www.ill.edu)

---

---

---

---

---

---

---

---

---

---

ILLINOIS INSTITUTE  
OF TECHNOLOGY

---

**Dependent care FSA**

- For qualifying dependents that are:
  - Under the age of 13
  - Are mentally or physically incapable of self-care spending at least eight (8) hours per day in your home
- For work-related dependent care expenses and are primarily for the care of the qualifying person
  - Child care
  - Elder care
  - Before and after school care
  - Care for disabled dependents

Transforming Lives. Inventing the Future. [www.ill.edu](http://www.ill.edu)

---

---

---

---

---

---

---

---

---

---

ILLINOIS INSTITUTE  
OF TECHNOLOGY

---

**How does it work?**

- Decide how much money you want to deposit into your Flexible Spending Account (FSA)
- An equal portion per pay period of your FSA election is taken out of your pay before taxes
- These tax-free dollars are put into your Flex Spending Account and can be used for eligible health care and/or dependent care expenses incurred by you, your spouse and your dependents.

Transforming Lives. Inventing the Future. [www.ill.edu](http://www.ill.edu)

---

---

---

---

---

---

---

---

ILLINOIS INSTITUTE  
OF TECHNOLOGY

---

**How does it work?**

- After you incur an eligible expense you submit a claim form for reimbursement
  - No claim form necessary if waiver between Blue Cross Blue Shield signed and claim is for health insurance related expense
- You are reimbursed with tax-free dollars, by check or direct deposit, whichever you chose
  - Healthcare FSA: reimbursed immediately- don't have to wait until money is accrued
  - Dependent care FSA: reimbursed for amount after money is accrued

Transforming Lives. Inventing the Future. [www.ill.edu](http://www.ill.edu)

---

---

---

---

---

---

---

---

ILLINOIS INSTITUTE  
OF TECHNOLOGY

---

**How does it work?**

- Expenses must be incurred during the plan year
  - Current plan year: June 1, 2007- May 31, 2008
  - Grace Period: June 1, 2008- August 15, 2008
  - New plan year: June 1, 2008- December 31, 2008
- All claims for current plan year must be submitted to Ceridian by August 29, 2008
- "Use it or Lose it"- You may not roll over leftover funds to the next plan year; unused funds will be forfeited.

Transforming Lives. Inventing the Future. [www.ill.edu](http://www.ill.edu)

---

---

---

---

---

---

---

---

ILLINOIS INSTITUTE  
OF TECHNOLOGY

---

**Why should you use it?**

**Example 1- Healthcare FSA**

Situation: Bob estimates that he will have approximately \$1,200 in out-of-pocket health care expenses next year and is looking to increase his take-home pay.

	Without HC FSA	With HC FSA
Gross pay (annual)	\$35,000	\$35,000
Pre-tax HC FSA	\$0	\$1,200
<b>Taxable gross</b>	<b>\$35,000</b>	<b>\$33,800</b>
Payroll taxes (at 30%)	\$10,500	\$10,140
Health care cost	\$1,200	\$0
<b>Net pay</b>	<b>\$23,300</b>	<b>\$23,660</b>
<b>Annual net pay increase*</b>		<b>\$360</b>

\* This example is based on an estimated tax rate. Your personal tax rate may vary.

Transforming Lives. Inventing the Future. [www.iit.edu](http://www.iit.edu)

---

---

---

---

---

---

---

---

---

---

---

---

ILLINOIS INSTITUTE  
OF TECHNOLOGY

---

**Why should you use it?**

**Example 2- Dependent care FSA**

Jason and Jessica have one child, they both work full-time. Their child is in day care while they are at work, which costs \$3,500.

	Without DC FSA	With DC FSA
Gross pay (annual)	\$35,000	\$35,000
Pre-tax DC FSA	\$0	\$3,500
<b>Taxable gross</b>	<b>\$35,000</b>	<b>\$31,500</b>
Payroll taxes (at X %)	\$10,500	\$9,450
Dependent care cost	\$3,500	\$0
<b>Net pay</b>	<b>\$21,000</b>	<b>\$22,050</b>
<b>Annual net pay increase*</b>		<b>\$1,050</b>

\* This example is based on an estimated tax rate. Your personal tax rate may vary.

Transforming Lives. Inventing the Future. [www.iit.edu](http://www.iit.edu)

---

---

---

---

---

---

---

---

---

---

---

---

ILLINOIS INSTITUTE  
OF TECHNOLOGY

---

**CONTACT INFORMATION**

- Ceridian
  - Call Customer Service at 800-278-9799
  - Visit [www.ceridian-benefits.com](http://www.ceridian-benefits.com)
  
- Human Resources
  - 312.567.3318
  - Email: [hr@iit.edu](mailto:hr@iit.edu)
  - [www.iit.edu/hr](http://www.iit.edu/hr)

Transforming Lives. Inventing the Future. [www.iit.edu](http://www.iit.edu)

---

---

---

---

---

---

---

---

---

---

---

---

ILLINOIS INSTITUTE  
OF TECHNOLOGY

---

**Reminders**

- You may not change your election amount unless you have an eligible change in status
  - » Marriage
  - » Establishment of a domestic partnership
  - » Birth or adoption
  - » Obtaining legal guardianship of a child
  - » Divorce or legal separation
- Changes MUST BE WITHIN 30 days of the status change
  
- Open enrollment will be in April with a June 1 effective date. Details will be forthcoming.

Transforming Lives. Inventing the Future. [www.ill.edu](http://www.ill.edu)

---

---

---

---

---

---

---

---

ILLINOIS INSTITUTE  
OF TECHNOLOGY

---

**Questions**



Transforming Lives. Inventing the Future. [www.ill.edu](http://www.ill.edu)

---

---

---

---

---

---

---

---