



**City of Lynn**  
**Flexible Spending Account -Open Enrollment**  
 Plan year 7/1/2012 – 6/30/2013  
 (Expenses must be incurred between these dates)

**It's not what you earn, it's what you keep that counts"**

The Flexible Spending Account is a tremendous opportunity for you to enhance your benefits package. Your employer knows that this is a highly beneficial program and wants you to have the opportunity to participate in a Flexible Spending Account.

Most employees pay for expenses such as dependent care expenses, out-of-pocket medical/dental expenses, prescription drug co-payments, etc. on an after tax-basis. The Flexible Spending Account allows you to set aside a portion of your paycheck tax free to pay for those expenses. The result is a reduction in Federal, State and FICA taxes, which will give you an increase in your take home pay.

**MEDICAL FLEXIBLE SPENDING ACCOUNT (FSA)**

The Medical FSA allows you to set aside up to **\$2,500** pre-tax from your paycheck to pay for expenses not covered by insurance. Some examples of these out-of-pocket expenses are:

**Dental:** Orthodontia/Crowns/Fillings/Dentures/Cleanings/X-rays

**Co-pays:** Doctor Visits/Prescriptions/Deductibles

**Medical:** Chiropractor/Psychologist Fees/Orthopedic Expenses/Hearing Aides

**Vision Care:** Contact Lenses/Contact Solution/Eye Glasses/Laser Eye Surgery/Eye Exam

**Over-The -Counter items are not eligible FSA expenses without a prescription, effective 1/1/11.**

A **MasterCard debit card** (known as the "benny" card) will be provided for all FSA-medical account holders. The card can be used at medical, dental, vision, and pharmacy locations and can provide auto substantiation for most items. **CURRENT PARTICIPANTS SHOULD SAVE THEIR BENNY CARDS, NEW ELECTION VALUES WILL BE RELOADED.**

**DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT (FSA)**

The Dependent Care FSA is a great tax savings for people who have children in daycare or parents who require elder care. The IRS allows you to set aside up to **\$5,000** per calendar year pre-tax from your paycheck to pay for these expenses. In most instances participation in the Dependent Care FSA results in a greater tax savings than the Dependent Care Tax Credit. Examples of eligible Dependent Care Expenses are:

*Daycare*

*Before/After School Care*

*Summer Day Camp*

*Pre-School*

*Elder Care*

**Current participants in the Flexible Spending Account(s)**

A renewal form will be mailed directly to your home. Please return the authorization form to CPA, Inc. no later than May 18, 2012.

**New participants** can obtain an authorization form from our website [www.cpa125.com](http://www.cpa125.com) and return it to CPA.

Cafeteria Plan Advisors, Inc. of Braintree, MA, is a leader in the administration and implementation of Cafeteria Plans and currently services over 120 municipalities along with many corporations, and public and private school systems.

If you would additional information please call Cafeteria Plan Advisors, Inc., at (781)848-9848 or visit our website: [www.cpa125.com](http://www.cpa125.com)