



+ SETTING THE RECORD STRAIGHT

A flexible spending account (FSA) from ConnectYourCare offers you tax savings, as well as a simple way to pay for medical, dental, vision, and—in some cases—child and elder care expenses.

**You may have heard some myths about FSAs ...
but don't believe everything you hear!**

These “mythbusters” will help make you an FSA expert.

MYTH 1

The tax savings are too small to make a difference.

Hundreds of dollars? Not small. For instance, say you contribute \$2,400 to your FSA this year. If you pay a combined tax rate of 30%, you would see \$720 in tax savings.* That extra savings can buy a lot of groceries, or for more fun—add to your vacation, shopping, or home improvement account!

MYTH 2

I don't have money in my budget for an FSA.

You do! An FSA can actually help you stretch your budget, since your contributions are deducted pre-tax. For example, if you contribute \$200 per month, your paycheck that month is only reduced about \$140, (assuming a 30% tax rate).* That extra \$60 is yours to spend on eligible expenses without you even feeling the deduction.

MYTH 3

FSAs aren't worth the trouble.

It's too simple to pass up. FSAs can offer significant tax savings, and with all the ConnectYourCare technology, using your account is easier than ever. Our myCYC® mobile app and online portal make checking your balance and submitting any required documentation quick and easy. A few minutes of your time can yield hundreds of dollars in savings. Maybe more!

MYTH 4

I can't make changes to my FSA during the year.

None of us know what's coming in the next year. Rest assured—if you have a qualifying life event that happens during the year, like you get married or have a baby, you can make changes to fit your new life.

MYTH
5

It's too hard to submit documentation.

Listen, your phone is already in your hand. In many cases, ConnectYourCare works to automatically verify that your FSA payment is for an eligible expense; and when documentation is required, it only takes seconds to upload. Even better, when you use your payment card for eligible expenses, you typically don't need to submit documentation!

MYTH
6

I'm healthy, so I don't need an FSA.

You may not go to the doctor, (even though you should!), but what about the dentist? Do you have contacts or glasses? Regular prescriptions or over-the-counter pain medication? Apply sunscreen? What about your spouse and dependents—do they? Yes, all of these ordinary expenses—even feminine care products—are eligible with your FSA, saving you in taxes for all of these costs.

MYTH
7

I'll lose my FSA funds if I don't use them by the end of my plan year.

Your account is designed for you to use it, not lose it. Though FSAs differ by employer, many companies offer grace periods that extend the time you may use your account, and some offer rollovers of unused funds. Check your plan documents to see what your FSA allows. If you do have to use your funds before the end of the year, we have lots of suggestions on how you can stock up on necessary items.

MYTH
8

I have a health savings account (HSA), so I can't have an FSA.

Even if you have an HSA, your employer may offer a Limited Purpose FSA. This type of FSA is for dental and vision expenses only, allowing you to maximize the tax savings of an FSA while preserving your HSA balance. Talk with your HR professional to see if your company offers this benefit.



Dependent Care FSA Myths

MYTH 9

My health care FSA can be used to cover my child's day care costs.

While a health care FSA is for health care expenses, a dependent care FSA applies when you need help paying for childcare or elder dependent care while you work. They are completely separate accounts and cannot be co-mingled. Health care FSAs cover medical, pharmacy, dental, and vision expenses for your family, and dependent care FSAs cover costs for day care, nannies, sitters, or elder care for your dependents while you work.

MYTH 10

My child is in school, so I don't need a dependent care FSA.

It applies to much more than just school. If you ever plan on sending your child to summer day camp, or a holiday camp over winter break, or you occasionally need after-school care, a dependent care FSA can help cover those costs—tax free.

Any more myths you're looking to bust?

Check out ConnectYourCare.com for all the real FSA info.

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*Sample tax savings, actual savings will vary.
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