



## What is a Healthcare FSA?

A flexible spending account is an employer-sponsored benefit that allows you to pay for eligible medical expenses on a pre-tax basis. If you expect to incur medical expenses that won't be reimbursed by another plan, FSAs are a great way to save money while covering those costs.

## How Does It Benefit Me?

An FSA saves you money. The contributions you make to an FSA are deducted from your pay before your federal, FICA and state taxes are calculated and are never reported to the IRS. The end result is that you decrease your taxable income and increase your spendable income. You can save hundreds.

Federal Tax Rate	Annual FSA Contribution	Annual Tax Savings*
15%	\$1,550	\$429
15%	\$2,750	\$760
25%	\$1,550	\$584
25%	\$2,750	\$1,035
33%	\$1,550	\$708
33%	\$2,750	\$1,255

\*For illustrative purposes only. Savings calculations are based on the federal tax rate listed in the table, a state tax of 5%, and 7.65% FICA. Your tax situation may be different. Consult a tax advisor.



# Maximize your income with a healthcare FSA

Alliance Insurance Group is committed to helping you understand the importance of the FSA Plan. Should you have any questions, please contact us at your convenience.

You may also email us at  
[fsa@allianceinsgroup.com](mailto:fsa@allianceinsgroup.com)

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*Employee Benefit Consultants*

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# Save on predictable healthcare expenses.

## How a Healthcare FSA Works

Flexible spending accounts (FSAs) reduce your taxable income by setting aside pre-tax dollars to pay for eligible healthcare expenses.

You can contribute up to \$2,750 annually to your flexible spending account. This annual election amount will be deducted evenly out of each pay check on a pre-tax basis and put into your FSA. You can then use the funds to pay for eligible expenses. Changes to the annual election amount are only permitted due to a change of status such as marriage or birth of a child.

A big perk to an FSA is that it is pre-funded, meaning that you will have access to your full annual election amount at the very beginning of the plan year, regardless of the amount contributed to date. That is like having a tax-free, interest-free loan to help you pay for healthcare expenses. So go ahead and schedule that laser eye surgery in January!

Your plan may allow for a maximum of \$500 of unused funds to be rolled over to the next year **OR** a grace period extension. Please contact us to see if your employer participates in either feature.

## Who's Covered

An FSA covers eligible expenses for you and all of your dependents, even if they are not covered under your primary health plan.

## What's Covered

For a complete list of eligible expenses see IRS Publication 502: Medical and Dental Expenses. Examples of eligible expenses:

- ▶ Acne Treatments\*\*
- ▶ Allergy Medicine\*\*
- ▶ Antacids\*\*
- ▶ Bandages
- ▶ Chiropractic Care
- ▶ Cold Medicine\*\*
- ▶ Condoms
- ▶ Contact Lenses & Cleaners
- ▶ Copays, Co-Insurance & Deductibles
- ▶ Dental Care
- ▶ Diabetic Supplies
- ▶ Eyeglasses
- ▶ Hearing aids
- ▶ Laser Eye Surgery
- ▶ Orthodontia
- ▶ Over-the-Counter Medications
- ▶ Pain Relievers
- ▶ Pregnancy Tests
- ▶ Prescription Drugs
- ▶ Smoking Cessation Programs\*\*
- ▶ Sunscreen

## Optional header



### Benefits Debit Card

Spending your FSA funds on eligible expenses has never been easier. The card allows you to avoid out-of-pocket expenses, cumbersome paperwork and reimbursement delays. One card can manage multiple account types, such as a dependent care FSA, health savings account, or commuter account.



### Online & Mobile Access

Get account information from our easy-to-use online portal and mobile application. See your account balance in real time, file a claim for reimbursement by snapping a photo of the receipt, and check on a claim status.



- ▶ Increase your spendable income by reducing your taxable gross income
- ▶ Budget for planned healthcare expenses
- ▶ No waiting for reimbursement when you use your benefits debit card

## FSA Eligible Expense Examples

Acne treatments	Dental Care (including implants)/Non-Cosmetic	Nasal sprays & strips	Speech therapy
Acupuncture	Dentures, bridges, etc.	Norplant insertion or removal	Spermicidal (RX)
Allergy & sinus medicine and products	Diabetic monitor, test kits, strips and supplies	Occupational therapy (related to a medical condition or disability)	Student health fees billed for actual services received (dental, medical, prescription, vision)
Alcoholism Treatment	Diagnostic services	OB/GYN fees	Sterilization
Allergy medication	Diaper rash ointments and creams	Occlusal guards to prevent teeth grinding	Sunscreen with SPF 15+ and "broad spectrum", sunburn creams & ointments
Ambulance and emergency health services	Drug addiction treatment	Operations (for non-cosmetic purposes)	Sunglasses (RX only)
Anesthesia (for non-cosmetic purposes)	Drugs (prescription)	Operations for dental	Surgery (for non-cosmetic purposes)
Antacid	Ear drops and wax removal	Operations for vision	
Antibiotic ointment	Eye drops and treatments	Optometrist / ophthalmologist fees	Teeth grinding prevention devices
Aspirin or other pain reliever	Eye examinations	Organ transplants (recipient and donor)	Therapy (for treatment of a medical condition)
Asthma medicines or treatments	Eye surgery or treatment to correct vision	Ortho keratotomy	Transportation, parking & related travel expenses (essential to receive eligible care)
Athletic treatments/braces	Eye glasses	Orthodontia (braces and retainers)	Tubal ligation
Bandages and related items (over-the-counter)	Fertility treatment (for employee, spouse or dependent)	Orthopedic & surgical supports	Urological products
Birth control (over-the-counter)	First aid kit (over-the-counter)	Over-the-counter bandages	Vaccinations
Birth control (RX)	Flu shots	Over the-counter health care products	Varicose vein removal surgery (for medical care)
Blood pressure monitor	Gastrointestinal medication	Over-the-counter drugs and medicines (including for motion sickness, sleep aids and sedatives)	Vasectomy
Body scans	Hearing aids and batteries	Over-the-counter products for dental, oral and teething pain	Viagra and similar prescription medications
Breastfeeding classes	Hospital services and fees	Over-the-counter vision medications	Vision co-insurance
Breast pumps (for a lactating woman)	Immunizations	Ovulation monitor (over-the-counter)	Vision co-payment
Canker & cold sore treatments (ed)	Incontinence supplies	Oxygen	Vitamins (prescription only)
Chest rubs	Infertility treatment (for employee, spouse or dependent)	Physical exams	Walking aids (canes, walkers, crutches and related supplies)
Chiropractic office visit or treatment	Insulin, testing materials and supplies	Physical therapy	Wart removal treatments
Cholesterol test kits and supplies	Laboratory fees	Pregnancy tests (over-the-counter)	Weight loss drugs (for treatment of a medical conditions) (RX Only)
Co-insurance (dental, medical, RX, vision)	Lactose intolerance (Over the counter- RX needed)	Prescription drugs (for non-cosmetic purposes)	Wheelchair and repairs
Cold & flu medicine	Laser eye surgery/LASIK	Prosthesis	X-ray fees (dental, medical)
Condoms	Laxatives	Psychiatric care	
Contact lenses and solutions	Learning disability treatments	Psychologist fees	<p><b>IMPORTANT REMINDER:</b></p> <p>For each expense, you must be able to submit documentation from the provider or a third party that includes Date of Service/ Amount/ Provider/Type of Expense</p> <p>Some expenses may require additional documentation to establish eligibility such as a physicians statement or RX</p>
Contraceptives	Lice treatment	Radial keratotomy (Rx)	
Corn and callus remover	Listening therapy	Reading glasses (over-the-counter)	
Corneal keratotomy	Mastectomy-related special bras	Removal of benign mole, cyst or tumor	
Cough drops, cough syrup, sore throat lozenges	Medical abortion (letter required)	Retin-A (for non-cosmetic purposes)	
Crutches, canes, walkers or like equipment (purchase or rental)	Medical equipment (for treatment of medical condition) and repairs	Sales tax, shipping and handling fees (for any eligible expenses)	
Deductibles for dental, medical, prescription and vision plans	Menstrual products	Smoking cessation, gum and/or patches	
	Monitors & test kits (over-the-counter)		



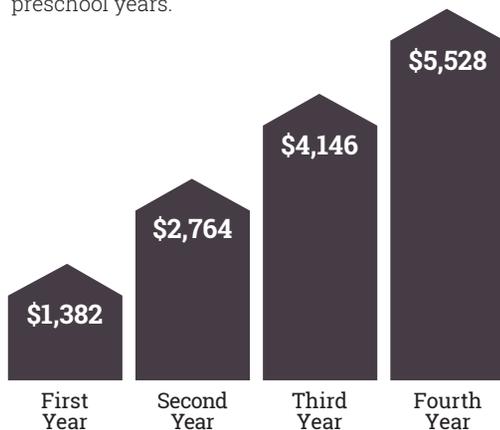


## Why should I enroll in a dependent care FSA?

Child and dependent care is a large expense for many American families. Millions of people rely on child care to be able to work, while others are responsible for older parents or disabled family members. If you pay for care of dependents in order to work, you'll want to take advantage of the savings this plan offers. Money contributed to a DCA is free from federal income, Social Security, and Medicare taxes and remains tax-free when it is spent.

Tax Status	DCS Contribution	Annual Savings*
Married (Separately)	\$2,500	\$691
Single	\$5,000	\$1,382
Married (Jointly)	\$5,000	\$1,382

Imagine the savings accrued in just their preschool years.



\*For illustrative purposes only. Based on a 7.65% FICA. Your tax situation may be different. Consult a tax advisor.

Alliance Insurance Group is committed to helping you understand the importance of the DCA plan. Great customer service and ease of use is our goal. Should you have any questions, please contact us to discuss your benefit plan. You may also email us at

[fsa@allianceinsgroup.com](mailto:fsa@allianceinsgroup.com)

Additional information can be found online at our website:

[www.allianceinsgroup.com](http://www.allianceinsgroup.com)

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# Maximize your tax savings with a dependent care FSA

Enjoy tax savings with a dependent care flexible spending account



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# Save on dependent care while you work.

## How a dependent care FSA Works

Participating in a dependent care FSA is like receiving a 30% discount from your care provider.

A dependent care FSA (DCA) is a flexible spending account that allows you to set aside pre-tax dollars for dependent care expenses. Since DCA contributions are deducted from your paycheck pre-tax, your taxable income is reduced. Participants enjoy a 30% average tax savings on their annual DCA contribution.

## Qualifying Dependents

Your qualifying child under the age of 13, who shares the same residence with you, or

Your spouse or qualifying child or relative who is physically or mentally unable to care for him/herself who shares the same residence with you and has income less than the federal exemption amount.

## Annual Contribution Limits

The IRS limits annual contributions to \$5,000 on income tax returns for single or married filing jointly, and \$2,500 for married filing separately.

## Eligible Expenses

Dependent care FSA funds cover care costs for your eligible dependents while you are at work:

- ▶ Before school or after school care (other than tuition)
- ▶ Custodial care for dependent adults
- ▶ Licensed day care centers
- ▶ Nursery schools or pre-schools
- ▶ Placement fees for a provider, such as an au pair
- ▶ Day camp, nursery school, or a private sitter
- ▶ Late pick-up fees
- ▶ Summer or holiday day camps

## Ineligible Expenses

These items are never eligible for tax-free purchase with dependent care FSA funds:

- ▶ Expenses for children 13 and older
- ▶ Care provided by a relative that lives in your household or your dependent under age 19
- ▶ Educational expenses including kindergarten or private school tuition fees
- ▶ Amounts paid for food, clothing, sports lessons, field trips, and entertainment
- ▶ Care for dependent while sick employee stays home
- ▶ Overnight camp expenses
- ▶ Registration fees
- ▶ Transportation expenses
- ▶ Late payment fees
- ▶ Advanced payments



## How It Works

With a dependent care FSA you can only spend up to the amount that has been deducted from your paycheck. If you have a benefits debit card, then you can access your funds with the swipe of a card, otherwise, you can submit claims for reimbursement.



## Online & Mobile Access

Get account information from our easy-to-use online portal and mobile application. See your account balance in real time, file a claim for reimbursement by snapping a photo of the receipt, and check on a claim status.



- ▶ Increase your take home pay by reducing your taxable income
- ▶ Helps you budget for dependent care expenses
- ▶ Eliminate reimbursement delays when you use your benefits debit card



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## **DEPENDENT CARE ACCOUNT** **ELIGIBLE/INELIGIBLE EXPENSES**

A Dependent Day Care Flexible Spending Account uses your pre-tax contributions to cover dependent day care (usually child care) expenses. Eligible dependents include children under 13 years of age, and a spouse or other dependent who is physically or mentally incapable of caring for himself/herself.

### **Eligible Expenses**

The following expenses are eligible for reimbursement under a Dependent Day Care Flexible Spending Account:

- Expenses for a day care center, summer day camp or preschool. The facility must be licensed under state or local law if it cares for seven or more children.
- Expenses for an unlicensed day care center that cares for six or fewer children.
- Expenses at an adult day care facility (but not expenses for overnight, nursing home facilities).
- The cost of day care and housekeeping services in your home for your child or other qualifying individual.
- The cost of meals, lunches and snacks, supplied by a day care provider (not the cost of meals while on field trips and outings or those meals included as part of the cost of such trips).

### **Ineligible Expenses**

The following expenses are not eligible for reimbursement under a Dependent Day Care Flexible Spending Account:

- Day care for a child age 13 or older
- Overnight summer camp (cannot prorate for the day portion)
- Kindergarten or school tuition for a child age 5 and older
- Expenses for any care provided to a qualifying dependent by another dependent or child under age 19
- Housekeeping expenses not related to dependent day care
- The expenses for which you claim a dependent day care tax credit on your federal income tax return
- The registration fees paid for day care, summer camp, kindergarten, preschool, etc. The only exception is day camp or registration fees applied toward the first payable bill. These are eligible once the initial bill has been paid and the service has been provided.
- The cost of meals while on field trips and outings or those meals included as part of the cost of such trips
- 

**\*\*The Dependent Care Account is not pre-funded as the Medical Flexible Spending Account. Claims can only be reimbursed for the amount that you have accrued for the plan year.\*\***

**If you have any additional questions, please contact Alliance Insurance Group.**

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# FSA Online Access Instructions

With the flexible benefits plan (FSA, DCA, HRA), you will have online access to your account. Once you have created your account, you will be able to view your balance, transactions and reimbursements. You will also have the option to upload your receipts for manual reimbursement requests. Below, you will find the instructions on how to get started.

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Please follow these steps to log on to the FSA Website.

Go to: [www.allianceinsgroup.com](http://www.allianceinsgroup.com)

- Click on the **FLEX Login** tab
- Click on **REGISTER** and follow the steps.

You will need the Employee ID - this is the employee's social security number (no dashes) or a number assigned to the employee and the Employee's Card Number. If you are unsure of the Employee ID, please contact Alliance Insurance Group.

The user id must be between 5-10 characters- **Please be sure the USER ID is very unique.**

This is a nationwide system and it will not allow the same user id to be used on more than one account.

Password must contain an instance of at least three of the following four types of characters:

- An upper case character such as A
- A lower case character such as a
- A special character: ~ ! @ # \$ % ^ & \* ( ) \_ + = ` < > ? / \ - ; : " ' [ ] { }
- A number such as 9

Passwords expire every 90 days. You will be notified when it is time to reset the password when you login to the system. This is a security measure and cannot be changed. Once you change the password, close the webpage and log back in using your new information.

You may also file a manual claim reimbursement request by uploading the receipt to your account or printing the claim form and return by mail, email or fax to us for processing.

*Should you ever have any questions about creating your account, resetting your password or any other functions with the system, please do not hesitate to contact us.*

## **MOBILE APP**

From the App Store on your device, please search using the following key words:

- iOS system: **Alliance Insurance Group FSA**
- Android system: **Alliance Ins FSA**

*(You can only use the mobile app once you have created your account through the website)*

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