



# Flexible Spending Accounts

## “Cafeteria Plans” Offer a Large Menu of Benefit Options to Employees

### What Are FSAs?

Flexible Spending Accounts (FSAs), commonly referred to as “Section 125” plans or “Cafeteria Plans”, were developed as part of Internal Revenue Code Section 125 to provide employees with tax relief for their un-reimbursed medical and dependent day-care costs. FSAs enable employees to utilize pre-tax dollars and save Federal, FICA and, in most cases, state taxes when paying for eligible expenses not covered by traditional insurance plans.

Although FSAs have been available for many years, the emergence of consumer-driven health-care and increased employee cost-sharing has made them an integral benefits solution that provides substantial tax savings to both employers and employees.

### Data Integration

With a Paypro Benefits solution you achieve optimal connectivity. Every pay period, we complete secure transfers of your employees’ contributions. When data moves between your payroll and employee benefit platforms you achieve a level of seamlessness that everyone in the industry speaks about but few achieve.

#### Contact Paypro Benefits Today:

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### Types of Flexible Spending Accounts

**There are three types of Flexible Spending Accounts:**

- 1. Medical Reimbursement Accounts:** Accounts used to pay for eligible un-reimbursed medical expenses such as co-pays, deductibles, dental, vision, prescription, over-the-counter drugs, and more.
- 2. Dependent Day-Care Reimbursement Accounts:** Accounts used to pay for the daily care of an eligible child or adult dependent as defined by the IRS; and
- 3. Commuter Reimbursement Accounts:** Accounts used to pay for eligible transportation and parking expenses.



### Paypro Benefits Convenience MasterCard®

To further enhance the benefits of implementing FSAs, Paypro offers the Paypro Benefits Convenience MasterCard®. This single-platform debit card allows for the automatic electronic transfer of pre-tax dollars from an FSA when paying for qualified expenses. Most importantly, the Paypro Benefits Convenience MasterCard® can accommodate and administer all three accounts on the same card.