FLEXIBLE SPENDING ACCOUNTS

Briggs & Stratton offers an employer-sponsored flexible spending account (FSA) administered by Optum. Flexible Spending Accounts help you save money by reducing the amount of income tax you pay. Employees may deposit pre-tax money for health care or dependent daycare each Calendar Year (January 1– December 31) to offset eligible expenses. The accounts require two separate elections.

WHAT ARE THE BENEFITS OF AN FSA?

There are a variety of different benefits of using an FSA, including the following:

- **It helps you set aside money.** Allows you to put aside money tax-free that can be used for qualified medical, dental and vision expenses.
- **It's a tax-saver.** Since your taxable income is decreased by your contributions, you'll pay less in taxes.
- **It is flexible.** You can use your FSA funds at any time, even at the beginning of the year.

IMPORTANT RULE TO REMEMBER: "Use it or lose it"

If you do not use all the funds in your account by the end of the calendar year, the funds will be forfeited, as required by law. You should only contribute the amount of money you expect to pay out-of-pocket that year.

SCAN ME to learn more about the Flexible Spending Accounts

- *Videos*
- *Flyer/Brochures*
- *Online Tools & Resources*

ACCOUNT OPTIONS:

- **Health Care FSA (HCFSA)** Health Care FSAs allow you to contribute pre-tax dollars to pay for or reimburse yourself for qualified medical, pharmacy, dental and vision expenses that you and your dependents may incur. Your full annual election will be available to you with your first payroll contributionof the plan year. **You may contribute any amount between $260 and $3,050 in calendar year 2024.**
- **Limited Purpose Health Care FSA (LPFSA)** You are eligible for this account if you or your spouse is enrolled in a Health Savings Account (HSA). The Plan allows you to set aside additional money pre-tax for certain dental and vision expenses not covered by insurance. Once your medical deductible has been met, you may use your LP HCFSA for medical expenses. **You may contribute any amount between $260 and $3,050 in calendar year 2024.**
- **Dependent Daycare FSA (DCFSA)** Dependent Daycare FSAs allow you to save pre-tax dollars for qualified dependent daycare. These funds can be used to pay for or reimburse yourself for **eligible daycare expenses** for your children or elderly family members while you work. **In calendar year 2024, you may contribute any amount between $260 and $5,000 (or $2,500 if married and filing separately).**

FSA CASE STUDY

FSAs provide you with an important tax advantage that can help you pay for expenses on a pre-tax basis. Due to the personal tax savings you incur, your spendable income will increase. The example that follows illustrates how an FSA can save money.

Bob and Jane live in Texas and have a combined annual gross income of $45,000. They are married and file their income taxes jointly. Since Bob and Jane expect to spend $3,000 in eligible medical expenses in the next plan year, they decide to direct a total of $2,850 (the maximum allowed amount per individual, for that taxable year) into their FSAs. The table demonstrates their savings.

	WITHOUT FSA	WITH FSA
Gross income	**$45,000**	**$45,000**
FSA Contributions	$0	(-$2,850)
Gross income	$45,000	$42,150
Estimated taxes	(-$5,532)	(-$4,987)
After-tax earnings	$39,468	$37,163
Eligible out-of-pocket expenses	(-$3,000)	(-$150)
Remaining spendable income	**$36,468**	**$37,013**
Spendable income increases	**—**	**$545**