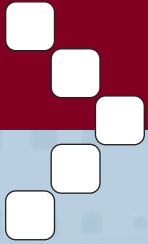


Health Care Reimbursement Account



Are You Missing an **OPPORTUNITY**
to Put More Money in Your Pocket?

Find out how a Health Care Reimbursement Account (HCRA) can help you save!

When you're first hired, and each year during Open Enrollment, you can enroll in a HCRA. A HCRA is a great way to save money on taxes when you pay for eligible health care expenses.

How Does the HCRA Work?

You decide how much money you want to contribute to the account for the year, then money is deducted in equal amounts from each paycheck, *before taxes are taken out*, lowering your taxable income.

When you have an eligible expense, you submit a claim and get reimbursed (up to three times per month) with *tax-free* money from your account.

Turn the page to find out more.

What's an Eligible Expense?

Use your HCRA funds for health care expenses not covered by your health plans, like:

- Medical and dental plan deductibles and copays
- Prescription and certain over-the counter drug costs
- Eyeglasses, contact lenses and lens solution
- Expenses that are partially covered by your health care plans, such as acupuncture, orthodontia, and laser vision correction



Don't Forget the DCRA

You can save additional money by enrolling in the Dependent Care Reimbursement Account (DCRA). A DCRA can be used to reimburse expenses for the care of an eligible dependent while you and your spouse work. An eligible dependent is someone you claim as a dependent on your federal income tax return and is either under age 13 or is mentally or physically unable to take care of him or herself. You can enroll for the DCRA at the same time that you enroll for the HCRA.

Saving With an HCRA — Three Examples

Let's meet three fictional CSU employees, with different health care situations this year:

- **Kevin**, who expects to have minimal eligible expenses for himself
- **Carol**, who expects to have around \$600 in eligible expenses for herself and her husband
- **Dan**, who expects to have significant eligible expenses for himself and his family

Meet Kevin...

Kevin is enrolled in an HMO medical plan. His overall health is good, so he expects only to need limited health care this year. He normally gets one prescription during the year and plans to get new glasses. Kevin decides to set aside \$20 per month into his HCRA, which will add up to \$240 for the year — the minimum amount allowed. With this tax-free money, Kevin can pay for:

- A copay for one eye exam
- A new pair of prescription glasses
- The copay for three non-preventive doctor visits
- One non-formulary prescription

Meet Carol...

Carol and her husband are enrolled in a PPO medical plan. They expect to visit their doctor and dentist a few times this year, especially because Sally's been having some tooth pain. They're also both expecting to need new glasses, and to use some over-the-counter medications. Carol decides to put \$600 into her HCRA for the year — \$50 per month. With her tax-free money, Carol can pay for:

- Two copays for eye exams
- Two new pairs of prescription glasses
- The copay or coinsurance for three doctor's office visits
- Two porcelain dental fillings
- \$50 worth of over-the-counter medications

Meet Dan...

Dan and his family are enrolled in an HMO medical plan and have some big health care expenses this year. Their son will start orthodontia treatment, and one of their daughters needs new glasses. Dan's wife also needs new glasses and has been seeing a chiropractor recently. Additionally, Dan requires a year's supply of contact lenses. They also expect the whole family will need dental care and have several prescriptions to fill. Dan decides to contribute the maximum allowable amount to his HCRA — \$5,000, or about \$415 per month. With this tax-free money, Dan can pay for:

- Seven non-preventive care doctor appointments
- Two pairs of prescription glasses
- A year's supply of contact lenses
- The employee percentage of the cost for orthodontia treatment

Remember, these are examples only — your health care needs and geographic location will affect what your HCRA contributions will cover.

It All Adds Up!

So just how much money can you save with a HCRA? Well, if Dan sets aside \$5,000 in his HCRA, he lowers his taxable income by that amount. If he's in the 33% tax bracket, that means he can save \$1,650 on his taxes (33% of \$5,000) — that's an extra \$1,650 in his pocket this year!

Will You Miss Your OPPORTUNITY to Save?