

Are You Leaving Money on the Table?

Worse yet, you may be paying more taxes than you need to! INNOVA BENEFIT Services of Pittsburgh, Pennsylvania, recently announced [Carol Manson] advised that while many companies offer plans to help their employees save taxes by giving them the opportunity to pay medical, childcare and commuting expenses with pay that is not taxed, some employees are missing out on this incredible economic benefit.

INNOVA BENEFIT Services offered this revealing example of the savings some employees are missing out on: if you were to place \$1,200 a year in either of the first two plans listed below, you could have an extra \$300 or more, in YOUR pocket, to use as YOU see fit. As an additional convenience, many plans give you a debit card to pay your expenses with. This eliminates the need to pay out-of-pocket and wait for a reimbursement.

Flexible Spending Accounts. These accounts allow you to pay your out-of-pocket expenses with tax free dollars. Even people who have great insurance coverage have out-of-pocket expenses – things like:

- Office visit co-payments
- Prescription co-payments
- Glasses, contacts, prescription sunglasses, even OTC glasses
- Lasik Eye Surgery
- Dental work including orthodontia



These expenses can be incurred by the employee, their spouse and their children, even if they are not covered by their insurance.

Qualified Transportation Plans. These accounts allow you to pay your commuting expenses to and from work with tax free dollars. These expenses include parking, as well as, the cost of transit passes.

Another popular plan is known as a Health Reimbursement Arrangement (HRA). These plans are funded by your employer to pay certain expenses, typically your deductible. In order to enjoy the maximum financial benefit available to you, be sure you fully understand how your plan works, as some plans require you to file for reimbursement while others move seamlessly from your insurance to your HRA.

There are rules that apply to all of these plans, so make sure you read the information your employer gives to you. INNOVA BENEFIT Services recommends you talk with your HR/Benefits Manager to find out if they offer any of these plans and how you can participate to the fullest.

Be sure you are taking full advantage of the Plans being offered to you.

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