Flexible Spending Accounts

Overview
The University offers eligible employees two types of Flexible Spending Accounts—a health care account and a dependent daycare account. These Flexible Spending Accounts (FSAs) allow you to pay for related eligible expenses using pre-tax dollars. Because your FSA contributions are taken out before taxes are considered, you lower your income and your tax payments too.

When you enroll, you elect an amount to be withheld from your paycheck before federal, state, and Social Security taxes are withheld. FSA users save about 30 cents for every dollar deposited into their FSA, depending on their tax bracket. Your election amount is deducted from your pay in equal installments over the 26 pay periods in the calendar year. When you incur an eligible expense, you will submit a claim to ADP Benefit Solutions (ADP).

Please note that if you participate in both the health care and dependent daycare FSA, you may not use money from the dependent daycare account to pay for health care expenses and vice versa.

Deposits and claims
For the health care FSA, you may contribute a minimum of $100 and a maximum of $2,550 each calendar year from your pay.

For the dependent daycare FSA, the maximum amount is $5,000 per household per year.

You may file claims for expenses incurred from January 1, 2017, through March 15, 2018, drawing on deposits made to your account throughout 2017. For expenses incurred between January 1 and March 15 of each year, balances from the previous year are drawn down before deductions are made against the current year’s contributions. You have until March 31, 2018, to submit claims to ADP for eligible expenses from your 2017 FSA.

Use-it-or-Lose-it Rule
The IRS requires that if you do not use all of the money in your FSA for eligible expenses incurred during this 14-1/2-month period, you lose the unused portion. For this reason, you should calculate your expenses carefully before making your election to ensure you will use the full amount.

HEALTH CARE FLEXIBLE SPENDING ACCOUNT
You are eligible to participate in the Health Care FSA if you are an employee who works 17-1/2 hours or more per week.

You may use the health care FSA for an eligible dependent even if that dependent is not covered under your medical or dental plan. Eligible dependents include your spouse, dependent children, and any person who is considered a qualified relative.

If you are enrolling in a health care FSA for the first time for 2017, you will receive a Flexible Spending Account card, a secure VISA®-branded prepaid card from ADP, the University’s FSA Program administrator. This spending account card gives you direct access to your health care funds, avoiding the need to pay up front and then submit a claim for health care reimbursement.
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Eligible expenses
Carefully estimate your health care election and base it on known out-of-pocket expenses such as prescription drug copays, office visit copays, planned dental work, eyeglasses, or contact lenses.

However, if you enroll in the Medica HSA medical plan, your claims are limited to out-of-pocket costs for eligible dental and vision expenses.

Use the FSA Eligible Expense Search on the ADP website at myspendingaccount.adp.com to find out if an item or service is covered. That will help you decide how much to put into the FSA.

DEPENDENT DAYCARE FLEXIBLE SPENDING ACCOUNT
You are eligible to participate in the Dependent Daycare FSA if you are an employee who works 17-1/2 hours or more per week, and you are also:

» A single working parent; or
» Married, filing jointly; or
» Head of household with a dependent child

You can use the Dependent Daycare FSA to pay for care of a dependent family member. Eligible dependents include:

» Dependent children under age 13
» Dependents who you may claim as a tax exemption on your federal income tax return who are physically or mentally unable to care for themselves and who regularly spend at least eight hours a day in your household
» Spouse who is mentally or physically incapable of self-care
» Qualified relative

If your last dependent child turns age 13 in 2017, you may cancel your account. Daycare expenses are not covered after your child’s 13th birthday.

Eligible expenses
An eligible expense is the charge you pay for care of your dependents while you (or you and your spouse, if married) work or search for gainful employment.

A full list of eligible expenses and eligible care providers is available by going to the FSA Eligible Expense Search on the ADP website at myspendingaccount.adp.com.

How to enroll
Determine your annual election amount and enroll online in MyU from November 1 through November 30 to have an account for 2017. If you were hired in the fall, you can make separate 2016 and 2017 elections.

To continue your participation in the FSA accounts, you must re-enroll each year during Open Enrollment.