Can my spouse and I both enroll?

Yes, if both you and your spouse are state employees and are eligible for the program, you may both enroll. However, keep in mind that the maximum amount your family may contribute to the DCAAccount is set by the IRS at $5,000 per year. Both spouses may enroll in the DCAAccount, but your combined contributions cannot exceed the $5,000 limit.

For the HCSAccount, you and your spouse may enroll for up to the maximum of $2,500 each for the 2013 tax year. Remember that you can each have an account, but claims for expenses may only be charged to one account and cannot be charged to both.

What's the catch? Use it or lose it!

If you overestimate your costs for the year and don't submit requests for reimbursement, you will lose any money remaining in your account at the end of the calendar year. This is the IRS's "use it or lose it" rule. The key is to estimate your expenses carefully. You will have an extra three months after the calendar year ends to file your claims, but they must be for services that were received during the calendar year.

In addition, if you enroll in both the HCSAccount and the DCAAccount, funds can't be transferred between your two accounts. So, the money in your HCSAccount may only be used for health care expenses, and your DCAAccount may only pay for dependent care expenses.

I want to save money on my health care or dependent care expenses and I think this program can help me. Where can I get more information?

Visit the Flex Spending Account website at ***www.flexspend.ny.gov*** to view program details online or to order the Flex Spending Account enrollment book. Or call the FSA Hotline for more information. Customer service representatives will answer your questions and send you enrollment information if you think you want to enroll.

The Flex Spending Account (FSA) is a state employee benefit that saves you money by letting you pay for health care and dependent care expenses with tax-free dollars.

FBWW/NYBROCHURE/0812

The Flex Spending Account is Easy to Use

Easy, paperless enrollment

•

Direct deposit option

•

Toll-free fax line for reimbursement claims

•

Secure online claims submission

•

Online access to account balances

•

Online tax calculators

24-hour interactive voice response service

www.flexspend.ny.gov

FSA Hotline 1-800-358-7202

fsa@goer.ny.gov

New York State Governor's Office of Employee Relations

Andrew M. Cuomo, Governor

The Flex Spending Account is sponsored by the Work-Life Services Advisory Board and the Joint Labor-Management Committees on Health Benefits, the Governor's Office of Employee Relations, the Civil Service Employees Association, Public Employees Federation, United University Professions, NYS Correctional Officers & Police Benevolent Association, Inc., Council 82, District Council 37, Police Benevolent Association of New York State, Inc., Police Benevolent Association, New York State Police Investigators Association, and the Graduate Student Employees Union.

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New York State

FSA

Flex Spending Account

Dependent Care Advantage Account • Health Care Spending Account

A state employee benefit that puts money in your pocket

www.flexspend.ny.gov

Flex Spending Account

Health Care Spending Account
Dependent Care Advantage Account

What is the Flex Spending Account?

The Flex Spending Account (FSA) is a negotiated program that helps state employees save money on their taxes. The program offers two benefits — the Health Care Spending Account (HCSAccount) and the Dependent Care Advantage Account (DCAAccount) — that give you a way to pay for either your health care or dependent care expenses with pre-tax dollars.

How do I enroll or re-enroll?

The open enrollment period is held each fall, beginning in October. The FSA program operates from January 1 through December 31 each year. *You must re-enroll during the open enrollment period to continue your benefits for the next plan year.*

Why should I enroll?

The program saves you money by letting you contribute to your HCSAccount or DCAAccount through automatic payroll deductions before your salary is taxed. The end result is that you reduce your gross salary for federal, state, and social security purposes, thereby lowering your taxes. That saves you money!

How much money will I save?

Savings will vary depending on your annual household income, the number of eligible dependents, and the amount of money you contribute to your HCSAccount or DCAAccount for your eligible expenses.

Can I change the amount of my contribution during the year?

Participation in the program is voluntary. But once you sign up, your contribution amount is set for the calendar year. However, if you experience certain life events (such as marriage, divorce, birth of a child, or certain changes in payroll status) you may be eligible to change your contribution amount in keeping with the event. In addition, if you are enrolled in the DCAAccount, a change in your dependent care provider or a change in the rate that you pay may also allow you to change your contribution.

Health Care Spending Account

How does the Health Care Spending Account work?

If you are eligible to enroll, you may contribute any amount from $100 up to $2,500 annually in pre-tax dollars to pay for health care expenses that are not reimbursed by health insurance or other benefit plans. However, only medically necessary expenses can be reimbursed by your HCSAccount.

Who is eligible for the HCSAccount?

Employees who work for Executive Branch state agencies, the Legislature, the Unified Court System, Roswell Park Cancer Institute, NYSERDA, Liquidation Bureau, and EFC are eligible to participate if they are permanently employed or expected to be on the payroll for the entire calendar year in which they plan to enroll in the HCSAccount. However, employees who work on a semester or school year basis are also eligible. In addition, employees must:

- be annual-salaried;
- work at least half-time;
- meet the eligibility criteria for enrollment in the New York State Health Insurance Program (NYSHIP); and
- if an Executive Branch employee, be either M/C or represented by CSEA, PEF, UUP, NYSCOPBA, Council 82, PBANYS, DC-37, PBA, or NYSPIA.

Casual, seasonal, session, hourly, per diem, and fee-basis employees, retirees, non-New York State employees, and employees of the SUNY Research Foundation and HRI are *not* eligible to participate.

How do I enroll in the HCSAccount?

It's easy. Just estimate what your out-of-pocket expenses will be for the calendar year in which you plan to enroll. Based on your estimate, decide how much you want to contribute to your HCSAccount. Your estimate could include:

- copayments for prescriptions, office visits, and laboratory costs;
- deductibles and out-of-pocket fees paid to non-participating providers;
- dental, vision, and hearing costs that exceed your insurance amounts; and
- medical services and expenses not covered by insurance.

During the Open Enrollment Period

Apply for enrollment on the Flex Spending Account website at ***www.flexspend.ny.gov***, or phone in your application by calling 1-800-358-7202 by the end of the enrollment period. The amount you want to contribute will be deducted from a maximum of 24 paychecks during the calendar year. You must re-enroll each year during the open enrollment period to continue your benefits for the next plan year.

During the Plan Year

You may also enroll or change your annual election after the plan year has begun if you experience a change in status (CIS) event. If you are a new employee, you can join by submitting a CIS application within 60 days of starting your employment. Your eligibility period will begin on the date you submit your application or your first day of employment, whichever is later. Deductions will start as soon as possible after your CIS application is processed.

Or, if you are a current state employee and experience a CIS event, you can either join the HCSAccount or change your election by submitting a CIS application and supporting documentation within 60 days of the event. Your new eligibility period will begin on the date you submit your application or the date of your CIS event, whichever is later. Deduction changes will begin as soon as possible after your CIS application is processed.

Eligible HCSAccount Change In Status Events

- Marriage
- Birth or adoption of a child
- Legal separation or divorce
- Beginning/end of employment for employee
- Beginning/end of unpaid leave of absence for employee
- Death of dependent or spouse
- Gain/loss of dependent's eligibility due to a change in age, student, or marital status
- Gain/loss of spouse's/dependent's eligibility for health insurance due to an employment change

What expenses can I pay through my HCSAccount?

Your HCSAccount can reimburse up to $2,500 of expenses your health insurance or other benefit plans don't cover. These expenses can be for you and anyone in your family, as long as they are your eligible dependents. Examples of eligible expenses include:

Breast pumps ◆ Chiropractic care ◆ Contact lenses ◆ Copayments ◆ Deductibles ◆ Dental implants ◆ Dental services ◆ Dentures ◆ Diagnostic tests ◆ Eyeglasses ◆ Hearing aids ◆ Infertility treatments ◆ Laser eye surgery ◆ Orthodontia ◆ Over-the-counter drugs (must be prescribed by a doctor) ◆ Physical therapy ◆ Prescription drugs ◆ Psychiatric services ◆ Surgery ◆ Wheelchairs

Keep in mind that not all health care expenses can be paid for out of your HCSAccount. The IRS defines an eligible expense as one that is for the prevention or treatment of a physical or mental defect or illness. So, cosmetic procedures, fees for health clubs, dance lessons, exercise equipment, pilates, tennis and sports lessons, yoga and other services that contribute to your general health can't be reimbursed from your account.

In addition, an expense will be reimbursed only if the health care service is provided to you, your spouse, or your eligible dependents during the calendar year in which you are enrolled, or during your period of coverage if you enroll after the plan year begins.

A marriage between same-sex spouses is not recognized under federal law. However, under federal law, a domestic partner's health care expenses are eligible for reimbursement through the Flex Spending Account if the domestic partner is a qualifying relative under the Internal Revenue Code (IRC). Therefore, if a same-sex spouse meets the federal requirements of a domestic partner to be a qualifying relative under the IRC, the same-sex spouse's health care expenses would be eligible for reimbursement through the Flex Spending Account. Since a marriage between same-sex spouses is not recognized under federal law, those events that are eligible for a change in status for married couples would not apply to same-sex married couples.

How do I get the money from my HCSAccount when I need it?

When you have a health care expense that isn't fully covered by health insurance, just fill out a reimbursement request form, attach a copy of the receipt, bill, or invoice from your health care provider, and mail or fax the form to the address or toll-free fax number on the back of the form. You can also submit your claims online through the FSA administrator's website. The FSA administrator will either send you a check or electronically deposit the money to your bank account. At any time during the calendar year, a claim will be paid in full, up to the annual amount for which you have enrolled, even if your claim is greater than the balance in your account.

Dependent Care Advantage Account

How does the Dependent Care Advantage Account work?

If you are paying a caregiver to care for your child, elderly parent, or disabled spouse in order to work, you can set aside up to $5,000 per year in pre-tax salary through payroll deduction to help pay for those expenses. After caregiving services are provided, simply submit a reimbursement request form for your eligible expenses and you will be reimbursed from your DCAAccount.

Who is eligible for the DCAAccount?

Employees who work for Executive Branch state agencies, the Legislature, and the Unified Court System are eligible to participate in the DCAAccount. Part-time employees are eligible as long as their biweekly paychecks can support their DCAAccount deductions. Employees of NYSERDA, EFC, Liquidation Bureau, and Roswell Park Cancer Institute are also eligible to participate. Non-New York State employees and employees of the SUNY Research Foundation and HRI are *not* eligible to participate.

Employer Contribution

The DCAAccount Employer Contribution will continue in 2013 for unions that participate in the program and have ratified contracts with the State. At present, Executive Branch state agency employees who are M/C or represented by CSEA, PEF, Council 82 or NYSCOPBA or are employed by the Legislature are eligible for the DCAAccount Employer Contribution. Employees of Roswell Park Cancer Institute, NYS Energy Research and Development Authority, and the Environmental Facilities Corporation are also eligible for the Employer Contribution. For Employer Contribution updates please visit the FSA website at ***www.flexspend.ny.gov*** or call 1-800-358-7202.

How do I enroll in the DCAAccount?

You must enroll during the open enrollment period, which is held annually each fall. Estimate your dependent care expenses for the calendar year and decide how much of your salary you want to set aside in order to cover those expenses. During the open enrollment period, you can enroll online at ***www.flexspend.ny.gov*** or call 1-800-358-7202. Just be sure to submit your online application before the end of the open enrollment period.

If you are a new employee hired on or after November 1, submit an online change in status (CIS) application within 60 days of starting employment.

The amount you want to contribute will be deducted from a maximum of 24 paychecks over the calendar year. If you are a new employee, your first deduction will occur as soon as possible after you submit your online application—usually within two pay periods.

If you miss the open enrollment period, only a CIS event will allow you to enroll once the plan year has begun. Such events include:

- Birth or adoption of a child
- Marriage
- Legal separation or divorce
- Change in custody arrangements
- Disability of dependent (onset or recovery)
- Death of a dependent or spouse
- Change in care provider
- Change in rate paid
- Dependent reaches age 13 (decrease or termination only)
- Loss of another Dependent Care Assistance Program (DCAP) plan's coverage (Increase or enrollment only)

Or, you or your spouse experience any of these events...

- Leave of absence
- New employment
- Change in work schedule
- Termination of employment

If you experience one of these changes, you have 60 days to submit an online CIS application to enroll, increase, or decrease your DCAAccount deduction, or terminate from the DCAAccount. The change you make in your DCAAccount must be consistent with your CIS.

What expenses can I pay through my DCAAccount?

You can use your DCAAccount to pay for dependent care expenses that are necessary for you and your spouse (if you are married) to work or go to school. The expenses must be for the care of individuals who live in your household at least eight hours a day.

- Child care expenses (under age 13)
- Elder care expenses
- Expenses for a spouse or other dependent of any age who is mentally or physically incapable of self care.

A marriage between same-sex spouses is not recognized under federal law. However, under federal law, a domestic partner's dependent care expenses are eligible for reimbursement through the Flex Spending Account if the domestic partner is a qualifying relative under the Internal Revenue Code (IRC). Therefore, if a same-sex spouse meets the federal requirements of a domestic partner to be a qualifying relative under the IRC, the same-sex spouse's dependent care expenses would be eligible for reimbursement through the Flex Spending Account. Since a marriage between same-sex spouses is not recognized under federal law, those events that are eligible for a change in status for married couples would not apply to same-sex married couples.

Here is a list of some eligible expenses:
Adult daycare ◆ Au pair ◆ Babysitter ◆ Before/after school programs ◆ Child care center ◆ Family daycare provider ◆ Home aide ◆ Housekeeper or cook ◆ Nursery school ◆ Pre-school programs ◆ Summer day camp

How do I get the money from my DCAAccount when I need it?

After you receive dependent care services, just fill out a reimbursement request form, attach a copy of the receipt from your care provider, and either mail or fax the form to the address or toll-free fax number on the bottom of the form. You can also submit your claims online through the FSA administrator's website. Or, you may find it easier to have your care provider simply sign the claim form—then you do not need to attach an invoice or receipt with your reimbursement request form. The FSA administrator will review your form and, if it is complete, authorize it for payment up to the amount of money accumulated in your account. You will receive a reimbursement check or an electronic deposit to your bank account.