



New York State Correctional Officers & Police Benevolent Association, Inc.

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TO: NYSCOPBA Chief Sector Stewards

FROM: Sharon Smith, Health Benefits Specialist

DATE: September 15, 2017

RE: 2018 Health Care Spending Account and Dependent Care
Advantage Account Open Enrollment

Please inform your membership that anyone interested in the Health Care Spending Account and/or Dependent Care Advantage Account for 2018 must sign up during the open enrollment period which runs October 2nd through November 6th, 2017 (no exceptions). Informational flyers will be distributed to members with their September 20th paycheck (Administration) or September 28th paycheck (Institutional).

The Health Care Spending Account is a way for members to save money by allowing them to pay for certain health insurance expenses and copays with pre-tax dollars. The maximum contribution limit for 2018 is \$2,600. (The maximum contribution may be subject to change since it is indexed to inflation, but as of this date, the State is still awaiting for guidance from the federal government regarding changes to the 2018 maximum.)

The Dependent Care Advantage Account helps employee families with costs associated with child care, elder care or disabled dependent care while at work, again through pre-tax dollars (\$5,000 maximum contribution). **Be advised that due to the expiration of your collective bargaining agreement, the Employer Contribution will not be available for 2018 (future availability will depend on the outcome of NYSCOPBA's negotiations with the State for a successor agreement).**

Members can get detailed information about both benefits, request an enrollment book online or enroll online at www.flexspend.ny.gov. They can also get benefit information by email at fsa@goer.ny.gov or by telephone at 1-800-358-7202.

Any assistance in passing this information on to your membership and posting the attachment is appreciated.

SS
Attachment

cc: NYSCOPBA Executive Board
NYSCOPBA Jt. Committee on Health Benefits

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 each enroll for up to the maximum for the 2018 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 flexspend.ny.gov to view program details 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.

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

www.flexspend.ny.gov

FSA Hotline 1-800-358-7202

fsa@goer.ny.gov

New York State Governor’s Office of Employee Relations

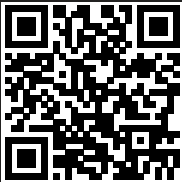
Andrew M. Cuomo, Governor

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 the New York State Troopers, New York Police Investigators Association, Police Benevolent Association of New York State, Inc., and the Graduate Student Employees Union.



Flex Spending Account | One Program Two Benefits

Dependent Care Advantage Account
Health Care Spending Account
Plan Year 2018



Flex Spending Account

- DEPENDENT CARE ADVANTAGE ACCOUNT
- HEALTH CARE SPENDING 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?

You can enroll either online at www.flexspend.ny.gov or by calling the FSA Hotline at **1-800-358-7202**. An open enrollment period is held annually in the fall and the FSA program operates from January 1 through December 31 each 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, at present you may contribute any amount from \$100 up to \$2,600 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. The maximum contribution may be subject to change annually since it is indexed to inflation.

Who is eligible for the HCSAccount?

Employees who work for Executive Branch state agencies, the Legislature, the Unified Court System, Roswell Park Cancer Institute, NYS Energy Research and Development Authority, New York Liquidation Bureau, and Environmental Facilities Corporation 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 Health Research, Inc. 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 start on your 61st consecutive calendar day of employment. Deductions will start as soon as possible after your eligibility period begins.

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

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

What expenses can I pay through my HCSAccount?

Your HCSAccount can reimburse the medically necessary 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.

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 NYS Energy Research and Development Authority, Environmental Facilities Corporation, New York 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 Health Research, Inc. are not eligible to participate.

Employer Contribution

The DCAAccount Employer Contribution will continue in 2018 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 or GSEU, or employed by the Legislature are eligible for the DCAAccount Employer Contribution. Employees of Roswell Park Cancer Institute who are M/C or represented by CSEA or PEF are also eligible for the Employer Contribution, as well as employees of ERDA and EFC.

The Employer Contribution may be available to state employees in other bargaining units for the 2018 plan year pending conclusion of negotiations and ratified contracts, but will not be applied retroactively to the beginning of the plan year. Based on salary, the Employer Contribution will provide up to \$800 for eligible employees who enroll in the DCAAccount. For Employer Contribution updates please visit the FSA website at www.flexspend.ny.gov or call **1-800-358-7202**.

The 2018 Plan Year Employer Contribution Rates are:

If Your Salary Is...	The Employer Contribution Is...
Under \$30,000	\$800
\$30,001 - \$40,000	\$700
\$40,001 - \$50,000	\$600
\$50,001 - \$60,000	\$500
\$60,001 - \$70,000	\$400
Over \$70,000	\$300
GSEU Employees only (regardless of salary)	\$600

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 application before the end of the open enrollment period.

If you experience an eligible change in status (CIS) after open enrollment ends, submit a change in status application within 60 days of the change in status event.

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 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:

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

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

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| • Leave of absence | • Change in work schedule |
| • New employment | • Termination of employment |

If you experience one of these changes, you have 60 days to submit a 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 (12 years old or younger)
- Elder care expenses
- Expenses for a spouse or other dependent of any age who is mentally or physically incapable of self care.

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 • Sports 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.