



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: October 20, 2020

RE: 2021 Health Care Spending Account, Dependent Care Advantage Account and the Adoption Advantage Account Open Enrollment

Please inform your membership that anyone interested in the Health Care Spending Account, Dependent Care Advantage Account and/or the Adoption Advantage Account for 2021 must sign up during the open enrollment period which runs November 2nd through November 30th, 2020, at 10:00 pm (no exceptions). Informational flyers will be distributed to members with their October 22nd paycheck (Institution) or October 28th paycheck (Administration).

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 2021 is \$2,750.

The Dependent Care Advantage Account helps member families with costs associated with child care, elder care or disabled dependent care while at work, again through pre-tax dollars (\$5,000 or \$2,500 maximum contribution, based on member's tax filing status). NYSCOPBA members are eligible for the Employer Contribution (amount based on salary) for 2021.

The Adoption Advantage Account allows eligible members to enroll in a flexible spending account for expenses related to the adoption of an eligible child. Pre-tax payroll deductions contributed to the Adoption Advantage Account can help pay for a qualified adoption. Members won't save on social security taxes, but can save on federal and state taxes (where applicable) by having up to \$14,300 withheld from their paychecks on a pre-tax basis.

There are a number of new changes for the 2021 plan year. HealthEquity has acquired WageWorks and is now the FSA Administrator. Members who received a WageWorks-branded debit card in 2020 may still use it to pay for their 2021 health care expenses. They may also continue to use the EZ Receipts mobile app to submit claims and check their account balance. In addition, the FSA website URL has been changed to goer.ny.gov/FSA. Members can view program information, request an enrollment book and enroll online through the FSA website.

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Members can get detailed information about these benefits, request an enrollment book online or enroll online at goer.ny.gov/FSA. 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.

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Attachment

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

Flex Spending Account

Dependent Care
Advantage Account

Health Care
Spending Account

Adoption
Advantage Account



Flex Spending Account Overview

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 three benefits — the Health Care Spending Account (HCSA), Dependent Care Advantage Account (DCAA), and Adoption Advantage Account — that give you a way to pay for your health care, dependent care, or adoption expenses with pre-tax dollars.

How do I enroll or re-enroll?

First estimate your expenses for the calendar year and decide how much of your salary you want to set aside to cover those expenses. You can enroll either online at goer.ny.gov/FSA 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. If you don't enroll during the open enrollment period, you may be able to enroll during the plan year if you experience a qualifying change in status event.

Why should I enroll?

The program saves you money by letting you contribute to your FSA account through automatic payroll deductions before your salary is taxed. By enrolling in the FSA, you will pay for your dependent care or health care expenses with whole dollars — before federal, state, and social security taxes are taken from your salary. You will also save on your adoption expenses because you will pay lower federal and state taxes (where applicable) due to your pre-tax contributions.

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 FSA account 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 DCAA, a change in your dependent care provider or a change in the rate that you pay may also allow you to change your contribution.

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 DCAA is set by the IRS at \$5,000 per year. Both spouses may enroll in the DCAA, but your combined contributions cannot exceed the \$5,000 limit.

For the HCSA, you and your spouse may each enroll for up to the maximum for the plan year. However, if you each have an account, claims for expenses may only be reimbursed by one of the accounts and cannot be reimbursed by both.

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

After you have received services and incurred eligible expenses, you can choose from several options to be reimbursed for your expenses.

- The mobile app allows you to file and manage your claims on the spot. After you download the free app to your smartphone, just snap and submit photos of your receipts, which makes it easy to verify transactions later.
- You can file claims online by logging in to your account through the FSA administrator's participant site. Simply fill in the information requested on the online claim form and submit. Then scan or take a photo of your receipts, EOBs and other supporting documentation, and attach the documentation to your claim by using the upload function.
- If you enroll in the HCSA, you will also be issued a debit card linked to your account. You can use your debit card instead of cash or credit to pay for eligible medical services, goods, and prescriptions at health care providers, pharmacies and most general merchants.
- You can arrange to pay your providers for your eligible expenses directly from your FSA account with no need to fill out paper forms. After you log into your FSA account, complete the online claim form and follow the instructions to request payment for a provider. Make sure to provide an invoice or appropriate documentation. When you're done, the FSA administrator will schedule the checks to be sent in accordance with the payment guidelines.
- If you prefer to submit a paper claim by fax or mail, download a claim form at goer.ny.gov/FSA and follow the instructions for submission. Most claims that are submitted online or by fax or mail are processed within one to two business days after they are received, and payments are sent shortly thereafter. You can receive your payments faster by enrolling in the direct deposit option to have your reimbursements deposited directly to your savings or checking account.

Plan Year
2021



Plan Your Contribution Amount Carefully

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 plan 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 plan year ends to file your claims, but they must be for services that were received during the plan year. In addition, if you enroll in more than one FSA benefit, funds can't be transferred between accounts.

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

Visit the Flex Spending Account website at goer.ny.gov/FSA to view program details or to order the Flex Spending Account enrollment book. Or call the FSA Hotline at **1-800-358-7202** for more information. Customer service representatives will answer your questions and send you enrollment information if you think you want to enroll.



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 \$2,750 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 HCSA. The maximum contribution may be subject to change annually.

Who is eligible for the HCSA?

Employees who work for Executive Branch state agencies, the State University of New York, 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 HCSA. 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)
- If an Executive Branch employee, be either designated 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, and retirees are not eligible to participate.

HCSA Changes in Status

You may either enroll or change your annual election amount after the plan year has begun if you experience a change in status (CIS) event. If you are a new employee, you can enroll by submitting a CIS application within 60 days of starting your employment. Your coverage period will start on your 61st consecutive calendar day of employment. Deductions will start as soon as possible after your coverage period begins.

Or, if you are a current state employee and experience a CIS event, you can either enroll in the HCSA or change your election amount by submitting a CIS application and supporting documentation within 60 days of the event. The change you make to your HCSA must be consistent with your CIS event. Your new coverage 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 HCSA Change In Status Events

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

What expenses can I pay through my HCSA?

Your HCSA 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 • Menstrual care products • Orthodontia • Over-the-counter drugs and supplies • Physical therapy • Prescription drugs • Psychiatric services • Surgery • Wheelchairs

Keep in mind that not all health care expenses can be paid for out of your HCSA. 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, health club fees, 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.





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 deductions to help pay for those expenses. After caregiving services are provided, simply submit a claim form for your eligible expenses and you will be reimbursed from your DCAA.

Who is eligible for the DCAA?

Employees who work for Executive Branch state agencies, the State University of New York, the Legislature, and the Unified Court System are eligible to participate in the DCAA. Part-time employees are eligible as long as their biweekly paychecks can support their DCAA 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. Employees paid on a fee basis are not eligible to participate in the DCAA.

Employer Contribution

The DCAA employer contribution will be available in 2021 for unions that have agreements to participate in the employer contribution program. The following employees are currently eligible for the employer contribution:

- Employees of Executive Branch state agencies, State University of New York, or Roswell Park Cancer Institute who are designated M/C or represented by CSEA, UUP, NYSCOPBA, GSEU, or DC-37
- Employees of the Unified Court System, except those designated unrepresented (Negotiating Unit #88).
- Employees of the Legislature, NYSEDA, or EFC

The employer contribution may be available to state employees in other bargaining units for the 2021 plan year pending conclusion of negotiations and ratified contracts. Based on salary, the employer contribution may provide up to \$800 for eligible employees who enroll in the DCAA. For employer contribution updates, please visit the FSA website at goer.ny.gov/FSA or call 1-800-358-7202.

The 2021 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	\$600 (regardless of salary)

DCAA Changes in Status

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

- 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
- 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 DCAA deduction amount, or terminate from the DCAA. The change you make to your DCAA must be consistent with your CIS event.

What expenses can I pay through my DCAA?

You can use your DCAA 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 or after school programs • Child care center • Family daycare provider • Home aide • Housekeeper or cook • Nursery school • Online/virtual/remote care and camps • Pre-school programs • Sports day camp • Summer day camp

Adoption Advantage Account

How does the Adoption Advantage Account work?

Eligible employees can enroll in a flexible spending account for expenses related to the adoption of an eligible child. Pre-tax payroll deductions contributed to the Adoption Advantage Account can help pay for a qualified adoption. An eligible child must be either under the age of 18 or a disabled individual physically or mentally incapable of self-care, and must not be a stepchild. You can enroll or stop deductions within 60 days of starting or stopping adoption proceedings. Accounts cannot be backdated so only expenses incurred after you enroll will be eligible for reimbursement.

Who is eligible for the Adoption Advantage Account?

Employees who work for Executive Branch state agencies or Roswell Park Cancer Institute are eligible to participate in the Adoption Advantage Account if they are M/C or represented by CSEA, UUP, NYSCOPBA, DC-37, and PBA.

Adoption Advantage Account Changes in Status

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:

- Beginning or end of adoption proceedings
- Beginning of or return from leave of absence (employee or spouse)

What expenses can I pay through the Adoption Advantage Account?

Qualified adoption expenses are reasonable and necessary expenses directly related to, and for the principal purpose of, the legal adoption of an eligible child. You can use your account to pay for eligible adoption expenses including:

Home study and application fees • Reasonable and necessary legal adoption fees • Court costs • Attorney fees • Agency fees • Medical services associated with a child with special needs • Travel and lodging fees • Other expenses which are directly related to, and for the principal purpose of, a legal adoption

The Flex Spending Account is Easy to Use

Easy, online enrollment

• Direct deposit option

• Secure online claims submission

• Mobile app to access account and submit claims

• Debit card for health care expenses

• Online access to account balances

• Toll-free fax line for claims

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.

