

RCC Section 125 Open Enrollment 2018-19

Flexible Spending Account (FSA) Frequently Asked Questions

Open Enrollment Period

FSA enrollment forms need to be completed and returned to Human Resources by **September 21st**.

Plan Year

Effective October 1, 2017, FSAs have been aligned with the OEGB health insurance plan year which runs October-September.

Am I required to fill out an enrollment form?

Every FT employee and benefits-eligible PT Classified employee is eligible to participate and, if participating, is required to complete an FSA Enrollment form by September 21st and return it to Human Resources. FSA enrollments do not automatically roll over, so you must complete a new election form during open enrollment every year.

What is a Flexible Spending Account?

A Flexible Spending Account (FSA) is a pre-tax benefit account used to pay for eligible expenses. It's a smart, simple way to save money while keeping you and your family healthy and protected. RCC offers 3 types of FSAs:

- **Healthcare FSA:** A Healthcare FSA is a pre-tax benefit account that you can use to pay for eligible medical, dental, and vision care expenses that aren't covered by your health insurance plan. You decide how much to contribute to your Healthcare FSA each year and funds are withdrawn automatically from each paycheck for deposit into your account before taxes are deducted. The total amount you elect to contribute to your Healthcare FSA each year is available on the first day of your plan year.
- **HSA-Compatible FSA:** If you're enrolled in a qualified high-deductible health plan and have an HSA, you can maximize your savings by pairing your HSA with an HSA-Compatible Flexible Spending Account (FSA). An HSA-Compatible FSA is sometimes referred to as a "limited purpose" FSA because it is used to pay for eligible dental and vision care expenses only.
- **Dependent Care FSA:** A Dependent Care FSA is a pre-tax benefit account used to pay for dependent care services while you are at work. The money you contribute to a Dependent Care FSA is not subject to payroll taxes, so you end up paying less in taxes and taking home more of your paycheck. Under this type of account, a "dependent" is a child under 13 years of age (until the day of their 13th birthday) and adult dependents who can't take care of themselves. Please keep in mind that they must live with you and be claimed as dependents on your tax return.

2018 Flexible Spending Account Contribution Limits (per IRS):

\$2650 for Healthcare Expenses

\$5000 for Dependent Care Expenses

Where can I find a list of eligible expenses for the Healthcare FSA?

Here's a handy list of eligible expenses to review, download, or print out for future reference:

<https://www.wageworks.com/employees/support-center/healthcare-fsa-eligible-expenses-table/>.

Please keep in mind that IRS rules determine which expenses are eligible, and some expenses require a doctor's note or prescription to be eligible for reimbursement under your Healthcare FSA.

What kinds of expenses are covered under a Dependent Care FSA?

A Dependent Care FSA covers a wide variety of dependent care services, such as preschool, summer day camp, before and after-school programs, and child or elder daycare. Here's a handy list of eligible expenses to review, download, or print out for future reference:

<https://www.wageworks.com/employees/support-center/dcfsa-eligible-expenses-table/>.

Please keep in mind that your Dependent Care FSA expenses need to be "work-related." This means that the expenses must be incurred while you (or your spouse) are working or looking for work. For example, if both you and your spouse work full time and you pay for after-school care for your kids, that is an eligible "work-related" expense.

Can I make changes to my FSA Elections Mid-Year?

Once you make your 2018-19 plan year elections, you cannot make changes mid-year unless you experience a qualifying life event.

What happens to my funds if I do not use them by the end of the calendar year?

Typically, an FSA may only be used for services rendered during the designated plan year. However, RCC has elected a provision to allow a \$500 carry-over for the Healthcare FSA and limited-purpose (HSA-compatible) FSA. If you do not spend all of the funds you contributed to your Healthcare or limited-purpose FSA by September 30, 2019, you can carry-over up to \$500 to use during the following plan year (2019-20). Any remaining funds beyond the carry-over will be forfeited if unused by the end of the 2018-19 plan year (per IRS use-it-or-lose-it rules).

Does the carry-over provision apply to Healthcare FSAs only, or is it applicable to all FSAs?

The carry-over option is applicable to Healthcare FSAs and limited-purpose HSA-Compatible FSAs. It does not apply to Dependent Care FSAs.

What happens to my FSA funds if I leave RCC?

If you leave employment with RCC mid-year, you are only eligible to make claims for services rendered within the months you were employed for the College and making FSA contributions.

You will be eligible to continue making contributions on a post-tax basis through COBRA, which allows you to extend the number of months in the plan year in which you can access your FSA. If you do not elect COBRA, you will not be able to make claims for services rendered past the last date of the month in which you leave employment with RCC.

Is there a fee associated with the FSA?

An administrative fee of **\$3.35/month** is payroll deducted pre-tax when you enroll in a Healthcare, HSA-Compatible, and/or Dependent Care FSA. The fee remains the same whether you enroll in one or more of the FSA plans.

How can I access my FSA funds?

You will be issued a WageWorks Health Care Card at no additional cost. Use it to make a co-payment at a doctor's office, purchase prescriptions at the pharmacy, buy a new pair of glasses, and more. The WageWorks Healthcare Card is "smart"--if you have multiple accounts, such as an HSA and an HSA-Compatible FSA for dental and vision, your card will know which account to pull the funds, making it even easier for you.

You can also sign up for direct deposit or paper check reimbursements, and arrange to have your provider(s) paid directly either via a one-time payment or with automatic bill pay.

If I enrolled in Moda Evergreen or Fir, the HSA-compatible medical plans, can I participate in the FSA?

If you enrolled in Moda Evergreen or Fir, you are required to be eligible for an HSA during the plan year and for Evergreen you are required to be actively contributing to an HSA. While you would not be eligible for the full Healthcare FSA, you can participate in the HSA-compatible FSA and/or the dependent care FSA while contributing to your HSA.

What if I had an FSA during the 2017-18 plan year, and enrolled in Moda Evergreen or Fir for 2018-19?

If you had a healthcare FSA for 2017-18 and have remaining funds available, you can elect an HSA-Compatible FSA for the new plan year. Then, you can carry-over up to \$500 in unused funds while still contributing to your new HSA to maximize savings. Or, you may elect to forfeit the remaining balance of your Healthcare FSA.

When can I create an account with WageWorks?

The initial enrollment/election information needs to be entered into the system by HR and processed by WageWorks prior to participants being able to register on the site. You will receive an email from Human Resources with instructions following the Open Enrollment period.

There are also additional support and FAQ items available on the WageWorks website at: <https://www.wageworks.com/employees/support-center/support-and-faq/>.

If you have any further questions, please contact Human Resources.