SECTION 125 FLEXIBLE SPENDING ACCOUNT PLAN (FSA)
ENROLLMENT & DECLINATION PROCESS

FSA PLAN PARTICIPATION RUNS ON A CALENDAR YEAR BASIS (JANUARY 1 THROUGH DECEMBER 31). ELIGIBLE EXPENSES SUBMITTED FOR REIMBURSEMENT FROM THE PLAN MUST BE INCURRED DURING THE CURRENT PLAN YEAR.

Overview

IRS Section 125 allows Regular employees to use “pre-tax” dollars to pay mandatory group health and welfare premiums.

Employees are also allowed to enroll in a Flexible Spending Account (FSA) for reimbursement of expenses paid for dependent daycare (due to employment) and healthcare expenses not covered by insurance. (See a list of eligible expenses: https://www.healthhub.com/ConsumerCenter/IRSResources/IRSPublication502.aspx)

When enrolling in an FSA an employee voluntarily elects an annual “pre-tax” amount to be divided and deducted from each monthly paycheck, and deposited into a savings account from which the employee receives tax-free reimbursement for qualified dependent care or/uninsured healthcare expenses.

The District may make contributions to the employee’s flexible healthcare account, if the employee is eligible for District benefits and is enrolled in a medical plan less expensive than the District-paid “Base Plan.” (See: “Base Plan/Sect. 125 Calculation”)

An open enrollment period is required at the beginning of each plan year, because participation in an FSA is on a plan year-to-year basis. An employee who participates one year, must re-enroll the subsequent year to continue participation. (Click here for an FSA tutorial: https://www.payflex.com/fsand/launch.html)

Employee FSA contributions are made on a “use it or lose it” basis (any money in the FSA that is not spent by the end of the plan year is forfeited). This is because FSA participants benefit during the year from tax dollar savings during the year instead of receiving the benefit of a tax credit at the end of the year.

PayFlex Systems, USA is the claims administrator of our FSAs. PayFlex requires that EVERY eligible employee wishing to enroll in the plan must complete and return the Enrollment/Declination form before December 1.

SCOPE & DEFINITIONS

ALL Regular Classified Part-time, Regular Classified Full-time, and Regular Academic employees are eligible to participate in the Section 125 FSA plan. PayFlex requires eligible employees to comply with the November 30 deadline, regardless of FSA participation in prior years.

INFORMATION RELATED TO FSA PARTICIPATION

Employees enrolling in an FSA must self-identify their pay period cycle when completing the enrollment form. The pay period cycle reflects how many payments will be paid into the reimbursement account, to total the employee’s annual election amount.

PROCESS AND PROCEDURES

1) Eligible Employees may consider watching the FSA tutorial (https://www.payflex.com/fsand/launch.html) to realize the benefits of FSA participation.

2) Eligible Employees interested in participation may use the FSA Calculators for assistance in projecting annual pre-tax election amounts: https://www.healthhub.com/ConsumerCenter/PlanningTools/SavingsCalculator.aspx

3) Eligible employees must complete the Enrollment & Declination Form, print, sign, and return it to Human Resources before December 1. FSA contributions begin with January paychecks.