



City of Madison

Human Resources Department

Date: October 31, 2022

**2023 Flexible Spending Enrollment is October 31, 2022 through November 18, 2022, 4:30 pm
TO: Employees Certified at 50% or More of Full-Time Equivalent Employment and Elected Officials**

New Third-Party Administrator: Total Administrative Services Corporation (TASC) will be the new third-party administrator for Healthcare Flexible Spending Accounts (FSA) and Dependent Care Assistance Program (DCAP) accounts for the 2023 plan year.

Total Administrative Services Corporation (TASC) will administer the grace period and run out period for the 2022 plan year. Expenses for the 2022 plan year may be incurred through March 15, 2023 and claims for reimbursement may be submitted to TASC through April 30, 2023.

Plan Year: 1/1/2023 through 12/31/2023

When you choose to enroll in a Healthcare FSA or a Dependent Care Assistance Program account, you choose the annual dollar amount you want to contribute to each account based on your estimated expenses for the upcoming Plan Year. Your contributions will be deducted in equal amounts from each paycheck, **pre-tax**, throughout the plan year. You will have access to your total Healthcare FSA annual contribution immediately at the start of the plan year. Dependent Care Assistance Program funds are available up to the current account balance only (year-to-date payroll deductions).

ONLINE ENROLLMENT THROUGH EMPLOYEE SELF SERVICE (ESS)

A new Enrollment/Election must be completed each year. All enrollments will be made online through Employee Self Service (ESS) by logging into your account at ess.cityofmadison.com. Click the Login icon in the upper-right corner of the screen to enter your login credentials. Your username is your Employee Number, which can be found in the upper-left corner of your paycheck. The first time you log in to ESS, your password will be the last four digits of your Social security number.

Once you are enrolled, TASC will provide you with an enrollment packet by mail or email and you will receive an FSA payment card (debit card) that may be used for eligible healthcare and/or dependent care assistance program expenses.

ELIGIBILITY

Eligible City employees are those who are permanent full-time or permanent part-time employees (or elected officials) who work at least 19.38 hours per week. **Hourly and seasonal employees are not eligible.**

Expenses incurred for grandchildren not claimed by you as a tax dependent are not eligible for reimbursement under this benefit. Expenses incurred by your domestic partner are not eligible for reimbursement unless you can claim your domestic partner as a tax dependent, as defined in Section 152 of the Internal Revenue Code, determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof.

INFORMATIONAL MEETINGS

November 7, 2022, Madison Municipal Building, 215 Martin Luther King Jr. Blvd.

- 8:00 – 4:30 pm Room 204 – HR Staff will be available to assist in the Open Enrollment process.
- 12:00 - 4:30 pm, Room 215 – TASC will be available for any questions.

Minimums/Maximums

Minimum/Maximum Healthcare Flexible Spending Account (FSA)

- \$3,050.00 Maximum allowed annually
- There is no Minimum annual election amount

Minimum/Maximum Dependent Care Assistance Program Account (DCAP)

- \$5,000.00 Maximum allowed annually (regardless of number of dependents)
- \$2,500.00 Maximum allowed annually for married individuals filing separately
- There is no Minimum annual election amount

ELECTION CHANGES

When you have a status change that alters your coverage needs, you must complete and submit a change form to Human Resources no later than 30 days after the qualifying event. Status changes include:

- Legal Marital Status: Marriage, death of spouse, divorce, legal separation, annulment
- Number of Dependents: Birth, death, adoption, placement for adoption
- Employment Status: Employee, spouse or dependent termination or start of employment, a strike or lockout, start of or return from unpaid leave of absence
- Dependent Satisfies or Ceases to Satisfy the Requirements for Unmarried Dependents: Student status, dependent no longer qualifies because of age

If a change in election is made, the change will be effective the first of the month following:

- The date the change in status occurs, or
- The date the request form is signed (within 30 days of the event).

Election Changes Based on Cost or Coverage Changes allow changes to Dependent Care Assistance Program (DCAP) elections only. **These do not apply to Healthcare Flexible Spending Accounts.**

- You may change your DCAP election amount if the provider changes the cost of the care.
- You may change your DCAP election if you change providers and the new provider charges more (or less) for care.
- You may change your DCAP election amount if you begin or stop sending your dependent to daycare.
- You may change your DCAP election amount if your Dependent is age 13 and no longer qualifies for Dependent Care reimbursement. Please refer to the summary plan description for more information.

Reimbursements and the TASC FSA Payment Card

As you incur eligible expenses, simply swipe your FSA Payment Card to pay for the purchase. The card automatically pays for and substantiates most eligible expenses at the point of purchase. It is recommended that you save receipts for all expenses, as they may be required to substantiate claims with TASC and/or for tax filing purposes. If you do not use the FSA Payment Card to pay for an eligible expense, you may submit a request for reimbursement via the TASC Mobile App, online Request for Reimbursement form via the TASC website, text message, fax, or mail. Your reimbursement will be made via the method that you select (direct deposit, paper check). **Please see page 3 of this memo for details.**

Grace Period

There is a grace period for reimbursement for eligible expenses incurred during the plan year. You have until March 15, 2024 to **incur** claims against your 2023 FSA and DCAP funds. You have until March 31, 2024 to **submit** claims against your 2023 FSA and DCAP funds. During the grace period, claims for expenses incurred in 2023 should be submitted prior to claims for expenses incurred in 2023. **Any funds unclaimed by March 31, 2024 will be forfeited.**

Your Healthcare Flexible Spending Account and the Dependent Care Assistance Program account are separate accounts. Funds cannot be transferred from one account to the other. Eligible claims must be incurred during the plan year, during the grace period for the plan year, or during the part of the plan year in which you are actively participating. Per current IRS rules, an expense is incurred when service is actually received, not when you are billed or pay for the service. Please refer to the summary plan description on the Human Resources Benefits website for more information.