



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).

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.

Healthcare Flexible Spending Account Worksheet

Start by reviewing prior years' receipts for medical expenses (healthcare, dental, and vision) that you paid for out-of-pocket. This may be helpful in determining your annual Flexible Spending Account election for next year.

Budget only for expenses that are eligible for reimbursement through a medical Flexible Spending Account and that will be incurred during the next plan year.

(Be sure to include expenses for you, your spouse, and other eligible dependents.)

Review list of eligible expenses for more information on whether a specific expense may be reimbursed.

Type of Service	Number of Visits per Year	Cost per Visit	Mileage Cost per Visit = Average miles per Visit* X Mileage Rate (\$0.17/mile)	Annual Cost = Number of Visits X (Cost per Visit + Mileage Cost per Visit)
Office Visits (including Specialists)	Example: 10 visits	Example: \$25 copayment	Example: 20 miles X \$0.17/mile = \$3.40	Example: 10 X (\$25 + \$3.40) = \$284.00
Chiropractor Visits				
Hospitalization or Surgery				
Emergency Room Visits (\$60 copayment**)				
Speech, Physical, or Occupational Therapy				
Counseling or Therapy Sessions				
TOTAL ANNUAL MEDICAL SERVICE COST				

Type of Product	Monthly Cost	Annual Cost = Monthly Cost X 12
Prescriptions		
Over-the-counter supplies and equipment (contact lens supplies, diabetic supplies, etc.)		
TOTAL ANNUAL MEDICAL PRODUCT COST		

Other Medical Expenses	Annual Cost
Other anticipated medical expenses (Dental expenses, Vision expenses, One-time services, One-time prescriptions, etc.)	
TOTAL ANNUAL OTHER MEDICAL EXPENSES COST	

TOTAL ANNUAL MEDICAL FLEXIBLE SPENDING ACCOUNT ELECTION = Total Annual Medical Service Cost + Total Annual Medical Product Cost + Total Annual Other Medical Expenses Cost	
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* Average Miles per visit is defined as the average number of miles to and from a medical provider for one visit. This mileage is an eligible expense for reimbursement through a medical Flexible Spending Account.

** Waived if admitted as an inpatient directly from the emergency room or for observation for 24 hours or longer.



Save up to 30% on eligible expenses

Enroll in a TASC Flexible Spending Account (FSA) so you can use pretax dollars to pay for common, everyday expenses and reduce your taxable income.

Below is a partial list of reimbursable expenses that may be incurred by you, your spouse, or qualified dependents.

NOTE: If you (or your spouse) enroll in an HSA Plan, you may only enroll in a Limited-Purpose Healthcare FSA (LPHSA). The eligible expenses under an LPHSA are limited to Dental and Vision expenses only.

Eligible Medical Expenses

- Acupuncture
- Artificial limbs
- Bandages & dressings
- Birth control, contraceptive devices
- Birthing classes/Lamaze – only the mother's portion (not the coach/spouse) and the class must be only for birthing instruction, not child rearing
- Blood pressure monitor
- Chiropractic therapy/exams/adjustments
- Contact lens and contact lens solutions
- Co-payments
- Crutches (purchased or rented)
- Deductibles & co-insurance
- Diabetic care & supplies
- **Feminine care products** (tampons, pads, etc)
- Eye exams
- Eyeglasses, contacts, or safety glasses (prescription)
- First aid kits & supplies
- Hearing aids & hearing aid batteries
- Heating pad
- Incontinence supplies
- Infertility treatments
- Insulin
- Lactation expenses (breast pumps, etc.)
- Laser eye surgery; LASIK
- Legal sterilization
- Medical supplies to treat an injury or illness
- Mileage to and from doctor appointments
- Optometrist's or ophthalmologist's fees
- Orthopedic inserts
- **Personal Protection Equipment (PPE)** (facial masks, hand sanitizer, sanitizing wipes)*

- Physical exams
- Physical therapy (as medical treatment)
- Physician's fee and hospital services
- Pregnancy tests
- Prescription drugs and medications
- Psychotherapy, psychiatric and psychological service
- Sales tax on eligible expenses
- Sleep apnea services/products (as prescribed)
- Smoking cessation programs & deterrents (gum, patch)
- Treatment for alcoholism or drug dependency
- Vaccinations & Flu Shots
- X-ray fees

Eligible OTC Medicines and Drugs

Over-the-counter (OTC) medicines and drugs are reimbursable via FSA, HRA, and HSA without a prescription or physician's note if purchased on or after 01/01/2020.

Eligible OTC products include items that are primarily for a medical purpose, and are compliant with federal tax rules under IRS Code Section 213(d).

- Allergy, cough, cold, flu & sinus medications
- Anti-diarrheals, anti-gas medications & digestive aids
- Canker/cold sore relievers & lip care
- Family planning items (contraceptives, pregnancy tests, etc.)
- Foot care (corn/wart medication, antifungal treatments, etc.)
- Hemorrhoid creams & treatments
- Itch relief (calamine lotion, Cortizone cream, etc.)
- Oral care (denture cream, pain reliever, teething gel, etc.)
- Pain relievers - internal/external (Tylenol, Advil, Bengay, etc.)
- Skin care (sunscreen w/SPF15+, acne medication, etc.)
- Sleep aids & stimulants (nasal strips, etc.)
- Stomach & nausea remedies (antacids, Dramamine, etc)
- Wound Treatments/Washes (Hydrogen Peroxide, Iodine)

*PPE expenses must be used for the purpose of preventing the spread of coronavirus; eligible purchases made on or after 1/1/20 are available for reimbursement.

Continued on next page...



Use your TASC Card® to pay for eligible expenses at the point of purchase instead of paying out-of-pocket and requesting a reimbursement.

Eligible Dental Expenses

- Braces and orthodontic services
- Cleanings
- Crowns
- Deductibles, co-insurance
- Dental implants
- Dentures, adhesives
- Fillings

Eligible Dependent Care Expenses

- Fees for licensed day care or adult care facilities
- Before and after school care programs for dependents under age 13
- Amounts paid for services (including babysitters or nursery school) provided in or outside of your home
- Nanny expenses attributed to dependent care
- Nursery school (preschool) fees
- Summer Day Camp – primary purpose must be custodial care and not educational in nature
- Late pick-up fees
- Does not cover medical costs; use Healthcare FSA for medical expenses incurred by you or your dependents

For more information regarding eligible expenses, please review IRS Publication 502/503 at [irs.gov](https://www.irs.gov) or ask your employer for a copy of your Summary Plan Description (SPD).

Eligible Disability Expenses

- Automobile equipment and installation costs for a disabled person in excess of the cost of an ordinary automobile; device for lifting a mobility impaired person into an automobile
- Braille books/magazines in excess of cost of regular editions
- Note-taker for a hearing impaired child in school
- Seeing eye dog (buying, training, and maintaining)
- Special devices, such as a tape recorder or typewriter for a visually impaired person
- Visual alert system in the home or other items such as a special phone required for a hearing impaired person
- Wheelchair or autoette (cost of operating/maintaining)

Requiring Additional Documentation

The following expenses are eligible only when incurred to treat a diagnosed medical condition. Such expenses require a **Letter of Medical Necessity** from your physician, containing the medical necessity of the expense, diagnosed condition, onset of condition, and physician's signature.

- Ear plugs
- Massage treatments
- Nursing services for care of a special medical ailment
- Orthopedic shoes (excess cost of ordinary shoes)
- Oxygen equipment and oxygen
- Support hose (non-compression)
- Varicose vein treatment
- Veneers
- Vitamins & dietary supplements
- Wigs (for mental health condition of individual who loses hair because of a disease)



Do your dependent care expenses qualify for reimbursement?

CAA/ARPA provisions are set to expire after 2021.

The TASC Dependent Care FSA allows you to use pretax dollars to pay for eligible expenses related to care for your child, disabled spouse, elderly parent, or other dependent who is physically or mentally incapable of self-care, so you (or your spouse) can work, look for work, or attend school full-time. **Medical expenses for your dependent are not eligible for reimbursement under the TASC Dependent Care FSA.**

Eligibility for the dependent care benefit requires that certain criteria be met, which are outlined in this document.

- A) **The dependent care expenses must be work-related.** The care must be necessary for the employee and/or the employee's spouse to work, to look for work, or to attend school full-time, or if they are physically unable to care for their children.
- B) **The dependent care expenses provided during a calendar year cannot exceed \$5,000.** In the case of a separate return by a married individual, the limit is \$2,500. This amount may be less if the employee's earned income or spouse's earned income is less than \$5,000.

Dependent care expenses must be for the care of one or more qualifying persons.

A "Qualifying Person" is defined as one of the following:

- A dependent child who was under age 13 when care was provided and for whom a tax exemption can be claimed.
- A spouse who was physically or mentally unable to care for themselves and lived with you for more than half the year.
- A dependent who was physically or mentally unable to care for themselves and for whom an exemption can be claimed, and lived with you for more than half the year.

Eligible and Ineligible Expenses for Dependent Care FSA Reimbursement (partial list)

Allowed for Reimbursement:

- ☒ Fees for licensed day care or adult care facilities
- ☒ Before and after school care programs for dependents under age 13
- ☒ Amounts paid for services (including babysitters or nursery school) provided in or outside of your home
- ☒ Nanny expenses attributed to dependent care
- ☒ Nursery school (preschool) fees
- ☒ Summer Day Camp – primary purpose must be custodial care and not educational in nature
- ☒ Late pick-up fees

NOT Allowed for Reimbursement:

- ☐ Medical expenses
- ☐ Baby-sitter in or out of your home for reasons other than to enable you to work
- ☐ Activity fees/educational supplies
- ☐ Food, clothing, and entertainment
- ☐ Transportation expenses
- ☐ Child support payments
- ☐ Kindergarten fees
- ☐ Overnight camp
- ☐ Late payment charges

Continued on next page...

For more information regarding eligible Dependent Care expenses, please review IRS Publication 503 or ask your employer for a copy of your Summary Plan Description (SPD).

You can also find current contribution limits on our resource page at:

www.tasconline.com/benefits-limits

To receive the dependent care benefit, one must follow these procedures:

- A) All persons and organizations that provide dependent care for a qualified person must be identified. This information is requested on IRS Form 2441. The name, address, and Taxpayer Identification Number (TIN) of the provider must be included. Under certain circumstances, the TIN will be a Social Security number (SSN).
- B) If the care is being provided by a center that cares for more than six (6) persons, the center must comply with all state and local regulations.
- C) Payments made to relatives who are not dependents can be included; however, do not include amounts paid to a dependent for whom you can claim an exemption or for your child who is under age 19 at the end of the year, regardless of whether they are your dependent.
- D) Use IRS Form W-10 to request the required information from the care provider.

Special rules apply to children of divorced or separated parents:

Even if you cannot claim your child as a dependent, they are treated as your qualifying person if all of the following are true:

- The child was under age 13 or was not physically or mentally able to care for themselves.
- One or both parents provided more than half of the child's support for the year and are divorced, legally separated, or lived apart at all times during the last six (6) months of the calendar year.
- One or both parents had custody of the child for more than half of the year.
- You were the child's custodial parent. The custodial parent is the parent having custody for the greater portion of the calendar year. If the child was with both parents for an equal number of nights the parent with the higher adjusted gross income is the custodial parent.

A non-custodial parent that is entitled to claim the child as a dependent on their tax return may not treat the child as a qualifying individual for the dependent care benefit even when that parent is financially responsible for providing the care. Only one parent (the custodial parent) may qualify for the dependent care benefit for a taxable year. The regulations do not provide any relief for a non-custodial parent that incurs dependent care expenses for the portion of the year in which they have custody of the child to enable the non-custodial parent to work.

NOTICE OF PRIVACY PRACTICES

**THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY.
THE PRIVACY OF YOUR MEDICAL INFORMATION IS IMPORTANT TO US.**

Our Legal Duty

We are required by law to: maintain the privacy of your medical information; give you this notice about our legal duties and privacy practices; your rights concerning your medical information; and that we will notify you following a breach. We must follow the privacy practices that are described in this notice while it is in effect. This Notice of Privacy Practices takes effect November 1, 2022 and will remain in effect unless we replace it.

We reserve the right to change our privacy practices and the terms of this notice at any time, provided such changes are permitted by applicable law. We reserve the right to make

changes in our privacy practices and the new terms of our notice effective for all medical information that we maintain. Before we make a significant change in our privacy practices, we will change this notice, post the revised notice at each of our service delivery sites, and make the new notice available to our patients and others upon request.

You may request a copy of our notice at any time. For more information about our privacy practices, or for additional copies of this notice, please contact us using the information at the end of this notice.

Uses and Disclosures of Medical Information

Treatment: We may use your medical information, without your permission, to treat you. We may disclose your medical information, without your permission, to a physician or other health care provider for your treatment.

Payment: We may use and disclose your medical information, without your permission, to obtain or provide reimbursement for health care we provide to you, unless you pay for your health care services directly. If we bill Medicaid for reimbursement, we will submit a claim without your permission.

Health Care Operations: We may use and disclose your medical information, without your permission, for certain health care operations, including health care quality, assessment, and improvement activities.

Other Uses and Disclosures of Medical Information: We are permitted to use and disclose your medical information, without your permission in the following situations and when required by law:

- for public health and safety activities such as preventing disease, helping with product recalls, reporting adverse reactions to medications, assisting in disaster relief activities, reporting suspected abuse, neglect, or domestic violence;
- to avert a serious and imminent threat to anyone's health or safety;
- for health care oversight such as audits and investigations;
- to coroners, medical examiners and funeral directors to identify a deceased person, determine cause of death, or as necessary for other legally authorized functions;
- if you are an organ donor, to an organization that handles organ procurement;
- as authorized by state worker's compensation laws;
- for judicial and administrative proceedings, as required by a court or administrative order, or in response to a subpoena or other legal process;
- for research purposes when appropriate procedures are followed;

- to law enforcement officials with regard to victims or suspects, crimes on our premises, crime reporting in emergencies, and identifying or locating suspects or other persons; and
- for essential government functions such as military operations, national security, determining eligibility for certain government benefits, and to protect the health and safety of individuals at correctional institutions.

Your Authorization: You may give us written authorization to use your medical information or to disclose it to anyone for any purpose. If you give us an authorization, you may revoke it in writing at any time. Once we receive your written revocation, it will only be effective for future uses and disclosures. Unless you give us a written authorization, we will not use or disclose your medical information for any purpose other than those described in this notice. We will not sell or market information we have about you. We will not disclose HIV test results, certain confidential medical information or mental health treatment records for certain purposes without your written permission, unless required by law. Your HIV test results, if any, may be disclosed as set forth in Wisconsin Statutes §252.15(5)(a). We will not use or disclose your psychiatric notes.

Individual Rights

Access: You have the right to inspect and receive a copy of your medical information, with limited exceptions under HIPAA and Wisconsin Statute §146.83. We will generally respond within 30 days. You have the right to request that the copy be provided in an electronic format or another mutually agreed upon format. To request access, you may contact the Privacy Officer using the information below. We may charge you a reasonable, cost-based fee to cover our expenses of copying, mailing, and summarizing your information.

Disclosure Accounting: You may request an accounting from us of certain disclosures of your medical information. The accounting will describe who received the medical information, why it was disclosed, and the dates of the disclosure. We are not required to give you an accounting of uses or disclosures for purposes of treatment, payment, or health care operations or if you have given us written authorization. To request an accounting, you may contact the Privacy Officer using the information below.

Amendment: You have the right to request that we amend your medical information. The request must explain why the information should be amended. We may deny your request for specified reasons. If we deny your request, we will provide you a written explanation. To request an amendment, you may contact the Privacy Officer using the information below.

Restriction: You have the right to request restrictions on how your health information is used or to who your information is disclosed. We are not required to agree to your request. If we do agree, we will abide by our agreement, except in a medical emergency or as required or authorized by law. The Department is not required to agree to the restriction unless the disclosure is to a health plan and: 1) the disclosure is for the purpose of carrying out payment or health care operations and is not otherwise required by law; and 2) the medical information pertains solely to a health care item or service for which you or a person other than the health plan on behalf you, has paid in full.

To request a restriction, you may contact the Privacy Officer using the information below.

Confidential Communication: You have the right to request that we communicate with you about your medical information by alternative means or to alternative locations that you specify. To request confidential communications, you may contact the Privacy Officer using the information below.

We will accommodate reasonable requests and we will not ask you to explain the reason for your request.

Electronic Notice: You can ask for a paper copy of this notice at any time, even if you have agreed to receive the notice electronically. To receive a paper copy, you may contact the Privacy Officer using the information below.

Questions and Complaints

If you want more information about our privacy practices or have questions or concerns, please contact the Privacy Officer using the information below.

If you believe your privacy rights have been violated, you may file a complaint with the Privacy Officer using the information below. You also may submit a written complaint to the Office for Civil Rights of the United States Department

of Health and Human Services. You may contact them by emailing OCRComplaint@hhs.gov, visiting <https://www.hhs.gov/hipaa/filing-a-complaint/index.html>, or faxing your complaint to (202) 619-3818.

We will not retaliate in any way if you choose to file a complaint with us or with the U.S. Department of Health and Human Services Office of Civil Rights.

Contact Information

For further information, please contact:

Human Resources Department, Benefit and Leave Assistant
215 Martin Luther King, Jr. Blvd., Room 261
Madison, WI 53703
(608) 266-4615 | (608) 261-1115 FAX

Acknowledgement of Notice of Privacy Practices

We are required to make an effort to obtain your written acknowledgment of this notice. You are not required to sign the acknowledgement.

If you would like to acknowledge receipt of this Notice of Privacy Practices, please sign the acknowledgement form. If you have any questions regarding this acknowledgement, please contact the Privacy Officer using the information above.