Flex Spending Account

Cover out-of-pocket expenses with pre-tax dollars

NEW YORK STATE

2024 Open Enrollment Book

Open Enrollment Period: November 1 – December 11, 2023

Enroll online **oer.ny.gov/fsa** by phone **800-358-7202** or scan QR code

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2024 OPEN ENROLLMENT CALENDAR

October 31, 2023
The last day to enroll or make election changes for the current plan year

November 1, 2023
2024 open enrollment period begins

December 11, 2023
Open enrollment period ends at 11:59 p.m. ET

January 4, 2024
First deduction taken from Administration Payroll participants

January 12, 2024
First deduction taken from Institution Payroll participants

January 31, 2024
Deadline for correcting administrative errors resulting from open enrollment process

March 31, 2024
Deadline for submitting claims for **the prior** plan year (2023)

IMPORTANT ITEMS TO REMEMBER

- Open enrollment period is November 1 through December 11, at 11:59 p.m. ET.
- You must re-enroll each year you would like to participate in the FSA benefit.
- The plan year runs from January 1 through December 31.
- New state employees hired during the open enrollment period who are unable to enroll by the open enrollment deadline may enroll by submitting a 2024 new hire application within 60 days of their hire date.

WHAT IS THE FLEX SPENDING ACCOUNT?

The Flex Spending Account (FSA) offers three negotiated benefits to state employees—the Health Care Spending Account (HCSA), the Dependent Care Advantage Account (DCAA), and the Adoption Advantage Account. They are types of flexible spending accounts, administered in compliance with Sections 125 and 129 of the Internal Revenue Code, that give you a way to pay for your health care, dependent care, or adoption expenses with pre-tax dollars. Enrollment in the FSA is voluntary—you decide how much to have taken out of your paycheck and put into your accounts.

Why Should I Enroll?
You should enroll to reduce your taxable income for health or dependent care expenses you already pay for out-of-pocket. By enrolling in the FSA, you will pay for your health care or dependent 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 (where applicable) taxes due to your pre-tax contributions.

How Does the Flex Spending Account Work?
The FSA is easy to use. You may choose to enroll in any or all three benefit choices. If you enroll in more than one FSA benefit, funds can't be transferred between accounts. This is how it works:

During the open enrollment period, estimate your out-of-pocket health care, dependent care, or adoption expenses for the calendar year. Based on your estimate, decide how much of your salary you want to set aside in each of the accounts. This is called your annual election. Submit your enrollment application online or by calling the toll-free number before the open enrollment deadline.

Each pay period, a regular portion of your election will be deducted tax-free from your biweekly paycheck. These deductions are taken from your gross pay before your federal, state, social security, and city (if applicable) income taxes are withheld. The deductions are then contributed to your FSA for your use on eligible expenses.

Once you are enrolled, you can access your funds to pay for qualified expenses. For more information see the Claims Process section of this book.

Fees
There are no fees for employees who participate in the FSA program. The FSA is funded by the Office of Employee Relations in cooperation with the state public employee unions. The Legislature and Unified Court System also contribute on behalf of their employees.

FSA Administrator
The State of New York retains the services of an FSA administrator to manage the Flex Spending Account. Total Administrative Services Corporation (TASC) is the FSA administrator.

The FSA administrator reviews and reimburses claims, and provides customer service and accounting services. FSA participants submit all claims for reimbursement directly to the FSA administrator. Please refer to page 6 for more information.

TASC also provides FSA enrollment through Bentek, Benefits Technology.

HCSA Carryover
Unused contributions will carry over to the next plan year for the participant to use. During the plan year runout period (January 1–March 31), the previous year funds may still be used for previous year expenses. Any remaining funds up to the IRS limit from the previous year will then carry over into the current plan year's account balance after the runout period end date. During the runout, the new plan year election will be depleted first, then carryover funds will be accessible for reimbursement. For participants who did not re-enroll, carryover funds will be available after the runout period ends. The IRS carryover limit from 2023 into 2024 is $610.

DCAA and Adoption Grace Period
The grace period allows an additional 2½ months to incur dependent care or adoption-related expenses. You can use any funds remaining in your account after the plan year ends to pay for expenses incurred between January 1 to March 15 of the following year. Claims must be submitted by the March 31 deadline.

EFFECT ON OTHER BENEFITS

Social Security Tax (FICA)
Contributions to the FSA may reduce your social security taxes. If so, based on current social security law, social security benefits at your retirement age may be slightly less as a result of your participation in the FSA program. The effect will be minimal and would likely be offset by the amounts saved in taxes today. If you are concerned about this, contact the Social Security Administration at **800-772-1213** or visit **www.ssa.gov**.

New York State Pension
Contributions to the FSA have no effect on your New York State pension contributions or benefits.

Deferred Compensation
Most employees' contributions to the New York State Deferred Compensation Plan will be unaffected by participation in the FSA program. In some cases, however, participation in the FSA program may affect you. The percentage you contribute to the deferred compensation plan will be applied to a lower salary amount as a result of your FSA contributions. Since such contributions are made as a percentage of salary, your deferred compensation contribution may be lower, depending on the amount of your annual salary and the amount you currently contribute to your deferred compensation plan.

SUNY Deferred Annuity Plan
Contributions to the State University of New York's tax-deferred annuity plan are not affected by participation in the FSA program.

Please consult your tax preparer, tax attorney or accountant if you have any questions regarding your specific tax situation.

CHANGING YOUR COVERAGE

Am I permitted to make election changes after the plan year begins? If you have a qualifying life event, you may be able to make a change to your FSA election by submitting a change in status application. Please refer to the respective benefit sections: HCSA, page 11; DCAA, page 16; Adoption, page 19.

Can I enroll during the plan year? If you have a change in status or qualifying life event that occurs after the open enrollment period ends, you may be able to enroll during the plan year. Please refer to the respective benefit sections for specific information on qualifying life events.

Appeal Process
If your change in status, claim, or other request is denied, in full or in part, you have the right to appeal the decision by sending a written request to the FSA administrator. Contact customer service for information on how to submit your appeal. Your appeal must include:

- Completed Appeal Form
- Appeal letter
- A copy of the denied request
- Proof of expenses and other documentation if original was insufficient
- Any additional documents, information, or comments you think may be relevant to your appeal

Your appeal will be reviewed once it and the supporting documentation are received. You will be notified of the results of this review within 30 business days from receipt of your appeal. In unusual cases, such as when appeals require additional documentation, the review may take longer than 30 business days. If your appeal is approved, your account will be adjusted as soon as possible. Appeal decisions are based upon whether your circumstances and supporting documentation are consistent with the FSA rules and IRS regulations governing the plan.

ENROLLMENT IN FOUR EASY STEPS

Enrollment is done through Bentek on behalf of NYS and TASC at **https://www.mybentek.com/nysfsa.**

1. **Access Bentek**
   Navigate to **https://www.mybentek.com/nysfsa** or scan the QR code below.

2. **Log In or Register**
   - Returning participants log into your Bentek account.
   - New participants: Click on "Don't have an account? Create one." Make sure you have your Employee ID, Department and Bargaining Unit (refer to your most recent pay stub). Follow directions to create your Username and Password.

3. **My Benefit Elections**
   Choose your election for the next plan year. Enroll in HCSA, DCAA or Adoption plans and track per-pay deductions in your Benefits Cart.

4. **Verify My Elections**
   Review enrollment elections and submit your session.

You may also scan this **Bentek QR code** using your smartphone or tablet.

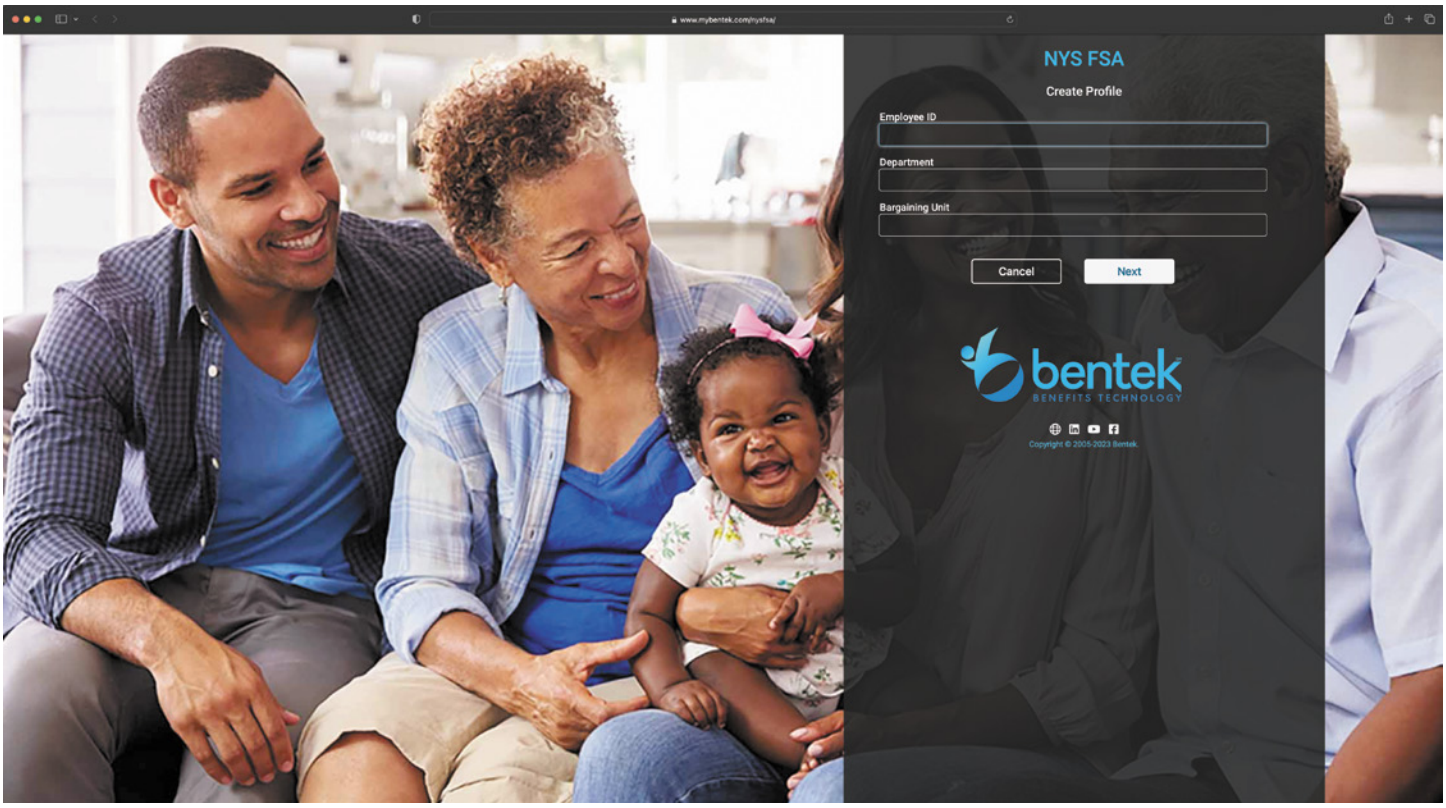
IMPORTANT REMINDER

IRS regulations do not allow exceptions if you miss the open enrollment deadline, regardless of your reason. Enroll early to avoid long hold times or other issues that may occur during the last few days of the open enrollment period that could cause you to miss the deadline.

If you have questions about enrolling or have questions about FSA benefits, please contact TASC, the FSA Administrator at 800-358-7202.

After your application is processed, you will receive a welcome email from the FSA administrator, confirming your annual elections.

Your FSA enrollment lasts for only one year. Re-enrollment is not automatic. You must re-enroll during open enrollment if you would like to contribute to an FSA.



MANAGE YOUR ACCOUNT

You will be able to access your account information by logging in to your TASC account at **www.tasconline.com**. You can also use your smartphone to manage your account with the **TASC Mobile App**.

HOW DO I USE MY FSA FOR EXPENSES?

TASC Card
Your TASC Card is the preferred and most convenient method to access available benefit account funds for all eligible expenses. It automatically pays for and verifies most eligible expenses at the point of purchase, eliminating the need to request a reimbursement and wait for payment.

HOW DO I SUBMIT MY FSA EXPENSES FOR REIMBURSEMENT?

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

Claims can be filed online, through the mobile app, or using your TASC Card

Mobile App
Picture to Pay makes paying an expense even easier. In the TASC Mobile App, open the **Menu** and tap **Pay the Provider**, then select **Use Picture to Pay**. Take a photo of the bill, enter the amount you want paid, then submit. That's all there is to it! TASC pays the provider directly from your benefit account.

Online
Your online account offers another simple and fast way to pay for an eligible expense. Click on **Pay a Provider**, select who incurred the expense, the date the expense was incurred, and the expense type. Enter the amount, the provider or merchant details, and attach the bill from your **Bills and Receipts** or your computer, then review and submit. TASC will send payment from your benefit account directly to your provider.

Or, if you paid out-of-pocket without the TASC Card, you can request a reimbursement online:
1. Sign in to your account at **www.tasconline.com**.
2. From the **Overview**, click **Request a Reimbursement**.
3. Select who incurred the expense, the expense date, expense type, and expense details.
4. Attach your receipt(s) and add a description of the expense.
5. Click **Next** to review your request, and then **Submit**.

TASC MyCash
Reimbursements are deposited into your MyCash account on your TASC Card.

Access MyCash funds three ways:
1. Swipe your TASC Card at a merchant that accepts Mastercard.
2. Withdraw cash at an ATM (request a PIN online).
3. Transfer funds to a personal bank account.

Most claims are processed within one to two business days after they are received, and payments are sent shortly thereafter.

By Fax or Mail
If you prefer to submit a paper claim by fax or mail, download a **Pay Me Back** claim form at **oer.ny.gov/fsa** and follow the instructions for submission.

After the plan year ends on December 31, you have until March 31 to submit claims for services rendered from January 1 through December 31 of the preceding year.

Special Rules For HCSA Claims
Submit claims after you have received health care services and know the amount of the bill for which you are responsible. Include a statement from your health insurance plan showing the amount of the medical expense that has not been reimbursed or attach copies of receipts, billing statements, invoices, or other appropriate supporting documentation from the health care provider. Canceled checks or credit card receipts will not be accepted. The receipts, billing statements, or invoices must include the:

- Name of the person who received services
- Name and address of the health care provider
- Amount charged for each service
- Type of service and the date performed
- If a prescription drug expense, a receipt containing the prescription number and drug name

Special Rules For Orthodontia Claims
If you are on a monthly payment plan for orthodontia services, you may submit a request for reimbursement after each monthly payment is due. You will need to submit a reimbursement request each time you want to be reimbursed. A copy of the orthodontia contract or worksheet must be included with your first claim for the plan year. If you pre-pay the entire orthodontia expense up front when treatment begins, you may be eligible to be reimbursed for the entire amount at one time. Please see Orthodontia Expenses Instructions and Worksheet at **oer.ny.gov/fsa** for more detailed information.

Special Rules For DCAA Claims
The FSA administrator will review your claim and if it is complete, will authorize it for payment up to the amount of money accumulated in your account.

If you submit a claim for more money than you have in your DCAA, the balance will be paid automatically when the funds are deposited from your next payroll deduction.

If dates of service for which you are seeking reimbursement begin in one plan year and end in the next plan year, a claim for each year is required. The claim must include the provider's name, address, and taxpayer ID number (or social security number), the period during which the services were provided, and the amount you were charged. Submit a receipt or invoice with the claim form, or you can have your provider countersign the form with you.

Claims are paid after services are received, regardless of when you pay for the expenses. If you would like, you can prorate a large expense as the services are rendered and submit claims as often as you would like.

Most claims are processed within one to two business days after they are received

WHAT IS THE HEALTH CARE SPENDING ACCOUNT?

The Health Care Spending Account (HCSA) is a type of FSA benefit. It helps you as a state employee pay for health-related expenses with tax-free dollars. This includes medical, hospital, laboratory, prescription drug, dental, vision, and hearing expenses that are not reimbursed by your insurance, or other benefit plans.

Before enrolling in the HCSA program, you should consider what your eligible expenses might be. Reviewing your costs from previous years can help. Once you have estimated the amount of your costs, you may then decide how much to contribute to your HCSA. Under federal law, any money that you put into your HCSA must be used for expenses incurred during the plan year in which it was contributed. Currently the maximum annual contribution allowed is $3,200 and the minimum annual contribution is $100. The maximum contribution may be subject to change annually.

WHO IS ELIGIBLE TO ENROLL?

1 **Employees who work for New York State Executive Branch agencies** (excluding UUP-represented employees), **the State University of New York** (SUNY), **and the Legislature, and non- judicial employees of the Unified Court System are eligible if they:**

- Are permanent employees or are expected to be on the payroll for the entire calendar year (employees who teach on a school year schedule and are paid on a 10-month basis are eligible if they meet the other criteria below)
- Receive regular, biweekly paychecks
- Work half-time or more on a regular schedule for a single agency
- Are eligible to enroll in the New York State Health Insurance Program
- Are represented by a negotiating unit that is eligible to participate or are designated Management/Confidential. Employees of Executive Branch agencies who are represented by one of the following unions are eligible to participate in the HCSA: CSEA, PEF, NYSCOPBA, Council 82, PBANYS, District Council 37, PBA, and NYSPIA. In addition, all negotiating units in the Unified Court System are eligible to participate.

Employees of Roswell Park Comprehensive Cancer Center, NYS Energy Research and Development Authority, Environmental Facilities Corporation and New York Liquidation Bureau are also allowed to participate if they meet the eligibility criteria listed above.

All judges and justices of the Unified Court System, paid elected officials, and paid members of the Legislature are eligible regardless of their work schedule.

2 **UUP-represented employees employed by SUNY are eligible if they:**

- Are permanent employees or are expected to be employed by New York State for the entire calendar year (employees who are hired on a semester basis are eligible if they meet the other criteria below) and
- Receive regular, biweekly paychecks and
- Are eligible to enroll in the New York State Health Insurance Program and
- Are part-time academic employees, whose professional obligation is primarily teaching classes, who teach six or more credits, contact hours, or credit equivalents or
- Are full-time professional employees or
- Are part-time academic or professional employees who are hired by a single university at a specified annual rate ($17,071 or more between July 2, 2023 and July 1, 2024)

3 **New employees must meet the eligibility criteria to participate in the HCSA.** Your period of coverage will start on your 31st consecutive calendar day of employment or the date you enroll, whichever is later. You will be able to submit claims for eligible health care expenses incurred on or after that date through December 31 of the plan year in which you are enrolled. Deductions will start with the first payroll date that occurs after you become eligible to submit claims.

Who Is Not Eligible To Enroll?
GSEU-represented, casual, seasonal, session, per diem, fee basis employees, and retirees, are not eligible to participate in the HCSA.

HCSA helps state employees pay health-related expenses with tax-free dollars

IMPORTANT HCSA INFORMATION

To be eligible, expenses must be for health care received primarily for the prevention or treatment of a physical or mental defect or illness. Out-of-pocket costs are generally eligible if they are not reimbursed by insurance. Regardless of whether the expenses are incurred by you or your eligible dependents, they must be incurred during the plan year or during your period of coverage if you enroll after the plan year begins. An expense is incurred when you or one of your dependents receives the health care service, not when you are billed, charged for, or pay for the service.

To be eligible for reimbursement, a health care expense must be:

- For you or an eligible dependent
- Permitted under the Internal Revenue Code
- Medically necessary
- Not reimbursed by your health insurance or any other benefit plan, nor will you seek reimbursement from such plans

Note: You can only be reimbursed for expenses that are incurred during your period of coverage, which means:

- If you enroll during the open enrollment period and remain on the state payroll for the entire year, your period of coverage is from January 1 to December 31.
- If you enroll during the plan year as a new employee, your period of coverage will begin after you complete 30 consecutive calendar days of state service or the date you enroll, whichever is later. Your coverage will end on December 31.
- If you enroll during the plan year due to a change in status or qualifying life event, your period of coverage will begin when your change in status application is received. However, it can't take effect before the date of your qualifying event. Your coverage will end on December 31.
- If you enroll during the open enrollment period and experience a mid-year change in status, you will have two separate periods of coverage from which expenses will be reimbursed.

You can be reimbursed for your expenses as soon as you or your dependents receive medical services. Once you sign up for the HCSA and decide how much you want to contribute, that total amount is available to you at any time during your period of coverage. You don't have to wait for the money to build up in your account before you can use it to pay for your eligible health care expenses.

Whose Expenses Are Eligible For Reimbursement?
You may claim eligible expenses under the HCSA program for the following individuals:

- Yourself
- Your spouse
- Your qualifying child
- Your qualifying relative

An individual is a **qualifying child** if they:

- Are a U.S. citizen, national, or a resident of the U.S., Mexico, or Canada
- Have a specified family-type relationship to you
- Live in your household for more than half of the tax year
- Are 18 years old or younger (23 years, if a full-time student) at the end of the tax year
- Have not provided more than one-half of their own support during the tax year (and receive more than one half of their support from you during the tax year if a full-time student age 19 through 23 at the end of the tax year)

An individual is a **qualifying relative** if they:

- Are a U.S. citizen, national, or a resident of the U.S., Mexico, or Canada
- Have a specified family-type relationship to you, are not someone else's qualifying child, and receive more than one-half of their support from you during the tax year
  -or-
- If no specified family-type relationship to you exists, are a member of and live in your household (without violating local law) for the entire tax year and receive more than one-half of their support from you during the tax year.

Note: There is no age requirement for a qualifying child if they are physically or mentally incapable of self-care. An eligible child of divorced parents is treated as a dependent of both, so either or both parents may establish an HCSA to be reimbursed for the child's health care expenses.

WHAT TYPES OF EXPENSES ARE ELIGIBLE?

Expenses are eligible for reimbursement if they are for medically necessary health care services. The expenses must be incurred during the plan year or during your period of coverage if you enroll after the plan year begins. Examples of eligible expenses under the HCSA are listed below. For more information about eligible health care expenses, login to your account to search the eligible expenses list.

Eligible Medical Expenses

- Acupuncture
- Artificial limbs
- Bandages & dressings
- Birth control, contraceptive devices
- Birthing classes/Lamaze
- 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 or ophthalmologist fees
- Orthopedic inserts
- Personal Protection Equipment (PPE) (facial masks, hand sanitizer, sanitizing wipes)
- Physical exams
- Physical therapy (as medical treatment)
- Physician fees and hospital services
- Pregnancy tests
- Prescription drugs and medications
- Psychotherapy, psychiatric and psychological services
- 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 Dental Expenses

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

Over-The-Counter Drugs

Over-the-counter (OTC) drug costs are reimbursable through the HCSA as long as the items are used to treat a medical condition or illness. Certain OTC costs such as vitamins and dietary supplements are not reimbursable unless they are recommended by a doctor for a medical condition. General purpose items such as toothpaste and lip balm are not eligible expenses.

Eligible OTC Medicines and Drugs

- 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, cortisone cream, etc.)
- Oral care (denture cream, pain reliever, teething gel, etc.)
- Pain relievers—internal/external (Tylenol, Advil, Bengay, etc.)
- Skin care (sunscreen w/SPF 15+, acne medication, etc.)
- Sleep aids & stimulants (nasal strips, etc.)
- Stomach & nausea remedies (antacids, Dramamine, etc)
- Wound treatments/washes (hydrogen peroxide, iodine)

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)

CHANGES IN STATUS

You may be eligible to enroll after open enrollment has ended or during the plan year if you experience a change in status or qualifying life event. You must enroll within **60 days** of the change event.

Once enrolled in the HCSA, you may not change your mind. Your pre-tax deductions will continue throughout the plan year. However there are certain times when a change may be allowed, if it is consistent with the change in your family situation. For example, if you get married during the plan year, you may increase your election amount. If you lose a dependent during the plan year, you may reduce your election amount. However, you are not allowed to reduce your election amount to $0.

Certain events, such as marriage, the birth of a child, or returning to work from an unpaid leave of absence will allow you to enroll during the year. Below is a list of eligible change in status or qualifying life events:

- Change in legal marital status such as marriage, death of spouse, divorce, legal separation, or annulment
- Change in number of eligible dependents due to birth, death, adoption, or placement for adoption
- The taking of, or return from, an unpaid leave of absence for the employee
- Beginning or end of employment for the employee
- Gain or loss of spouse's or eligible dependent's eligibility for health insurance coverage due to a change in employment
- Gain or loss of your dependent's eligibility for health insurance by attaining a specified age, due to a change in student or marital status, or because of other allowable circumstances

If you have a change, visit **https://www.mybentek.com/nysfsa** to submit a change in status or qualified life event. Your change must be submitted within **60 calendar days** of the qualifying event, but as soon as possible to prevent unwanted, non-refundable deductions.

Change in status applications will be accepted during the plan year until October 31 for events that occur on or before October 31.

The effective date of your new period of coverage and your new election amount will be the date your application is submitted to the FSA administrator or the date of your qualifying event, whichever is later. If you enroll during the year as a new employee, your period of coverage will begin on your 61st consecutive calendar day of employment or the date you enroll, whichever is later. In addition, if you are enrolled in the HCSA when the plan year begins on January 1 and you submit a change in status request during the plan year, you will have two separate periods of coverage from which expenses must be incurred and will be reimbursed.

TASC offers a savings estimate: www.tasconline.com

PAYROLL CHANGES

What happens if I leave the payroll during the plan year? If you leave the payroll due to termination of employment, leave without pay, or any other reason, and stop contributing to your account, your HCSA coverage will end. You will still be able to submit claims for expenses that occur on or before your last paycheck deduction. Any health care services that are received *after* your contributions stop will not be reimbursed.

However, under certain circumstances you may still participate in the HCSA after you leave the payroll:

- If you are eligible to elect COBRA coverage, you can make after- tax payments directly to the FSA administrator. However, under the direct pay option you won't save money on your taxes. If you leave the payroll during the plan year and want to continue your coverage, the FSA administrator will send you a COBRA notice that you must sign and return by the specified deadline.
- If you return to the payroll during the same plan year, you can re- enroll if you submit a change in status application within 60 days of your return to the payroll. Change in status applications will be accepted during the plan year until October 31.
- If you leave and then return to the payroll, you may re-enroll, but only for the same election amount that you had at the time you left the payroll. However, you will have two separate periods of coverage from which expenses can be incurred and reimbursed.

Remember, if you re-enroll in the HCSA after you return to the payroll, you will not be reimbursed for health care services received during the time period when you were not contributing to your account.

WHAT TO DO AT TAX TIME

When you receive your W-2, the salary reported in Box 1 will already be reduced to reflect your HCSA contributions. You are not required to file any tax forms to report your HCSA contributions.

WHAT IS THE DEPENDENT CARE ADVANTAGE ACCOUNT?

The Dependent Care Advantage Account (DCAA) is a negotiated employee benefit that provides a tax-free way to help you, as a state employee, pay for custodial child care, elder care, or disabled dependent care while you are at work.

WHO IS ELIGIBLE TO ENROLL?

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 and hourly employees are eligible as long as their biweekly paychecks support their DCAA deductions. Employees of **NYS Energy Research and Development Authority** (NYSERDA), **Environmental Facilities Corporation** (EFC), **New York Liquidation Bureau,** and **Roswell Park Comprehensive Cancer Center** can also participate.

New employees are immediately eligible for this benefit, but must enroll within 60 days, inclusive, of their hiring date. The plan year contribution amount will then be pro-rated over the remaining pay periods in the calendar year.

Who Is Not Eligible To Enroll?
Employees paid on a fee basis are not eligible to participate in the DCAA.

IMPORTANT DCAA INFORMATION

The maximum you may put into the account is $5,000 or $2,500 based on your tax filing status.

- If you or your spouse earn less than $5,000 annually, you cannot put more money into the account than your income or your spouse's income—whichever is less.
- If you use the "Married Filing Jointly" tax filing status the IRS $5,000 maximum contribution rule is applied to households.
- If both you and your spouse participate in a dependent care FSA the total household contribution is limited to $5,000.
- If you file as "Head of Household," the IRS maximum contribution is $5,000.
- If you use the "Married Filing Separately" tax filing status, the IRS limits contributions to $2,500.
- If you use the "Single" tax filing status, the IRS limit is $2,500.

Expenses must be for services provided from January 1 through December 31 of the plan year.

If services are for child care, your child must be under age 13 and your dependent as defined by federal tax rules. Services for a child or adult of any age are eligible if they are disabled and unable to care for themselves and spend at least eight hours of the day in your home.

The services may be provided either in your home or elsewhere, but not by someone whom you also claim as your dependent for income tax purposes. You may not pay your older child to care for your younger child or elderly parent.

The IRS requires you to provide the name, address, and taxpayer identification number (or social security number) of the person providing the care. You must provide this information when you submit a claim and when you file IRS Form 2441 with your income tax return.

A tax-free way to help pay for child care or elder care while you are at work

EMPLOYER CONTRIBUTION

As a result of collective bargaining agreements between the State and the public employee unions, many employees are eligible for an employer contribution from New York State. In order to receive this contribution, you need to enroll in the DCAA. If you are eligible, the employer contribution is automatically deposited into your DCAA. You can enroll for just the employer contribution amount or any amount up to the IRS limit. The amount of the employer contribution should be included in your annual election. The DCAA employer contribution will be available in 2024 for unions that have agreements to participate in the employer contribution program.

EMPLOYER CONTRIBUTION ELIGIBILITY

The following employees are currently eligible for the employer contribution:

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

If Your Salary Is...	The Employer Contribution Is...
Under $30,000	$1000
$30,001 - $40,000	$900
$40,001 - $50,000	$800
$50,001 - $60,000	$700
$60,001 - $70,000	$600
Over $70,000	$500
GSEU Employees only (regardless of salary)	$800

Many employees are eligible for an employer contribution from New York State

WHO IS CONSIDERED A DEPENDENT?

You may use your DCAA to receive reimbursement for eligible dependent care expenses for qualifying individuals.

A qualifying individual includes a **qualifying child**, if the child:

- Is a U.S. citizen, national, or a resident of the U.S., Mexico, or Canada
- Has a specified family-type relationship to you
- Lives in your household for more than half of the taxable year (**Special rule for children of divorced or separated parents.** Even if you can't claim your child as a dependent, they are treated as your qualifying person if you were the child's custodial parent. According to the IRS, the custodial parent is the parent with whom the child lived for the greater number of nights in the plan year. If the child was with each parent for an equal number of nights, the custodial parent is the parent with the higher adjusted gross income. For details and an exception for a parent who works at night, refer to IRS Pub. 501.)
- Spends at least eight hours per day in your home
- Has not provided more than one-half of his or her own support during the taxable year
- Under age 13

A qualifying individual includes your **spouse, relative, or any other individual** (as long as the relationship does not violate local law), if they:

- Are a U.S. citizen, national, or resident of the U.S., Mexico, or Canada
- Have a specified family-type relationship to you
- Live in your household for more than half of the taxable year
- Spend at least eight hours per day in your home
- Receive more than one-half of their support from you during the taxable year
- Are physically or mentally incapable of self-care

If you are a tax dependent of another person, you cannot claim qualifying individuals for yourself. You cannot claim a qualifying individual if they file a joint tax return with their spouse. Only the custodial parent of divorced or legally-separated parents can be reimbursed using the DCAA.

ELIGIBLE EXPENSES

To use the DCAA, you must be paying for dependent care so that you and your spouse (if you are married) can work or go to school. If your spouse is not disabled, not at work, or not in school, it is assumed they are available to care for the dependent.

Eligible Dependent Care Expenses

- Fees for licensed child care or adult care facilities
- Before and after school care programs for dependents under age 13
- Amounts paid for services provided in or outside of your home, including babysitters or nursery school
- 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 the Health Care Spending Account (HCSA) for medical expenses incurred by you or your dependents

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)

CHANGES IN STATUS

You may be eligible to enroll after open enrollment has ended, or during the plan year if you experience a change in status or qualifying life event. You must enroll within **60 days** of the event.

Once enrolled in the DCAA, your pre-tax deductions will continue throughout the calendar year. However, there are certain circumstances where a change may be permitted.

Here are some examples of qualifying life events:

- Marriage
- Divorce or separation
- Death (spouse/dependent)
- Birth or adoption of a child
- Beginning or end of employment (employee or spouse)
- Dependent disability
- From full-time to part-time employment or vice versa (employee or spouse)
- Beginning of or return from leave of absence (employee or spouse)
- Change in work schedule (employee or spouse)
- Change in custody of dependent
- Change in rate paid (only if the provider is not a relative)
- Change in care provider
- Dependent reaches age 13 (decrease or termination only)
- Loss of another Dependent Care Assistance Program (DCAP) plan's coverage (increase or enrollment only)

If you have a change, visit **https://www.mybentek.com/nysfsa** to submit a change in status or qualified life event. Your change must be submitted within **60 calendar days** of the qualifying event, but as soon as possible to prevent unwanted, non-refundable deductions. Your application to start, change, or terminate your account becomes effective once the date of the change in status event has elapsed or the date your application is received, whichever is later. Any change in your DCAA contributions must be consistent with the change in status. No additional documentation or verification of the eligible event is required. It is your responsibility to keep legal documentation of the changes in your personal records in case the IRS audits you.

If you are starting an account after the plan year has begun with an eligible change in status event, your expenses will be eligible for reimbursement from the date your application is received or the date of your change in status, whichever is later, through December 31.

Change in status applications will be accepted during the plan year until October 31 for events that occur on or before October 31.

PAYROLL CHANGES

Leave Without Pay
If you go on leave without pay, your DCAA deductions will automatically stop. When you return from your leave, you will need to file a change in status application either online at **oer.ny.gov/fsa** or by calling the FSA administrator at **800-358-7202**. You must submit your change in status application within 60 days of your return to work. Your account will be re-established for the remainder of the plan year. Change in status applications will be accepted during the plan year for events that occur on or before October 31. Applications received after that date cannot be processed in time for the last DCAA deduction of the year.

Leave With Pay
Payroll deductions will continue for participants on sick leave, vacation, and sick leave at half-pay, provided there are sufficient funds in the paycheck. Deductions will not continue for employees receiving short- or long-term disability benefits through the Income Protection Plan (IPP). Some situations may be considered eligible changes in status. If you have a question about your situation, contact the FSA administrator at **800-358-7202**.

Terminations
If you leave the state payroll, your DCAA deductions will automatically stop. Your DCAA eligibility will continue from your initial eligibility date through December 31 of the plan year.

If you return to the state payroll and have not missed a deduction, your election will automatically reinstate. If you wish to make a change to your election you will need to submit a change in status application.

If you return to the state payroll and have missed a deduction, you may re-enroll by submitting a change in status application within 60 days of your return to the State payroll.

WHAT TO DO AT TAX TIME

Your total DCAA contributions and employer contribution will be reflected in Box 10 of your W-2 Form. You will also need to file IRS Form 2441 when you file your Federal Income Tax return. Please consult your tax preparer, tax attorney, or accountant if you have any questions regarding your filing requirements.

Federal Tax Credit Or DCAA?
Choosing the Federal Tax Credit or the DCAA depends on your specific tax situation. You may apply up to $3,000 of expenses paid in a year for one qualifying individual, or $6,000 for two or more qualifying individuals to your taxes through the Dependent Care Tax Credit.

If you have two or more dependents and your household adjusted gross income is less than $43,000, you might find the federal tax credit to be more beneficial. However, if your household adjusted gross income exceeds $43,000, it is likely that the DCAA will provide greater tax savings. Please use the online calculator to help you estimate whether to use tax credits, the DCAA, or a combination of both to maximize your savings.

Please consult your tax preparer, tax attorney, or accountant if you have any questions regarding your specific tax situation.

	TAX SAVINGS EXAMPLE 1		TAX SAVINGS EXAMPLE 2	
	without the DCAA	**with the DCAA**	**without the DCAA**	**with the DCAA**
Family Income (After Exemptions & Deductions)	$40,000	$40,000	$75,000	$75,000
DCAA Annual Election	$0	$5,000	$0	$5,000
Taxable Income	$40,000	$35,000	$75,000	$70,000
Minus Payroll Taxes	–$11,060	–$9,677	–$28,238	–$26,355
Eligible Dependent Care Expenses (Post-Tax)	$5,000	$0	$5,000	$0
Your Income After Taxes & Expenses	$23,940	$25,323	$41,762	$43,645
Estimated Annual Savings*		**$1,383**		**$1,883**

* Savings shown are for illustrative purposes only. The examples assume 2021 tax rates. The taxpayer is married filing a joint return with 5 percent state and local income taxes, 1.45 percent Medicare tax, 6.2 percent Social Security tax, and a 15 percent marginal federal income tax rate for Example 1 and a 25 percent marginal rate for Example 2. No Employer Contribution is included in either example. Your actual tax rates may vary.

Estimate your savings at www.tasconline.com

WHAT IS THE ADOPTION ADVANTAGE ACCOUNT?

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. Although you won't save on social security taxes, you can save on federal and state taxes (where applicable) by having up to $16,810 withheld from your paycheck on a pre-tax basis.

WHO IS ELIGIBLE TO ENROLL?

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 Adoption Advantage Account. Part-time and hourly employees are eligible as long as their biweekly paychecks support their deduction. Employees of **NYS Energy Research and Development Authority** (NYSERDA), **Environmental Facilities Corporation** (EFC), and **Roswell Park Comprehensive Cancer Center** can also participate.

IMPORTANT ADOPTION ACCOUNT INFORMATION

- Qualified adoption expenses are reasonable and necessary expenses directly related to, and for the principal purpose of, the legal adoption of an eligible child including the expenses listed above.
- An eligible child must be under the age of 18 or any 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 keep in mind only expenses incurred after you enroll will be eligible for reimbursement.
- Pre-tax deductions are not refundable for any reason. You can only be reimbursed from money already contributed to your Adoption Advantage Account. If you are unable to get reimbursed, you will forfeit the money back to the plan.
- You can have up to the maximum amount of the adoption tax credit withheld from your paycheck.
- Employees are responsible for understanding the tax treatment of reimbursement under this plan and for claiming the application income exclusion by filing IRS Form 8839 with their federal income tax return.

ELIGIBLE EXPENSES

- 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

CHANGES IN STATUS

You must enroll during the open enrollment period, unless you have a change in status or qualifying life event that occurs after the open enrollment deadline.

Once enrolled in the Adoption Advantage Account, you may not change your mind. Your pre-tax deductions will continue throughout the calendar year. However, there are certain circumstances where a change may be permitted. Here are some examples of qualifiying life events:

- Beginning or end of adoption proceedings
- Beginning of or return from leave of absence

If you have a change, visit **https://www.mybentek.com/nysfsa** to submit a change in status or qualified life event. Your change must be submitted within **60 calendar days** of the qualifying event, but as soon as possible to prevent unwanted, non-refundable deductions. Your application to start, change, or terminate your account becomes effective once the date of the event has elapsed or the date your application is received, whichever is later. Any change in your contributions must be consistent with the change in status. No additional documentation or verification of the eligible event is required. It is your responsibility to keep legal documentation of the changes in your personal records in case of an IRS audit.

If you are starting an account after the plan year has begun with an eligible event, your expenses will be eligible for reimbursement from the date your application is received or the date of your change in status, whichever is later, through December 31.

Change in status applications will be accepted during the plan year until October 31 for events that occur on or before October 31.

PAYROLL CHANGES

What happens if I leave the payroll during the plan year? If you leave the payroll due to termination of employment, leave without pay (including leave under the Family and Medical Leave Act), or any other reason, and stop contributing to your account, your eligibility in the adoption FSA will be terminated. You will still be able to submit claims for expenses that occur on or before your last paycheck deduction, but any adoption-related expenses that occur after your contributions stop will not be reimbursed.

WHAT TO DO AT TAX TIME

When you receive your W-2 form, the salary reported in Box 1 will already be reduced to reflect your plan year contributions. You will also need to file IRS Form 8839. Please consult your tax preparer, tax attorney, or accountant if you have any questions regarding your filing requirements.

You can have up to the maximum amount of the adoption tax credit withheld from your paycheck

Flex Spending Account

Cover out-of-pocket expenses with pre-tax dollars

FSA Website: oer.ny.gov/fsa
FSA Hotline: 800-358-7202
Email: fsa@oer.ny.gov

New York State Office of Employee Relations | Governor Kathy Hochul

The Flex Spending Account is sponsored by the Work-Life Services Advisory Board and the Joint Labor-Management Committees on Health Benefits, the 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.

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