



Benefits News

October 2008

Flexible Spending Accounts – 2009 Open Enrollment

October 27, 2008 – November 7, 2008

If you have been considering enrolling in a Flexible Spending Account (FSA) so that you can set aside tax-free money for medical and dependent care out-of-pocket expenses—NOW IS THE TIME TO ENROLL FOR 2009.

Over one thousand of your co-workers currently participate in an FSA and many have commented on how easy it is to submit claims and how quickly reimbursements are received in their paychecks or direct deposits.

**PLEASE REMEMBER—
IF YOU ARE ENROLLED IN THE FSA FOR 2008,
YOU MUST COMPLETE A NEW FSA ENROLLMENT FORM FOR 2009 BY NOVEMBER 7, 2008.**

Medical Reimbursement Account

Reimburses you for certain out-of-pocket medical expenses (including office visit co-pays, prescription drug co-pays, and many over-the-counter medications and drugs such as pain relievers, antacids, allergy medications, and cold medicines) incurred by you and your dependents.

Dependent Care Reimbursement

Reimburses you for certain dependent care expenses that are necessary so that you and, if you are married, your spouse can work.

In both accounts, you estimate annual anticipated out-of-pocket expenses and based upon that amount, equal deductions are taken from each pay throughout the year. After expenses are incurred and you submit a claim, you will receive reimbursement from your account through regular bi-weekly paychecks or direct deposit. You may use the Expenditures Worksheet attached to estimate your 2009 out-of-pocket medical expenses. Further details on both the medical reimbursement account and the dependent care account are included in the attached brochure.

Employee Self Service (ESS)

If your University has ESS, this online tool will provide you with a confidential method to manage your FSA account. ESS will allow you to monitor your FSA account balance and view when your FSA claim payments are processed.

How do you benefit from a FSA?

The money you set aside is not subject to federal or social security taxes. Additionally, funds set aside through the medical reimbursement account are not subject to state taxes or most local taxes. THIS IS A TAX AVOIDANCE—NOT A TAX DEFERRAL

How much can you save?

If you set aside \$2000 in a medical reimbursement account, you would save approximately \$534, depending on your tax status.

What do you need to know about FSAs that could disadvantage you?

You must enroll each year to stay in the FSA, and money that is not spent by February of the following year of enrollment is forfeited and used for administration of the program.

How do you enroll in the medical or dependent care FSA?

Complete the appropriate enrollment form and return it to your university human resources office by November 7, 2008. All enrollments will be effective January 1, 2009.