



## Flexible Spending Accounts Chart by Life Event

Health Care and Dependent Day Care Flexible Spending Accounts (FSA)

NEW HIRES AND NEWLY ELIGIBLE EMPLOYEES		
Account Type	Guidelines	Examples
Flexible Spending Account (FSA)	<p><b>Health Care FSA / Limited Purpose FSA:</b> Employee must enroll within 30 days from date of hire or becoming benefits eligible. Coverage is effective first of month on or following the eligibility date.</p> <p>Note: Unused funds greater than \$50 (unless enrolled for the following calendar year), up to a limit approved by the Group Insurance Board each year, carry over to the next calendar year for employees that remain actively employed and enrolled in the FSA on <b>December 31<sup>st</sup></b>. Carryover funds are applied around April 15<sup>th</sup> of the following calendar year. Review the FSA web page for the carryover limit.</p> <p><b>Dependent Day Care Account:</b> Employee must enroll within 30 days from date of hire or becoming benefits eligible. Coverage is effective first of month on or following the eligibility date.</p> <p>Note: Per IRS rules, unused funds do not carry over to the next calendar year.</p>	<p><b>Example #1</b> Hire date or benefits eligible date: 02/15/2025 Elections made date: 02/28/2025 Effective date: 03/01/2025 Claims may be incurred: on/after 03/01/2025 Claims <b>must</b> be <i>incurred</i> by: 12/31/2025* Claims <b>must</b> be <i>submitted</i> by: 03/31/2026</p>

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TERMINATION & RETIREMENT (does not apply to transfer to or from another State agency)		
Account Type	Guidelines	Examples
Flexible Spending Account (FSA)	<p><b>Health Care FSA / Limited Purpose FSA:</b> If employee has current year FSA:</p> <ul style="list-style-type: none"> <li>Employee may only incur eligible expenses through the end of the month of termination or retirement, unless they meet their full annual pledge.</li> <li>If full annual pledge is met, employee may incur eligible expenses through December 31<sup>st</sup>. Full annual pledge may be met by submitting continuation application and after-tax contributions to the Department of Employee Trust Funds (ETF).</li> </ul> <p>Expenses must be submitted for reimbursement by March 31<sup>st</sup> following the end of the plan year (December 31<sup>st</sup>). Unused funds are forfeited.</p>	<p><b>Example #1 - Enrolled in current plan year; did not make after-tax contributions to ETF:</b> Termination date: 02/20/2025 Last paycheck date: 03/6/2025 Claims <b>must</b> be <i>incurred</i> by: 02/28/2025* Claims <b>must</b> be <i>submitted</i> by: 03/31/2026 Carryover Eligibility:</p> <ul style="list-style-type: none"> <li>Yes: 2024 to 2025 (since enrolled 12/31/2024)</li> <li>No: 2025 to 2026 (since not enrolled 12/31/2025)</li> </ul> <p><b>Example #2 - Enrolled in current plan year; made after-tax contributions to ETF:</b> Termination date: 02/20/2025 Last paycheck date: 03/6/2025 Claims <b>must</b> be <i>incurred</i> by*: last day of the month in which after-tax contributions are paid through or 12/31/2025, whichever comes first Claims <b>must</b> be <i>submitted</i> by: 03/31/2026 Carryover Eligibility:</p>



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		<ul style="list-style-type: none"> <li>• Yes: 2024 to 2025 (since enrolled 12/31/2024)</li> <li>• No: 2025 to 2026 (since not enrolled 12/31/2025)</li> </ul>
	<p><b>Dependent Day Care Account:</b> Employee cannot continue dependent day care contributions after employment ends. Expenses up to the amount that was contributed may be <b>incurred</b> through end of plan year (December 31<sup>st</sup>) and must be submitted for reimbursement by March 31<sup>st</sup> following the end of the plan year (December 31<sup>st</sup>).</p>	<p><b>Example - Enrolled in current plan year (continuation <i>not</i> an option):</b> Termination date: 02/20/2025 Last paycheck date: 03/6/2025 Claims <b>must</b> be <i>incurred</i> by: 12/31/2025 Claims <b>must</b> be <i>submitted</i> by: 03/31/2026</p>

TRANSFER FROM UNIVERSITIES OF WISCONSIN TO ANOTHER STATE AGENCY		
Account Type	Guidelines	Action
Flexible Spending Account (FSA)	<p><b>Health Care FSA / Limited Purpose FSA:</b> Employee may only continue the annual election amount they had with the Universities of Wisconsin. If they were not enrolled, their next opportunity to enroll with the new State agency is during Annual Benefits Enrollment for coverage effective January 1<sup>st</sup> or if a qualifying life event occurs.</p> <p><b>Dependent Day Care Account:</b> Employee may only continue the annual election amount they had with the Universities of Wisconsin. If they were not enrolled, their next opportunity to enroll with the new State agency is during Annual Benefits Enrollment for coverage effective January 1<sup>st</sup> or if a qualifying life event occurs. If enrolled and the transfer results in a residential move that causes a change to the cost of day care, employee has 30 days from the date of the move to change their Dependent Day Care Account annual election with the new State agency.</p>	<p>UW-Shared Services, Service Operations Benefit Service Delivery Team completes <a href="#">Personnel Transfer Record (PTR) Form</a> and routes for processing. PTR is completed as soon as Benefits Service Delivery is made aware of the transfer to a State agency. Benefits Service Delivery will follow additional instructions in the <a href="#">FSA/HSA Transfer Process</a>.</p>



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TRANSFER TO UNIVERSITIES OF WISCONSIN FROM ANOTHER STATE AGENCY		
When a transfer occurs, the previous State agency will complete a Personnel Transfer Record (PTR) Form and send it to UW-Shared Services, Service Operations. Employee should submit completed applications to their benefits contact within 30 days of their transfer date.		
Account Type	Guidelines	Action
Flexible Spending Account (FSA)	<p><b>Health Care FSA / Limited Purpose FSA:</b> Employee may only continue the annual election amount they had with the previous State agency. If they were not enrolled with the previous State agency, their next opportunity to enroll through the Universities of Wisconsin is during Annual Benefits Enrollment for coverage effective January 1<sup>st</sup> or if a qualifying life event occurs.</p> <p><b>Dependent Day Care Account:</b> Employee may only continue the annual election amount they had with the previous State agency. If they were not enrolled with the previous State agency, their next opportunity to enroll through the Universities of Wisconsin is during Annual Benefits Enrollment for coverage effective January 1<sup>st</sup> or if a qualifying life event occurs. If enrolled and the transfer results in a residential move that causes a change to the cost of day care, employee has 30 days from the date of the move to change their Dependent Day Care Account annual election with the Universities of Wisconsin.</p>	<p>Employee must complete the applicable enrollment forms.</p> <p>Upon receipt of Personnel Transfer Record (PTR) Form, UW-Shared Services, Service Operations Benefits Service Delivery Team follows instructions in the <a href="#">FSA/HSA Transfer Process</a> to confirm current enrollments and year to date contribution information provided on PTR form. UW-Shared Services, Service Operations will update HR system with enrollment information.</p>

### Resources:

- [Section 125 Cafeteria Plan Summary Plan Description \(SPD\)](#)
- [Section 125 Plan Document](#)
- [Universities of Wisconsin Employee Benefits FSA web page](#)