

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>Health Care FSA / Limited Purpose FSA: Employee must make election 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>*Unused funds, up to a limit approved by the Group Insurance Board, carry over to the next calendar year for employees that remain actively employed and enrolled in the FSA on December 31st. Carryover funds are applied on/around April 15th of the following calendar year. Review the FSA web page for the carryover limit.</p> <p>Dependent Day Care Account: Employee must make election 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>*Generally, per IRS rules, \$0 of unused funds carry over to the next calendar year.</p>	<p>Example #1 Hire date or benefits eligible date: 02/15/2022 Elections made date: 02/28/2022 Effective date: 03/01/2022 Claims may be incurred: on/after 03/01/2022 Claims must be <i>incurred</i> by: 12/31/2022* Claims must be <i>submitted</i> by: 03/31/2023</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>Health Care FSA / Limited Purpose FSA: If employee has current year FSA:</p> <ul style="list-style-type: none"> Employee may only incur eligible expenses through the end of the month of termination or retirement, unless they meet their full annual pledge. If full annual pledge is met, employee may incur eligible expenses through December 31st. Full annual pledge may be met by: <ul style="list-style-type: none"> Contributing remaining annual amount pre-tax on last paycheck with FSA contributions** (employee must contact their institution benefits contact to set up); or Submitting continuation application and after-tax contributions to the Department of Employee Trust Funds (ETF). <p>Expenses must be submitted for reimbursement by March 31st following the end of the plan year (December 31st). Unused funds are forfeited.</p> <p>*Unused funds, up to a limit approved by the Group Insurance Board, carry over to the next calendar year for employees that remain actively employed and enrolled in the FSA on December 31st. Carryover funds are applied on/around April 15th of the following calendar year. Review the FSA web page for the carryover limit.</p> <p>Action: If employee would like to contribute remaining annual pledge pre-tax via payroll to extend the date to incur claims to 12/31, before TERM event is processed in HRS, submit a ticket to UW-Shared Services, Service Operations. The request in the ticket should include the termination date, expected last paycheck and a statement requesting the remaining amount to be contributed from the last paycheck. UW-Shared Services, Service Operations will make the necessary updates to HRS.</p>	<p>Example #1 - Enrolled in current plan year; did not contribute remainder on last paycheck; did not make after-tax contributions to ETF: Termination date: 02/20/2022 Last paycheck date: 03/10/2022 Claims must be <i>incurred</i> by: 02/28/2022* Claims must be <i>submitted</i> by: 03/31/2023 Carryover Eligibility:</p> <ul style="list-style-type: none"> Yes: 2021 to 2022 (since enrolled 12/31/2021) No: 2022 to 2023 (since not enrolled 12/31/2022) <p>Example #2 - Enrolled in current plan year, contributed remainder on last paycheck: Termination date: 02/20/2022 Last paycheck date: 03/10/2022 Claims must be <i>incurred</i> by: 12/31/2022* Claims must be <i>submitted</i> by: 03/31/2023 Carryover Eligibility:</p> <ul style="list-style-type: none"> Yes: 2021 to 2022 (since enrolled 12/31/2021) No: 2022 to 2023 (since not enrolled 12/31/2022)

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		<p>Example #3 - Enrolled in current plan year; made after-tax contributions to ETF: Termination date: 02/20/2022 Last paycheck date: 03/10/2022 Claims must be <i>incurred</i> by*: last day of the month in which after-tax contributions are paid through or 12/31/2022, whichever comes first Claims must be <i>submitted</i> by: 03/31/2023 Carryover Eligibility:</p> <ul style="list-style-type: none"> • Yes: 2021 to 2022 (since enrolled 12/31/2021) • No: 2022 to 2023 (since not enrolled 12/31/2022)
	<p>Dependent Day Care Account: Employee cannot continue dependent day care contributions after employment ends. Expenses up to the amount that was contributed may be incurred through end of plan year (December 31st) and must be submitted for reimbursement by March 31st following the end of the plan year (December 31st).</p>	<p>Example - Enrolled in current plan year (continuation <i>not</i> an option): Termination date: 02/20/2022 Last paycheck date: 03/10/2022 Claims must be <i>incurred</i> by: 12/31/2022 Claims must be <i>submitted</i> by: 03/31/2023</p>

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TRANSFER FROM UW SYSTEM TO ANOTHER STATE AGENCY		
Account Type	Guidelines	Action
Flexible Spending Account (FSA)	<p>Health Care FSA / Limited Purpose FSA: Employee may only continue the annual election amount they had with the UW System. If they were not enrolled, their next opportunity to enroll with the new State agency is during Annual Benefits Enrollment for coverage effective January 1st or if a qualifying life event occurs.</p> <p>Dependent Day Care Account: Employee may only continue the annual election amount they had with the UW System. If they were not enrolled, their next opportunity to enroll with the new State agency is during Annual Benefits Enrollment for coverage effective January 1st or if a qualifying life event* occurs.</p> <p>*If 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 the Personnel Transfer Record (PTR) Form and routes for processing. The PTR is completed as soon as Benefits Service Delivery is made aware of the transfer to a State agency. Benefits Service Delivery will follow the additional instructions outlined in the FSA/HSA Transfer Process.</p>

TRANSFER TO UW SYSTEM 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 contribution applications to their institution benefits contact within 30 days of their transfer date.

Account Type	Guidelines	Action
Flexible Spending Account (FSA)	<p>Health Care FSA / Limited Purpose FSA: 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 is during Annual Benefits Enrollment for coverage effective January 1st or if a qualifying life event occurs.</p> <p>Health Care FSA / Limited Purpose FSA / Dependent Day Care Account: 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 is during Annual Benefits Enrollment for coverage effective January 1st or if a qualifying life event* occurs.</p> <p>*If 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 UW System.</p>	<p>Employee must complete the applicable enrollment forms.</p> <p>Upon receipt of the Personnel Transfer Record (PTR) Form, UW-Shared Services, Service Operations Benefits Service Delivery Team follows instructions outlined in the FSA/HSA Transfer Process to confirm the current enrollments and year to date contribution information provided on the PTR form. UW-Shared Services, Service Operations will update HRS with the enrollment information.</p>

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Resources:

- [Administration Reference Manual Section 125 Cafeteria Summary Plan Description \(SPD\)](#)
- [Section 125 Plan Document](#)
- [UW System Employee Benefits FSA web page](#)