

# Memo

**To:** Flex Spending Plan Eligible Employees  
**From:** Tracy DeClerck, Comptroller  
**Date:** 11/01/2016  
**Re:** 2017 Flexible Spending Plan Enrollment

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<b>2017 FSA</b>	Our Flexible Spending Account is handled by a third party administrator, Connect Your Care. See attached brochure for details.
<b>What is FLEX?</b>	UTHS offers a flexible spending plan allowing you to set aside pre-tax earnings for health related and dependent care expenses. The elected amount is payroll deducted and reduces your taxable income.
<b>What does it cover?</b>	<p>The <b>Health Care Spending Account</b> reimburses your uncovered health, prescription, dental, or vision related expenses (out-of-pocket costs). The maximum contribution has been increased to <b>\$2,600 per year</b> per employee. With Connect Your Care, you'll receive a healthcare payment card that provides a convenient way to pay for qualified medical expenses.</p> <p>The <b>Dependent Care Spending Account</b> reimburses daycare costs for dependents under 13 years old or an elderly person you are <u>legally</u> responsible for. These costs must be incurred to allow you or your spouse to work, seek employment, or be a full-time student. The maximum contribution is <b>\$5,000 per household</b> (or \$2,500 for married filing separate tax returns or if your spouse also participates in a Flex dependent care plan).</p>
<b>What if I don't use it all?</b>	The Flex plan has a <b>'Use It or Lose It Rule'</b> . Any funds remaining at the end of the plan year will be forfeited. Reimbursements for 2017 incurred expenses can be submitted through March 31, 2018.
<b>What if I'm on my spouse's health insurance plan?</b>	The health plan you are covered by is irrelevant. Your participation in the UTHS Flex Plan is based on working 30 hours or more per week, consistently.
<b>How do I enroll?</b>	All enrollees must complete a new form each year. The enrollment period is from November 1 – 30, 2016.
<b>When will FLEX begin?</b>	Deductions will begin with your January 15, 2017 pay check.
<b>Questions?</b>	Contact Kasey Fish, HR Specialist, 752-1616
<b>Does everyone fill this out?</b>	<b>Yes! This is an <i>election</i> form <i>TO</i> participate or <i>NOT TO</i> participate.</b>

## TAXABLE INCOME COMPARISON

	<u>WITHOUT FLEX</u>	<u>WITH FLEX</u>
<b>ANNUAL SALARY</b>	<b>\$ 40,000</b>	<b>\$ 40,000</b>
<b>Less Pre-Tax Deducts:</b>		
Family Health & Vision Premiums	\$ 7,629	\$ 7,629
FLEX – Health	-----	\$ 2,600
FLEX – Dependent Care	-----	<u>\$ 5,000</u>
<b>Salary Subject to Income Tax</b>	<b>\$ 32,371</b>	<b>\$ 24,771</b>

In this example, \$7,600 is saved in taxable income by utilizing the maximum FLEX deductions.

To analyze your personal situation, you can utilize the Check Estimator within Skyward.

### EMPLOYEE ACCESS – Employee Information

- Personal Information
- Payroll
- Check Estimator
- 1<sup>st</sup> screen allows federal and state withholding changes
  - To actually change payroll, you must complete and sign a new W-4 Form.
- Click on Continue Check Estimator Process
- **If changing current FLEX** deduction, just change \$ amount in box next to FLEX deduction.
- **If new deduction**, go to Additional Deductions (bottom of screen)
  - From drop down list, select FLEX Health (use this for both health and dependent care amounts)
  - Enter per paycheck FLEX \$ Deduction
- Click on Calculate Check
- View Report

**NOTE: Check Estimator will not change any of your information in payroll. To activate a deduction change, you need to complete the related form (i.e.: W-4, FLEX, 403(b), etc.)**