

Memo

To: Flex Spending Plan Eligible Employees
From: Tracy DeClerck, Comptroller
Date: 11/15/2017
Re: 2018 Flexible Spending Plan Enrollment

- 2018 FSA** Our Flexible Spending Account is handled by a third party administrator, Connect Your Care. See attached brochure for details.
- What is FLEX?** 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.
- What does it cover?** The **Health Care Spending Account** reimburses your uncovered health, prescription, dental, or vision related expenses (out-of-pocket costs). The maximum contribution has been increased to **\$2,650 per year** per employee. With Connect Your Care, you'll receive a healthcare payment card that provides a convenient way to pay for qualified medical expenses.
- The **Dependent Care Spending Account** reimburses daycare costs for dependents under 13 years old or an elderly person you are legally 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 **\$5,000 per household** (or \$2,500 for married filing separate tax returns or if your spouse also participates in a Flex dependent care plan).
- What if I don't use it all?** The Flex plan has a **'Use It or Lose It Rule'**. Any funds remaining at the end of the plan year will be forfeited. Reimbursements for 2018 incurred expenses can be submitted through March 31, 2019.
- What if I'm on my spouse's health insurance plan?** 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.
- How do I enroll?** All enrollees must complete a new form each year. The enrollment period is from November 15, 2017 – December 15, 2017.
- When will FLEX begin?** Deductions will begin with your January 15, 2018 pay check.
- Questions?** Contact Kasey Fish, HR Specialist, 752-1616

TAXABLE INCOME COMPARISON

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

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
- First 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.)