



Contract Administration

TO: PEF Membership, Executive Board Members, Field Services

FROM: Erika Frasier, Health Benefits Specialist

DATE: November 15, 2023

RE: Revised * Dependent Care Advantage Account (DCAA), Health Care Spending Account (HCSA) and Adoption Advantage Account Open Enrollment and Informational Reminder

Please note, this memo is being reissued due to new information published by the IRS that the State was able to adopt for our 2024 programs. The new IRS guidelines increased the carryover amount for the 2024 HCSA into the 2025 HCSA plan year, the HCSA maximum contribution, and the Adoption Advantage Account amount as outlined below.

The 2024 open enrollment period for the Dependent Care Advantage Account (DCAA), Health Care Spending Account (HCSA) and Adoption Advantage Account runs from November 1, 2023, through December 11, 2023.

The Flexible Spending Accounts remain with the current administrator, Total Administrative Services Corporation (TASC). Enrollment should be completed online. The online enrollment system platform has a new look. It is easy to enroll, submit your enrollment application online at oer.ny.gov/fsa, by telephone: 800-358-7202, or by scanning the below QR code with your smartphone. You will need your NYS EMPLID number, which is located on your paystub, to complete your application.



The **Flexible Spending Accounts** are State employee benefits, that save employees money by allowing payment for certain expenses with pre-tax dollars. The programs include the Health Care Spending Account (HCSA), Dependent Care Advantage Account (DCAA) and the Adoption Advantage Account. For eligibility, please visit the OER website:

<https://oer.ny.gov/fsa>

- The **HCSA** lets you set aside any amount from \$100 up to the contribution maximum of ~~\$3,050~~\$3,200 for the 2024 plan year to pay for health care expenses that are not reimbursed by your health insurance or other benefit plan. Only medically necessary medical, hospital, dental, vision, hearing, and prescription drug expenses for you, your spouse, and your eligible dependents can be reimbursed or paid by your HCSA. The HCSA provides a carryover. The carryover allows you to use the remaining balance, up to a maximum of \$610 from your 2023 HCSA towards eligible expenses incurred for the new plan year, 2024. The maximum carryover will increase to \$640 for claims incurred during 2024, to carryover into plan year 2025.
- The **Adoption Advantage Account** lets you pay for expenses related to the adoption of an eligible child with pre-tax dollars up to ~~\$15,950~~ \$16,810.
- **DCAA** allows you to set aside pre-tax money up to maximums of \$5,000 or \$2,500 based on your tax filing status to pay for eligible childcare, elder care, or disabled dependent care expenses while you are at work.
 - If you use the “Married Filing Jointly” tax filing status the IRS \$5,000 maximum contribution rule is applied to households.
 - If both you and your spouse participate in a DCAA the total household contribution is limited to \$5,000.
 - If you file as “Head of Household”, the IRS maximum contribution is \$5,000.
 - If you or your spouse earn less than \$5,000 annually, you cannot put more money into the account than your income or your spouse’s income — whichever is less.
 - If you use the “Married Filing Separately” tax filing status, the IRS limits contributions to \$2,500.
 - If you use the “Single” tax filing status, the IRS limit is \$2,500.

Eligible employees can also enroll without having to set aside any of their own money and will still nonetheless be eligible to receive the contractual employer contribution.

The DCAA provides a grace period of 2 ½ months until March 15, 2024, to incur dependent care expenses that can be reimbursed using balances from 2023.

PEF successfully negotiated for the State to increase its employer contribution level by \$200 per participating employee starting in 2023 and this increase continues for the 2024 program year. The below rates reflect the \$200 increase:

THE 2024 PLAN YEAR EMPLOYER CONTRIBUTION RATES ARE:

If Your Salary Is...	The Employer Contribution Is...
Under \$30,000	\$1000
\$30,001 - \$40,000	\$900
\$40,001 - \$50,000	\$800
\$50,001 - \$60,000	\$700
\$60,001 - \$70,000	\$600
Over \$70,000	\$500
GSEU Employees only (regardless of salary)	\$800

FSA Contact information:

- Online: oer.ny.gov/FSA
- Phone: FSA Hotline at 1-800-358-7202
- Email: fsa@oer.ny.gov