2025
FLEX SPENDING ACCOUNT
OPEN ENROLLMENT BOOK

NEW YORK STATE

OPEN ENROLLMENT PERIOD: NOVEMBER 1–DECEMBER 9, 2024

COVER OUT-OF-POCKET EXPENSES WITH PRE-TAX DOLLARS

2025 OPEN ENROLLMENT CALENDAR

OCTOBER 31, 2024
Last day to enroll or make election changes for the 2024 plan year

NOVEMBER 1, 2024
2025 open enrollment period begins

DECEMBER 9, 2024
2025 open enrollment period ends at 11:59 p.m. ET

JANUARY 9, 2025
First deduction taken from Institution Payroll

JANUARY 15, 2025
First deduction taken from Administration Payroll

JANUARY 31, 2025
Last day to correct administrative errors resulting from open enrollment process

MARCH 31, 2025
Last day to submit claims for the 2024 plan year

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WHAT IS THE FLEX SPENDING ACCOUNT?

The Flex Spending Account (FSA) is a state employee benefit that saves you money by allowing you to pay for certain expenses with pre-tax dollars.

The New York State FSA offers three negotiated benefits to state employees:

- **Health Care Spending Account (HCSA)** allows you to pay any amount from $100 to $3,300 for health-related expenses provided to you, your spouse, or eligible dependents with tax-free dollars. This includes medical, hospital, laboratory, prescription drugs, Over-the-Counter drugs, dental, vision, and hearing expenses that are not reimbursed by your insurance, or other benefit plans. Funds are available at the start of the plan year. See page 12 for eligible expenses.
- **Dependent Care Advantage Account (DCAA)** allows you to pay for up to $5,000 custodial care for a dependent child under the age of 13, elder care, or disabled dependent care expenses with tax-fee dollars while you are at work. Funds become available for reimbursement as they are deposited from your payroll deductions. See page 14 for eligible expenses.
- **Adoption Advantage Account (Adoption)** allows you to pay for adoption-related expenses of an eligible child with tax-free dollars. This account can help pay for a qualified adoption. See page 15 for eligible expenses.

HOW THE FLEX SPENDING ACCOUNT WORKS

The FSA is easy to use. During the open enrollment period, estimate your out-of-pocket health care, dependent care, or adoption expenses for the plan year. You may choose to enroll in any or all three benefit choices. If you enroll in more than one FSA benefit, funds cannot be transferred between accounts. Based on your estimate, decide how much of your salary you want to set aside in each of the accounts. This is called your annual election. Submit your enrollment before the open enrollment deadline, December 9 at 11:59 p.m. ET. See page 5 for How to Enroll.

Your annual election will be divided into equal amounts and deducted from your paycheck over the first 24 pay periods of the plan year. These deductions are taken from your gross pay before your federal, state, social security, and city (if applicable) income taxes are withheld. The deductions are then contributed to your FSA for your use on eligible expenses.

Once you are enrolled, you may not change your annual election. Your pre-tax deductions will continue throughout the plan year.

Fees

There are no fees for employees who participate in the FSA program. The FSA is funded by the Office of Employee Relations in cooperation with the state public employee unions. The Legislature and Unified Court System also contribute on behalf of their employees.

FSA Administrator

The State of New York retains the services of an FSA administrator to manage the FSA in compliance with Sections 125 and 129 of the Internal Revenue Code. Total Administrative Services Corporation (TASC) is the FSA administrator.

The FSA administrator reviews and reimburses claims, and provides customer service and accounting services. FSA participants submit all claims for reimbursement directly to the FSA administrator. TASC also provides FSA enrollment through Bentek, Benefits Technology.

HCSA CARRYOVER

Unused contributions up to the IRS carryover limit will carry over to the next plan year for you to use. During the plan year runout period (January 1–March 31), previous year funds may still be used for prior year expenses. Any remaining funds up to the IRS limit from the previous year will then carry over into the current plan year's account balance after the runout period end date. During the runout, the new plan year election will be depleted first, then carryover funds will be accessible for reimbursement. For participants who did not re-enroll, carryover funds will be available after the runout period ends. The IRS carryover limit for 2024 into 2025 is $640; for 2025 into 2026 it is $660.

DCAA AND ADOPTION GRACE PERIOD

The grace period allows an additional 2½ months to incur dependent care or adoption-related expenses. You can use any funds remaining in your account after the plan year ends to pay for expenses incurred between January 1 to March 15 of the following year. Claims must be submitted by the March 31 deadline.

ESTIMATED TAX SAVINGS

	HCSA TAX SAVINGS EXAMPLE		DCAA TAX SAVINGS EXAMPLE	
	without the HCSA	with the HCSA	without the DCAA	with the DCAA
Annual Income	$45,000	$45,000	$75,000	$75,000
Annual Election	$0	$3,200	$0	$5,000
Taxable Income	$45,000	$41,800	$75,000	$70,000
Minus Estimated Payroll Taxes	–$17,319	–$16,416	–$28,238	–$26,355
Expenses (Post-Tax)	$3,200	$0	$5,000	$0
Income After Taxes & Expenses	$24,481	$25,384	$41,762	$43,645
Estimated Annual Savings	$0	**$903**	$0	**$1,883**

ELIGIBILITY

The **HCSA** and **DCAA** are open to New York State employees of Executive Branch state agencies, the State University of New York, the Legislature, and the Unified Court System. Employees of the Roswell Park Comprehensive Cancer Center, NYS Energy Research and Development Authority (NYSERDA), New York Liquidation Bureau, and Environmental Facilities Corporation (EFC) are also eligible to participate. Employees who wish to enroll in the **HCSA** must also:

- Be either permanently employed or expect to be employed for the entire calendar year in which they plan to enroll in the HCSA (employees who work on a semester or school year basis are also eligible)
- Work at least half-time
- Meet the eligibility criteria for enrollment in the New York State Health Insurance Program (NYSHIP) and
- If an Executive Branch employee, be either M/C or represented by CSEA, PEF, UUP, NYSCOPBA, Council 82, PBANYS, DC-37, PBA, or NYSPIA.
- All negotiating units in the Unified Court System are eligible to participate.

Employees who work for Executive Branch state agencies, the State University of New York, the Legislature, and the Unified Court System are eligible to participate in the **Adoption Advantage Account**. Employees of NYSERDA, EFC, and Roswell Park Comprehensive Cancer Center can also participate.

Who is Not Eligible to Enroll?
GSEU-represented, casual, seasonal, session, per diem, fee basis employees, and retirees are not eligible to participate in the HCSA.

Employees paid on a fee basis are not eligible to participate in the DCAA.

HOW YOU BENEFIT

By enrolling in the FSA, you will reduce your taxable income for health and dependent care expenses you already pay for out-of-pocket by paying for these with whole dollars—before federal, state, and social security taxes are taken from your salary. You will also save on your adoption expenses because you will pay lower federal and state (where applicable) taxes due to your pre-tax contributions. Contributions to your FSA will reduce your earned income for purposes of qualifying for the Federal Earned Income Tax Credit. You will realize immediate tax savings in every paycheck!

Estimate your annual savings through the FSA at: https://www.tasconline.com

ENROLLMENT IN FOUR EASY STEPS

Enrollment is done through Bentek on behalf of New York State and TASC at https://app.mybentek.com/nysfsa.

1. **Access Bentek**
   Navigate to **https://app.mybentek.com/nysfsa** or scan the QR code below.
2. **Log In or Register**
   - Returning participants log into your Bentek account.
   - New participants: Click on "Don't have an account? Create one." You will need your Employee ID, Department ID, Bargaining Unit, and name as it appears on your most recent pay stub. Follow directions to create your Username and Password.
3. **My Benefit Elections**
   Choose your election for the next plan year. Enroll in HCSA, DCAA, or Adoption plans.
4. **Verify My Elections**
   Review enrollment elections and submit your session. You are not permitted to change your annual election during the plan year unless you experience a qualifying life event (QLE).

You may also scan this **Bentek QR code** using your smartphone or tablet.

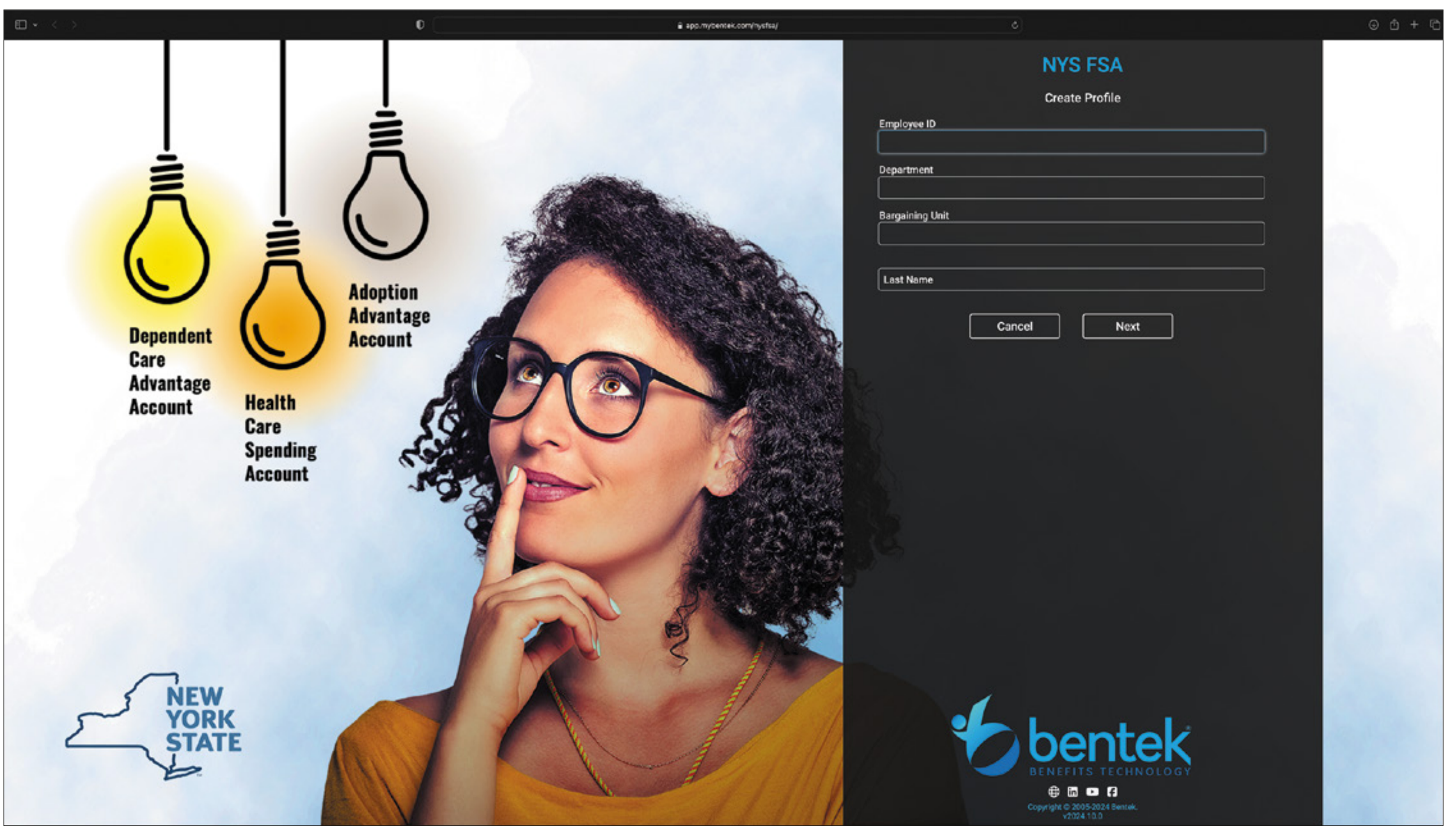
IMPORTANT REMINDERS

IRS regulations do not allow exceptions if you miss the open enrollment deadline, regardless of your reason. Enroll early to avoid long hold times or other issues that may occur during the last few days of the open enrollment period that could cause you to miss the deadline.

Your FSA enrollment lasts for only one year. Re-enrollment is not automatic. You must re-enroll during open enrollment if you would like to contribute to an FSA.

If you have questions about enrolling or have questions about FSA benefits, please contact TASC, the FSA administrator at **800-358-7202**.

After open enrollment ends, you will receive a welcome email from the FSA administrator, confirming your annual elections.



ACCESS YOUR ACCOUNT

You will access your account information by logging into your TASC account at **https://www.tasconline.com**. The first time you access your TASC account, you need to sign up. On the Sign In page, find the **First time here?** prompt and click **Sign up** to establish access. Your username is the email address you used when you enrolled. Please call 800-358-7202 for assistance logging into your TASC account.

HOW DO I USE MY FSA FOR EXPENSES?

TASC Card
Your TASC Card is the preferred and most convenient method to access available benefit account funds for all eligible expenses. It automatically pays for and verifies most eligible expenses at the point of purchase, eliminating the need to request a reimbursement and wait for payment. IRS regulations require you to keep your receipts for HCSA expenses. Occasionally TASC will require you to verify your debit card transactions.

Swipe your TASC Card or use the Mobile App to submit reimbursement requests

Request Reimbursement
If you paid for expenses without your TASC card, you can request reimbursement online or use the mobile app.

IRS regulations require you to keep you receipts for your records. If you submit reimbursement requests online or in the app you will need to submit the documentation required below.

To substantiate **HCSA** expenses, your statement, invoice, bill, receipt, or Explanation of Benefits (EOB) must include:

- Patient name (person who received the service)
- Provider name
- Provider address
- Date of service
- The amount charged or your cost (e.g. deductible or copay amount not covered by your insurance)
- Type of service provided, and if pertinent, name of the drug (and Rx number if a prescription).

To substantiate **DCAA** expenses, your statement, invoice, bill, or receipt must include:

- Dependent name
- Dependent age
- Provider name
- Provider address
- Provider SSN or Tax ID number
- Start and end dates of service
- The cost

Examples of documents with all required information: a statement, invoice, bill, or Explanation of Benefits (EOB).

Examples of documents that lack all required information: credit card receipts with no description of service, or canceled checks.

MOBILE APP

You can also use your smartphone to manage your account with the TASC Mobile App. You can get the free mobile app from app stores.

PAY THE PROVIDER

You can also choose the pay a provider option and TASC will send payment from your benefit account directly to your provider.

TASC MyCASH

Reimbursements are deposited into your MyCash account on your TASC Card.

Access MyCash funds three ways:

1. Swipe your TASC Card at a merchant that accepts Mastercard.
2. Withdraw cash at an ATM (request a PIN online) .
3. Transfer funds to a personal bank account.

Most claims are processed within one to two business days after they are received, and payments are sent shortly thereafter.

After the plan year ends on December 31, you have until March 31 to submit claims.

APPEAL PROCESS

If your election change, claim, or other request is denied, in full or in part, you have the right to appeal the decision by sending a written request to the FSA administrator.

Contact the FSA administrator for information on how to submit your appeal. Your appeal must include:

- Completed Appeal Form
- Appeal letter
- A copy of the denied request
- Proof of expenses and other documentation if original was insufficient
- Any additional documents, information, or comments you think may be relevant to your appeal

Your appeal will be reviewed once it and the supporting documentation are received. You will be notified of the results of this review within 30 business days from receipt of your appeal. In unusual cases, such as when appeals require additional documentation, the review may take longer than 30 business days. If your appeal is approved, your account will be adjusted as soon as possible. Appeal decisions are based upon whether your circumstances and supporting documentation are consistent with the FSA rules and IRS regulations governing the plan.

ENROLLMENT DURING THE PLAN YEAR AND MID-YEAR ELECTION CHANGES

You must enroll during the open enrollment period if you would like to contribute to an FSA. Once enrolled in the FSA, you may not change your mind. Your pre-tax deductions will continue throughout the plan year. However, if you experience a **Qualifying Life Event (QLE)** during the plan year, you may be permitted to enroll or change your contribution amount, if it is consistent with the event.

- **Health Care Spending Account (HCSA)**
  The effective date of your new period of coverage and your new election amount will be the date your application is received or the date of your qualifying event, whichever is later. If you are enrolled in the HCSA when the plan year begins on January 1 and you submit a QLE application during the plan year, you will have two separate periods of coverage from which expenses must be incurred and will be reimbursed.

- **Dependent Care Advantage Account (DCAA)** and
- **Adoption Advantage Account (Adoption)**
  If you are starting an account after the plan year has begun with an eligible qualifying event, your expenses will be eligible for reimbursement from the date your application is received or the date of your qualifying event, whichever is later, through March 15.

If you experience a QLE during the plan year, you must submit a QLE application within **60 calendar days** of the event, but as soon as possible to prevent unwanted, non-refundable deductions. QLE and New Hire applications will be accepted during the plan year until October 31 for events that occur on or before October 31. Applications submitted after that date cannot be processed in time for the last deduction of the year.

To Submit a QLE or New Hire Application:

1. Login to your Bentek account at **https://app.mybentek.com/nysfsa**
2. From Employee Home, click on Life Events
3. Click on (+) Life Events, then select the applicable event from the drop down and follow instructions to submit your event

Consult the table on page 9 for a list of the most common Qualifying Life Events (QLEs)

No additional documentation or verification of the eligible event is required. (You can disregard this message in Bentek.) It is your responsibility to keep legal documentation of the changes in your personal records in case the IRS audits you.

Qualifying life event applications will be processed within 10-14 business days. You will receive notice from Bentek that your 2025 FSA election(s) have been updated. Your updated enrollment information will be available in your TASC account the Tuesday after your election(s) have been updated.

NEW HIRE COVERAGE PERIOD

- **Health Care Spending Account (HCSA)**
  New employees must meet the eligibility criteria to participate in the HCSA. If you enroll during the year as a new employee, your period of coverage will begin on your 31st consecutive calendar day of employment or the date your enrollment is received, whichever is later. You must enroll within **60 calendar days**, inclusive, of your hiring date. The plan year contribution amount will then be prorated over the remaining pay periods in the calendar year. Deductions will start with the first payroll date that occurs after you become eligible to submit claims. You will be able to submit claims for eligible expenses incurred on or after that date through December 31 of the plan year in which you are enrolled.

- **Dependent Care Advantage Account (DCAA)** and
- **Adoption Advantage Account (Adoption)**
  New employees must meet the eligibility criteria to participate in the DCAA. New employees are immediately eligible for this benefit, but must enroll within **60 calendar days**, inclusive, of their hiring date. Your period of coverage will begin on your first day of employment or the date your QLE enrollment is received, whichever is later. The plan year contribution amount will then be prorated over the remaining pay periods in the calendar year. Deductions will start with the first payroll date that occurs after you become eligible to submit claims. You will be able to submit claims for eligible expenses incurred on or after that date through March 15 of the following plan year.

QUALIFYING LIFE EVENTS (QLE)	HCSA				DCAA			
What state employees may do:	Enroll	Increase	Decrease	Terminate	Enroll	Increase	Decrease	Terminate
Change in Legal Marital Status								
Marriage	✓	✓			✓	✓	✓	✓
Divorce, legal separation, annulment			✓	✓	✓	✓	✓	✓
Change in Dependent Status								
Birth, adoption	✓	✓			✓	✓	✓	✓
Change in custody of eligible dependent	no changes permitted				✓	✓	✓	✓
Dependent reaches age 13	no changes permitted						✓	✓
Dependent disability					✓	✓	✓	✓
Gain of dependent's health insurance eligibility			✓		no changes permitted			
Loss of dependent's health insurance eligibility	✓	✓			no changes permitted			
Employment Related Changes								
Beginning of State employment	✓				✓			
Return from an unpaid leave of absence	✓	✓			✓	✓	✓	✓
Change in work schedule (employee or spouse)	no changes permitted				✓	✓	✓	✓
Gain of spouse's health insurance eligibility			✓	✓	no changes permitted			
Loss of spouse's health insurance eligibility	✓	✓			no changes permitted			
Dependent Care Related Changes								
Change in care provider	no changes permitted				✓	✓	✓	✓
Change in rate paid (only if provider is not a relative)	no changes permitted				✓	✓	✓	✓
Change in use of care	no changes permitted				✓	✓	✓	✓
Loss of another Dependent Care Assistance plan's coverage	no changes permitted				✓	✓		
Commencement or termination of adoption proceedings	permits changes to Adoption plan							

PAYROLL CHANGES

Leave Without Pay or Termination
If you leave the payroll due to termination, leave without pay, or any other reason, your deductions will automatically stop.

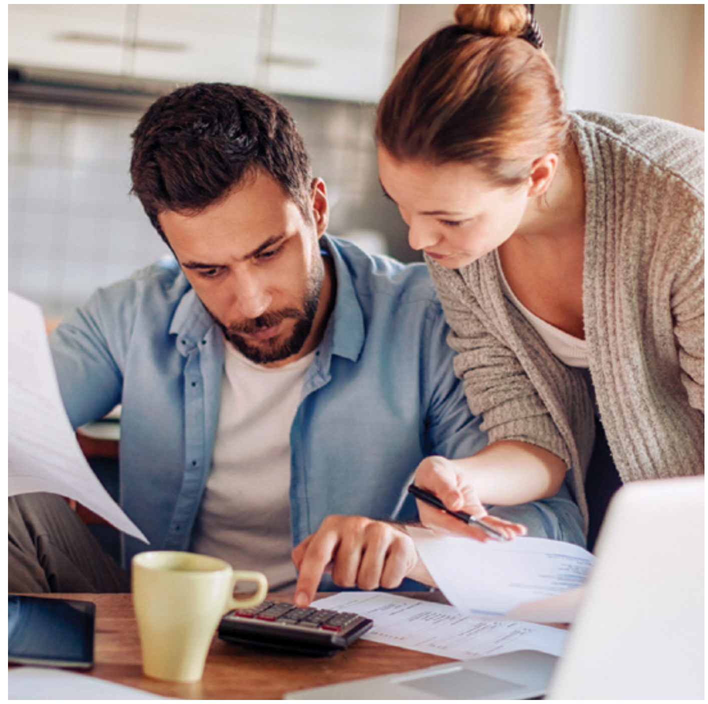
HCSA: Your HCSA coverage will end. You will still be able to submit claims for expenses that occur on or before the last day of the month of your final paycheck deduction. Any health care services received after your contributions stop will not be reimbursed. However, under certain circumstances you may still participate in the HCSA after you leave the payroll:

- If you are eligible to continue your HCSA coverage, you can make after-tax payments directly to the FSA administrator. However, under the direct pay option you won't save money on your taxes. If you leave the payroll during the plan year and want to continue your coverage, the FSA administrator will send you a notice to elect continuation of coverage that you must sign and return by the specified deadline.
- If you return to the payroll during the same plan year, you can re-enroll if you submit a QLE application within **60 calendar days** of your return to the payroll. Change in status applications will be accepted during the plan year until October 31.
- If you leave and return to the payroll, you may re-enroll, but only for the same election amount that you had at the time you left the payroll. However, you will have two separate periods of coverage from which expenses can be incurred and reimbursed. You will not be reimbursed for health care services during the time period when you were not contributing to your account.

DCAA and Adoption: Your DCAA coverage will continue and DCAA eligible expenses that are received from your initial eligibility date through December 31 of the plan year will be reimbursed.

If you return to the payroll and have missed a deduction, you may re-enroll to restart your deductions by submitting a QLE application within **60 calendar days** of your return to work. Your account will be re-established for the remainder of the plan year and your deductions will start with the first payroll date that occurs after you are eligible to submit claims.

Qualifying life event applications will be accepted during the plan year for events that occur on or before October 31. Applications received after that date cannot be processed in time for the last deduction of the year. If you have a question about your situation, contact the FSA administrator at **800-358-7202**.



Leave With Pay
Payroll deductions will continue for participants on sick leave, sick leave at half-pay, and vacation provided there are sufficient funds in the paycheck. Deductions will not continue for employees receiving short- or long-term disability benefits through the Income Protection Plan (IPP). Some situations may be considered eligible qualifying events. If you have a question about your situation, contact the FSA administrator at **800-358-7202**.

WHAT TO DO AT TAX TIME

Health Care Spending Account
When you receive your W-2, the salary reported in Box 1 will already be reduced to reflect your HCSA contributions. You are not required to file any tax forms to report your HCSA contributions.

Dependent Care Advantage Account
When you receive your W-2, your total DCAA contributions and employer contribution will be reflected in Box 10. You will also need to file IRS Form 2441 when you file your Federal Income Tax Return.

Adoption Advantage Account
When you receive your W-2 form, the salary reported in Box 1 will already be reduced to reflect your plan year contributions. You will also need to file IRS Form 8839 when your file your Federal Income Tax Return.

Please consult your tax preparer, tax attorney, or accountant if you have any questions regarding your filing requirements.

IMPORTANT HCSA INFORMATION

The Health Care Spending Account (HCSA) is a type of FSA benefit. You can use it to pay for health-related expenses with tax-free dollars. This includes medical, hospital, laboratory, prescription drug, dental, vision, and hearing expenses that are not reimbursed by your insurance, or other benefit plans.

Before enrolling in the HCSA program, you should consider what your eligible expenses might be. Reviewing your costs from previous years can help. Once you have estimated the amount of your costs, you may then decide how much to contribute to your HCSA. Under federal law, any money that you put into your HCSA must be used for expenses incurred during the plan year in which it was contributed. Currently the maximum annual contribution allowed is $3,300 and the minimum annual contribution is $100. The maximum contribution may be subject to change annually.

HCSA helps state employees pay health-related expenses with tax-free dollars

To be eligible, expenses must be for health care received primarily for the prevention or treatment of a physical or mental defect or illness. Out-of-pocket costs are generally eligible if they are not reimbursed by insurance. Regardless of whether the expenses are incurred by you or your eligible dependents, they must be incurred during the plan year or during your period of coverage if you enroll after the plan year begins. An expense is incurred when you or one of your dependents receives the health care service, not when you are billed, charged for, or pay for the service.

To be eligible for reimbursement, a health care expense must be:

- For you or an eligible dependent
- Permitted under the Internal Revenue Code
- Medically necessary
- Not reimbursed by your health insurance or any other benefit plan, nor will you seek reimbursement from such plans

You can be reimbursed for your expenses as soon as you or your dependents receive medical services. Once you sign up for the HCSA and decide how much you want to contribute, that total amount is available to you at any time during your period of coverage. You don't have to wait for the money to build up in your account before you can use it to pay for your eligible health care expenses.

Whose Expenses Are Eligible For Reimbursement?
You may claim eligible expenses under the HCSA program for the following individuals:

- Yourself
- Your spouse
- Your qualifying child
- Your qualifying relative

An individual is a qualifying child if they:

- Are a U.S. citizen, national, or a resident of the U.S., Mexico, or Canada
- Have a specified family-type relationship to you
- Live in your household for more than half of the tax year
- Are 18 years old or younger (23 years, if a full-time student) at the end of the tax year
- Have not provided more than one-half of their own support during the tax year (and receive more than one-half of their support from you during the tax year if a full-time student age 19 through 23 at the end of the tax year)

An individual is a qualifying relative if they:

- Are a U.S. citizen, national, or a resident of the U.S., Mexico, or Canada
- Have a specified family-type relationship to you, are not someone else's qualifying child, and receive more than one-half of their support from you during the tax year

  -or-

- If no specified family-type relationship to you exists, are a member of and live in your household (without violating local law) for the entire tax year and receive more than one-half of their support from you during the tax year.

Note: There is no age requirement for a qualifying child if they are physically or mentally incapable of self-care. An eligible child of divorced parents is treated as a dependent of both, so either or both parents may establish an HCSA to be reimbursed for the child's health care expenses.

WHAT TYPES OF EXPENSES ARE ELIGIBLE?

Expenses are eligible for reimbursement if they are for medically necessary health care services. The expenses must be incurred during the plan year or during your period of coverage if you enroll after the plan year begins. Examples of eligible expenses under the HCSA are listed below. For more information about eligible health care expenses, login to your account to search the eligible expenses list.

Eligible Medical Expenses
- Acupuncture
- Artificial limbs
- Bandages & dressings
- Birth control, contraceptive devices
- Birthing classes/Lamaze
- Chiropractic therapy/exams/adjustments
- Contact lens and contact lens solutions
- Co-payments
- Crutches (purchased or rented)
- Deductibles & co-insurance
- Diabetic care & supplies
- Eyeglasses, contacts, or safety glasses (prescription)
- First aid kits & supplies
- Hearing aids & hearing aid batteries
- Heating pad
- Incontinence supplies
- Infertility treatments
- Insulin
- Lactation expenses (breast pumps, etc.)
- Laser eye surgery; LASIK
- Legal sterilization
- Medical supplies to treat an injury or illness
- Menstrual care products (tampons, pads, etc)
- Mileage to and from doctor appointments
- Optometrist or ophthalmologist fees
- Orthopedic inserts
- Personal Protection Equipment (PPE) (facial masks, hand sanitizer, sanitizing wipes)
- Physical exams
- Physical therapy (as medical treatment)
- Physician fees and hospital services
- Pregnancy tests
- Prescription drugs and medications
- Psychotherapy, psychiatric and psychological services
- Sales tax on eligible expenses
- Sleep apnea services/products (as prescribed)
- Smoking cessation programs & deterrents (gum, patch)
- Treatment for alcoholism or drug dependency
- Vaccinations & flu shots
- X-ray fees

Eligible Dental Expenses
- Braces and orthodontic services
- Cleanings
- Crowns
- Deductibles, Co-insurance
- Dental implants
- Dentures, adhesives
- Fillings

Over-The-Counter Drugs

Over-the-counter (OTC) drug costs are reimbursable through the HCSA as long as the items are used to treat a medical condition or illness. Certain OTC costs such as vitamins and dietary supplements are not reimbursable unless they are recommended by a doctor for a medical condition. General purpose items such as toothpaste and lip balm are not eligible expenses.

Eligible OTC Medicines and Drugs
- Allergy, cough, cold, flu & sinus medications
- Anti-diarrheals, anti-gas medications & digestive aids
- Canker/cold sore relievers & lip care
- Family planning items (contraceptives, pregnancy tests, etc.)
- Foot care (corn/wart medication, antifungal treatments, etc.)
- Hemorrhoid creams & treatments
- Itch relief (calamine lotion, cortisone cream, etc.)
- Oral care (denture cream, pain reliever, teething gel, etc.)
- Pain relievers—internal/external (acetaminophen, ibuprofen, pain relief rub, etc.)
- Skin care (sunscreen w/SPF 15+, acne medication, etc.)
- Sleep aids & stimulants (nasal strips, etc.)
- Stomach & nausea remedies (antacids, motion sickness medication, etc.)
- Wound treatments/washes (hydrogen peroxide, iodine)

Requiring Additional Documentation

The following expenses are eligible only when incurred to treat a diagnosed medical condition. Such expenses require a **Letter of Medical Necessity** from your physician, containing the medical necessity of the expense, diagnosed condition, onset of condition, and physician's signature.
- Ear plugs
- Massage treatments
- Nursing services for care of a special medical ailment
- Orthopedic shoes (excess cost of ordinary shoes)
- Oxygen equipment and oxygen
- Support hose (non-compression)
- Varicose vein treatment
- Veneers
- Vitamins & dietary supplements
- Wigs (for mental health condition of individual who loses hair because of a disease)

IMPORTANT DCAA INFORMATION

The Dependent Care Advantage Account (DCAA) is a negotiated employee benefit that provides a tax-free way to help you, as a state employee, pay for custodial child care, elder care, or disabled dependent care while you are at work. The DCAA is not pre-funded. You can only use funds as you contribute them into your account. For example, if your annual election amount is $2,400 across 24 pay periods, after your first pay period, you will only have $100 (or $2,400/24) available to use.

The maximum you may put into the account is $5,000 or $2,500 based on your tax filing status.

- 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 Jointly" tax filing status the IRS $5,000 maximum contribution rule is applied to households.
- If both you and your spouse participate in a dependent care FSA 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 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.

Expenses must be for services provided from January 1 through December 31 of the plan year.

If services are for child care, your child must be under age 13 and your dependent as defined by federal tax rules.

Services for a child or adult of any age are eligible if they are disabled and unable to care for themselves and spend at least eight hours of the day in your home.

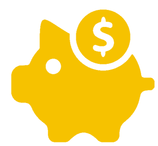
The services may be provided either in your home or elsewhere, but not by someone whom you also claim as your dependent for income tax purposes. You may not pay your older child to care for your younger child or elderly parent.

The IRS requires you to provide the name, address, and taxpayer identification number (or social security number) of the person providing the care. You must provide this information when you submit a claim and when you file IRS Form 2441 with your income tax return.

EMPLOYER CONTRIBUTION

As a result of collective bargaining agreements between the State and the public employee unions, many employees are eligible for an employer contribution from New York State. In order to receive this contribution, you need to enroll in the DCAA. If you are eligible, the employer contribution is automatically deposited into your DCAA. You can enroll for just the employer contribution amount or any amount up to the IRS limit.

The amount of the employer contribution should be included in your annual election. The DCAA employer contribution will be available in 2025 for unions that have agreements to participate in the employer contribution program.



Many employees are eligible for an employer contribution from New York State

EMPLOYER CONTRIBUTION ELIGIBILITY

The following employees are currently eligible for the employer contribution:

- Employees of Executive Branch state agencies, Roswell Park Comprehensive Cancer Center, or State University of New York who are designated M/C or represented by CSEA, PEF, UUP, NYSCOPBA, Council 82, DC-37, PBANYS, or GSEU
- Employees of the Unified Court System, except those designated unrepresented (Negotiating Unit #88)
- Employees of the Legislature, NYSERDA, or EFC

If Your Salary Is...	The Employer Contribution Is...
Under $30,000	$ 1,100
$30,001 - $40,000	$1,000
$40,001 - $50,000	$900
$50,001 - $60,000	$800
$60,001 - $70,000	$700
Over $70,000	$600
GSEU Employees only (regardless of salary)	$900

WHO IS CONSIDERED A DEPENDENT?

You may use your DCAA to receive reimbursement for eligible dependent care expenses for qualifying individuals.

A qualifying individual includes a **qualifying child**, if the child:

- Is a U.S. citizen, national, or a resident of the U.S., Mexico, or Canada
- Has a specified family-type relationship to you
- Lives in your household for more than half of the taxable year (**Special rule for children of divorced or separated parents.** Even if you can't claim your child as a dependent, they are treated as your qualifying person if you were the child's custodial parent. According to the IRS, the custodial parent is the parent with whom the child lived for the greater number of nights in the plan year. If the child was with each parent for an equal number of nights, the custodial parent is the parent with the higher adjusted gross income. For details and an exception for a parent who works at night, refer to IRS Pub. 501.)
- Spends at least eight hours per day in your home
- Has not provided more than one-half of his or her own support during the taxable year
- Under age 13

A qualifying individual includes your **spouse, relative, or any other individual** (as long as the relationship does not violate local law), if they:

- Are a U.S. citizen, national, or resident of the U.S., Mexico, or Canada
- Have a specified family-type relationship to you
- Live in your household for more than half of the taxable year
- Spend at least eight hours per day in your home
- Receive more than one-half of their support from you during the taxable year
- Are physically or mentally incapable of self-care

If you are a tax dependent of another person, you cannot claim qualifying individuals for yourself. You cannot claim a qualifying individual if they file a joint tax return with their spouse. Only the custodial parent of divorced or legally-separated parents can be reimbursed using the DCAA.

ELIGIBLE EXPENSES

To use the DCAA, you must be paying for dependent care so that you and your spouse (if you are married) can work or go to school. If your spouse is not disabled, not at work, or not in school, it is assumed they are available to care for the dependent.

Eligible Dependent Care Expenses

- Fees for licensed child care or adult care facilities
- Before and after school care programs for dependents under age 13
- Amounts paid for services provided in or outside of your home, including babysitters or nursery school
- Nanny expenses attributed to dependent care
- Nursery school (preschool) fees
- Summer day camp—primary purpose must be custodial care and not educational in nature
- Late pick-up fees
- Does not cover medical costs; use the Health Care Spending Account (HCSA) for medical expenses incurred by you or your dependents

Eligible Disability Expenses

- Automobile equipment and installation costs for a disabled person in excess of the cost of an ordinary automobile
- Device for lifting a mobility impaired person into an automobile
- Braille books/magazines in excess of cost of regular editions
- Note-taker for a hearing impaired child in school
- Seeing eye dog (buying, training, and maintaining)
- Special devices, such as a tape recorder or typewriter for a visually impaired person
- Visual alert system in the home or other items such as a special phone required for a hearing impaired person
- Wheelchair or autoette (cost of operating/maintaining)

IMPORTANT ADOPTION ACCOUNT INFORMATION

Eligible employees can enroll in a flexible spending account for expenses related to the adoption of an eligible child. Pre-tax payroll deductions contributed to the Adoption Advantage Account can help pay for a qualified adoption. Although you won't save on social security taxes, you can save on federal and state taxes (where applicable) by having up to $17,280 withheld from your paycheck on a pre-tax basis.

- Qualified adoption expenses are reasonable and necessary expenses directly related to, and for the principal purpose of, the legal adoption of an eligible child including the expenses listed above.
- An eligible child must be under the age of 18 or any disabled individual physically or mentally incapable of self-care and must not be a stepchild.
- You can enroll or stop deductions within 60 days of starting or stopping adoption proceedings. Accounts cannot be backdated so keep in mind only expenses incurred after you enroll will be eligible for reimbursement.
- Pre-tax deductions are not refundable for any reason. You can only be reimbursed from money already contributed to your Adoption Advantage Account.
- If you are unable to get reimbursed, you will forfeit the money back to the plan.
- You can have up to the maximum amount of the adoption tax credit withheld from your paycheck.
- Employees are responsible for understanding the tax treatment of reimbursement under this plan and for claiming the application income exclusion by filing IRS Form 8839 with their federal income tax return.

ELIGIBLE EXPENSES

- Home study and application fees
- Reasonable and necessary legal adoption fees
- Court costs
- Attorney fees
- Agency fees
- Medical services associated with a child with special needs
- Travel and lodging fees
- Other expenses which are directly related to, and for the principal purpose of, a legal adoption

FSA EFFECTS ON OTHER BENEFITS

Social Security Tax (FICA)
Contributions to the FSA may reduce your social security taxes. If so, based on current social security law, social security benefits at your retirement age may be slightly less as a result of your participation in the FSA program. The effect will be minimal and would likely be offset by the amounts saved in taxes today. If you are concerned about this, contact the Social Security Administration at **800-772-1213** or visit **https://www.ssa.gov**.

New York State Pension
Contributions to the FSA have no effect on your New York State pension contributions or benefits.

SUNY Deferred Annuity Plan
Contributions to the State University of New York's tax-deferred annuity plan are not affected by participation in the FSA program.

Deferred Compensation
Most employees' contributions to the New York State Deferred Compensation Plan will be unaffected by participation in the FSA program. In some cases, however, participation in the FSA program may affect you. The percentage you contribute to the deferred compensation plan will be applied to a lower salary amount as a result of your FSA contributions. Since such contributions are made as a percentage of salary, your deferred compensation contribution may be lower, depending on the amount of your annual salary and the amount you currently contribute to your deferred compensation plan.

Please consult your tax preparer, tax attorney, or accountant if you have any questions regarding your specific tax situation.

FLEX SPENDING ACCOUNT

COVER OUT-OF-POCKET EXPENSES WITH PRE-TAX DOLLARS

FSA Website: **oer.ny.gov/fsa**

FSA Hotline: **800-358-7202**

Email: **fsa@oer.ny.gov**

NEW YORK STATE

New York State Office of Employee Relations | Governor Kathy Hochul | Director Michael N. Volforte

The Flex Spending Account is sponsored by the Work-Life Services Advisory Board and the Joint Labor-Management Committees on Health Benefits, the Office of Employee Relations, the Civil Service Employees Association, Public Employees Federation, United University Professions, NYS Correctional Officers & Police Benevolent Association, Inc., Council 82, District Council 37, Police Benevolent Association of the New York State Troopers, New York Police Investigators Association, Police Benevolent Association of New York State, Inc., and the Graduate Student Employees Union.