

Medical Flexible Spending Account (FSA) FAQs

1. Am I able to make changes to my FSA?

Due to COVID-19, the IRS is allowing plan members to make changes to their pre-tax Medical/Dependent FSA contributions. You can make a one-time change to your 2020 Medical FSA during the period **July 6th – August 15th**. The maximum IRS contribution to 2020 Medical FSA is \$2,750 and \$5,000 for Dependent FSA. See question #14 for instructions on how to make changes.

2. What if I don't use up all of my 2020 Medical FSA dollars by December 31st?

The maximum carryover for Medical FSA funds from 2020 to 2021 is \$550. Any contributions above \$550 will be forfeited. Keep this in mind as you make your one-time election change.

3. How many times can I change my FSA contribution amount?

You are able to change your Medical/Dependent FSA amount one time during this period unless you experience a qualifying life event.

4. Am I able to backdate my FSA changes?

Medical/Dependent FSA changes cannot be backdated, and prior contributions to 2020 FSAs cannot be changed. All changes made to FSA accounts will be made as administratively feasible after receipt. This may result in one additional deduction being made from your pay at the prior rate after your new election and in place for the remainder of the year.

5. What if I want to stop contributing to my 2020 Medical FSA for the rest of 2020?

If an employee decides to stop contributing (i.e., putting \$0 in the per period contribution) no further pre-tax deductions will be made. Employees currently have until December 31, 2020 to use the funds in their 2020 Medical/Dependent FSA account. The IRS may make further provisions throughout the calendar year, it is then up to your plan sponsor to implement said changes. Employees can rollover a maximum of \$550 unused 2020 Medical FSA dollars to their 2021 Medical FSA account. Also, see Q/A #10 below.

6. What is the minimum amount I can contribute to my FSA for the rest of 2020? The maximum?

The minimum that can be contributed per pay period is \$0. The maximum that can be contributed for 2020 is **\$2,750 for Medical FSA and \$5,000 for Dependent FSA.**

7. How long do I have to use my 2020 FSA contributions?

Employees currently have until December 31, 2020 to use the funds in their 2020 FSA accounts. The IRS may make further provisions throughout the calendar year, it is then up to your plan sponsor to implement said changes. Employees can rollover a maximum of \$550 unused 2020 Medical FSA dollars to their 2021 Medical FSA account. Employees are **unable** to rollover Dependent FSA dollars to the 2021 plan year.

8. What if I do not want to make changes to my 2020 contributions? Do I need to do anything?

If you do not want to make any changes to your Medical/Dependent FSA, you don't need to do anything.

9. I already used up all of my FSA annual contribution in Q1. Can I cancel my Medical FSA election?

No. All Medical FSA funds used prior to June 6th, 2020 must be repaid to the plan. For example, if you already used \$2,000 for a medical expense in 2020, and you have only contributed \$1,000 so far, you must contribute at least \$1,000 through the remainder of 2020.

10. I have had some unexpected medical expense so far in 2020 and expect more throughout the year. Can I increase my Medical FSA contributions?

Yes, put more money in for 2020 if you're sure you'll have medical expenses to match. The maximum pre-tax annual contribution for Medical FSA is \$2,750. You cannot contribute more than this amount.

11. What if I made an error in my FSA Changes Qualifying Life Event, and I need to correct my 2020 contribution amount?

Not a problem, as long as you let Employee Health & Benefits know before 4:30 PM on August 15th, 2020.

- ✓ If your Medical FSA Changes qualifying life event was approved, you will need to redo your life event with a later date.
- ✓ If your FSA changes life event has been submitted, but not yet approved, let Employee Health & Benefits know so the submitted but unapproved life event can be cancelled, and you can resubmit your changes.

12. How do I know how much I already spent?

Please see below. Reach out to P&A, utilize the website or the App.

13. What if I missed the deadline to make changes?

If you missed the August 15th, 2020 deadline for making a change, you will need to wait until Open Enrollment in November to make changes to your Medical/Dependent FSA for 2021, unless you have a qualifying life event later in 2020.

14. How do I make changes to my FSA account?

You will need to visit the Office of Employee Health and Benefits website:

<https://www.maine.gov/bhr/oe/forms>. The form is labeled “Change in Status – (PDF)” under FSA forms. You’ll need to print out the form, fill out appropriately, and email completed form to Info.Benefits@maine.gov.

Making Changes to your FSA Contributions

Because of the current COVID-19 situation, the IRS has made a rule change regarding pre-tax contributions to the FSA Medical/Dependent plan. Employees participating in the 2020 FSA Medical plan will have a one-time opportunity to change their contributions from July 6th-July 31st.

NOTE: Once the window to make FSA plan changes is closed, no additional changes will be made for 2020, unless there is a qualifying life event.

How Do I Review My Current FSA Medical Balance? Here are the following options:

- Go to **www.padmin.com >> Login >> FSA.**
- Download and utilize the mobile app.
- Call P&A at 1-800-688-2611.
- Utilize the online chat to speak to customer service.

What Do I Need to Know? The following are IRS and FSA plan rules:

- The maximum 2020 pre-tax contribution for FSA Medical is \$2,750.
- The maximum 2020 pre-tax contribution for FSA Dependent is \$5,000.
- The maximum carryover from 2020 to 2021 for Medical FSA is **\$550**. Any balance above \$550 at the end of 2020 will be forfeited.
- You can stop, decrease, or increase future 2020 FSA contributions.
- For an FSA Medical balance in deficit (i.e., more has been spent in 2020 than has been contributed), employees will need to at least contribute enough to cover the deficit (e.g., if someone has already spent \$2,000, but has only contributed \$1,000, at least \$1,000 still needs to be contributed to the plan to cover what has been spent.)