

Subject: All CPF E-mail - Changes in the Flexible Spending Account (FSA) Program

Sent: Monday, 1 December 2003

The purpose of this E-mail is to advise of important changes in the Federal Employees Health Benefits Flexible Spending Account (FSA) program announced by the Office of Personnel Management (OPM).

The maximum contribution employees can elect under the FSAFEDS Program for a **health care FSA account** has **increased** from \$3,000 to **\$4,000**. The decision to raise the limit was prompted by the recent Internal Revenue Service (IRS) announcement that over-the-counter medicines may be reimbursed under a health care FSA.

In order to allow employees more time to consider how much to elect, the **FSAFEDS Open Season** has been extended one week -- FSA Open Season now **ends on 15 Dec 03**. OPM recommends, however, that employees make their election by 8 Dec 03 to ensure deductions begin with the first paycheck in Jan 04, which for most Air Force-serviced civilian employees will be 2 Jan 04. Employees who enroll or change their enrollment after 8 Dec 03 run a risk that their payroll deduction may not occur or may be inaccurate until their second paycheck in Jan 04.

Examples of the types of over-the-counter medicines that are reimbursable under a health care FSA include frequently used decongestants or antihistamines. Items that are "merely beneficial" to "general good health," such as dietary supplements and vitamins, are not reimbursable.

Enrollment in the FSA Program is not automatic. Employees must elect a health care and/or dependent care FSA account each year, if they wish to participate in this program. Enrollments do not carry over from year to year. To enroll, eligible employees should visit the FSAFEDS web site (www.fsafeds.com) or call 1-877-372-3337.

Additional information on the FSA Program can be found on the BEST Homepage (www.afpc.randolph.af.mil/dpc/best/fsa.htm), the OPM FSA Web page (www.opm.gov/insure/pretax/fsa/index), and the FSAFEDS Web site (www.fsafeds.com).

If you have electronic capability, please forward this E-mail to all directorates and organizations at your base and ask that they forward it to all levels within their organizations.

Thank you for your continued support.

Chief, Special Operations Division
AFPC/DPCM