THE CITY OF NEW YORK
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EMPLOYEE BENEFITS PROGRAM
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MEMORANDUM

TO: Agency Human Resources Department/Benefits Office
FROM: Sang Hong, Deputy Director
RE: Flexible Spending Accounts (FSA) Program for Plan Year 2013 – Open Enrollment Period
DATE: September 13, 2012

This memorandum is in reference to the FSA Program for Plan Year 2013.

I. Open Enrollment Period
   The Open Enrollment Period is from September 24, 2012 - November 23, 2012 for Plan Year 2013, effective 1/1/2013 for the following programs:
   • Dependent Care Assistance Program (DeCAP)
   • Health Care Flexible Spending Account (HCFSAs) Program
   • Medical Spending Conversion (MSC) Health Benefits Buy-Out Waiver Program
   • Medical Spending Conversion (MSC) Premium Conversion Program

II. Plan Year 2013 FSA Program Brochures and Enrollment/Change Forms
   The brochures and forms will be available on the FSA Program Web site at nyc.gov/fsa on or after September 24, 2012.

III. Current Participants in the HCFSAs Program and/or DeCAP
    Any employee currently enrolled in the HCFSAs Program and/or DeCAP will automatically receive the Plan Year 2013 FSA Program Brochure and Re-Enrollment Form (pre-populated with basic employee information). These materials will be sent to the participant’s address we have on record in October 2012.

IV. Medical Spending Conversion (MSC) Forms
    Please be advised that there are two separate MSC Forms, one for the MSC Health Benefits Buy-Out Waiver Program and one for the MSC Premium Conversion Program. Please make sure that the correct form is used for each program. Also, please note that each form is one page and contains no carbon copies. We suggest that your office retain a copy for the employee’s records. In addition, each participant’s enrollment in the MSC Program continues from one Plan Year to the next; therefore, the participant does not need to re-enroll each Plan Year unless there is a change of status.

V. Plan Year 2012 New Employees (September through November 2012)
    Plan Year 2012 Enrollment/Change Forms should be used for new 2012 employees who wish to enroll in the HCFSAs Program, DeCAP and/or the MSC Health Benefits Buy-Out Waiver Program during the mid-year for the months of September through November 2012. Please note that some payrolls may not be able to process new enrollments in the month of November due to payroll cutoff dates in Calendar Year 2012. New employees must complete and submit these Enrollment/Change Forms within 30 days after their starting date of employment. Please be aware that we will not accept any Plan Year 2012 Enrollment/Change Forms during the month of December 2012.
VI. HCFSA Program Grace Period & Claims Run-Out Period and DeCAP Claims Run-Out Period

- For the HCFSA Program only, there will be a Grace Period during which participants may submit claims for eligible medical expenses incurred from January 1 through March 15, 2014 following the close of Plan Year 2013, using the remaining balance in their Plan Year 2013 account, if any. A Claims Run-Out Period is also provided from January 1 through May 31, 2014, during which participants may submit claims for services incurred either during Plan Year 2013 or the Grace Period.
- For DeCAP only, there will be a Claims Run-Out Period provided from January 1 through February 28, 2014 during which participants may submit claims for services incurred during Plan Year 2013. Please note that there is no Grace Period provided for DeCAP.
- Qualifying Event submission deadline date is 30 days from the date of the Qualifying Event.

VII. HCFSA Program Continuation Coverage

- If a participant terminates employment with the City, his or her participation in the HCFSA Program will cease as of the employment termination date. Please be advised that the participant is not obligated to fund the remainder of his/her HCFSA goal amount unless the participant elects Continuation Coverage under the HCFSA Program. However, the participant may elect to continue participation in the HCFSA Program for the remainder of the Plan Year by selecting one of the following options: (a) having the remaining goal amount balance taken from his or her last paycheck, (b) having the remaining goal amount balance pro-rated from his or her remaining paychecks, or (c) submitting the remaining goal amount balance on a post-tax basis either by lump sum or monthly payments.
- By electing HCFSA Continuation Coverage and successfully funding the remaining goal amount, the participant may submit claims for expenses incurred after his or her termination date through the end of the Plan Year, including the Grace Period.
- Upon termination from employment with the City, the participant will receive a Continuation Coverage notice providing the participant with the option to continue coverage under the HCFSA Program. Those participants who wish to continue their HCFSA coverage, should complete and return the notice to the HCFSA Program.

VIII. HCFSA: Annual Goal Amount

- Pursuant to the federal Patient Protection and Affordable Care Act (PPACA), the HCFSA Program maximum goal amount has been reduced to **$2,500** for Plan Year 2013.

If you require additional materials, please download them from our Web site:

For the Plan Year 2013 FSA Program Brochure and Enrollment/Change Form (on or after September 24, 2012):

[www.nyc.gov/fsa](http://www.nyc.gov/fsa)

1) Select “Forms and Downloads.”
2) Choose “Flexible Spending Accounts Program – Plan Year 2013.”

For additional program information or to send an e-mail message to the FSA Program:


Employees may also obtain FSA Program materials for Plan Year 2013 by calling the automated help-line at 212-306-7760.

If you need additional information in reference to this memo, please contact me at 212-306-7392, Dorothy Porta at 212-306-7318 or Amy Golden at 212-306-7766. Please do not distribute these telephone numbers to your employees.

Please note: Discard all Plan Year 2012 Enrollment/Change Forms and Brochures by the end of November 2012 (if any), as they will not be accepted for Plan Year 2013.