TO: Agency Human Resources Personnel

FROM: Sang Hong, Deputy Director

RE: Special Mid-Year Open Enrollment for Health Care Flexible Spending Account (HCFSA) Program

DATE: May 24, 2010

As a result of changes made to the Affordable Care Act (ACA), which was recently enacted by the Federal government, please be advised that there is now a general exclusion from gross income for medical care reimbursements for adult children of employees who have not attained age 27 by the end of the calendar year 2010.

Please be advised that the Health Care Flexible Spending Account (HCFSA) Program will be holding a special Mid-Year Open Enrollment for the following eligible employees:

**New Enrollees:**
- Eligible employees who have not enrolled in the HCFSA Program for the Plan Year 2010 may enroll if they have an adult child who will not attain age 27 in calendar year 2010. These employees will have an effective date of July 1, 2010.
- Please disseminate information about the Mid-Year Open Enrollment Period to your employees, and instruct those who are eligible to complete an HCFSA Special Mid-Year Open Enrollment Form. This Enrollment Form, as well as the Flexible Spending Accounts (FSA) Program Brochure for Plan Year 2010, can be downloaded from the FSA Program Web site at www.nyc.gov/fsa.

**Current Participants:**
- Current HCFSA participants will be entitled to add their adult children as eligible health care recipients under their HCFSA, as long as the adult child does not turn 27 in calendar year 2010.
- Current participants may increase their goal amount to a maximum of $5,000 for the remainder of Plan Year 2010 if their goal amount is less than $5,000, in order to accommodate additional claims that will be submitted by added dependents. Payroll deductions for participants who elect to increase their goal amount will increase in the first or second paycheck in July (for DOE employees, payroll deductions will increase in the September paycheck).
- The current HCFSA participants will receive a letter from our office this week providing them with the opportunity to add a dependent and increase their annual maximum (please refer to enclosed letter), as well as a confirmation letter once the new dependents and/or a new goal amount are processed.

Finally, please note that the Mid-Year Open Enrollment Period will run from June 1, 2010 through June 15, 2010. Participants/new enrollees may submit claims for medical expenses incurred by added dependents on or after July 1, 2010.

Thank you for your anticipated cooperation. If you have any questions, please contact me at (212) 306-7392.

Enclosures