



Civil Service Commission
Employee Benefits Division



Flexible Spending Accounts Open Enrollment

2010 Flexible Spending Accounts Open Enrollment

November 2, 2009 – November 30, 2009

The Flexible Spending Accounts Open Enrollment for the 2010 calendar year begins **November 2, 2009** and ends **November 30, 2009**.

Flexible Spending Accounts (FSAs) allow **you to pay for dependent care and eligible out-of-pocket health care expenses with pre-tax dollars, thereby reducing your taxable income.**

With a little up-front planning, FSAs will actually increase your take-home pay over what your net take-home pay would be if you paid for such expenses with after-tax dollars.

The 2010 Flexible Spending Account Plan Booklet contains the information you need to determine if you want

a **Health Care** and/or **Dependent Care** Spending Account.

For information or questions regarding eligible expenses or the reimbursement process, please contact the ADP Participant Solution Center at (800) 422-3703, Monday through Friday, 8:00 a.m. to 8:00 p.m.

Important!

Enrollment is required if you wish to participate in the FSAs for 2010, even if you are currently participating this year.

Enrollment instructions may be found on page 4 of this brochure.

* Non-career and SPS employees are not eligible for this benefit.

Important Information About Flexible Spending Accounts

The 2010 Flexible Spending Account Plan Booklet contains the rules and requirements of the plan. All participants should become familiar with the contents of the plan booklet. You can access this booklet and copies of ADP forms online at www.michigan.gov/employeebenefits. Select 'Flexible Spending' from the left menu.

ADP, Inc. administers the FSA accounts on behalf of the State of Michigan. You can access your 2010 account beginning in January 2010 on the ADP website at <https://www.flexdirect.adp.com/mifsa/>.

On the MI HR Gateway at www.michigan.gov/selfserv, select 'MI HR Information'. MI HR Information has details about account eligibility, tax implications, contributions, and claims.

Two Easy Ways to Enroll!

On-line in MI HR Self-Service

www.michigan.gov/selfserv

By phone through the MI HR Service Center

Lansing Area (517) 335-0529

Toll Free: (877) 766-6447

TDD: (517) 241-8046

Important Information About Flexible Spending Accounts	1
Health Care Spending Accounts and Debit Card	2
Dependent Care Spending Accounts and Grace Period	3
How Do I Enroll?	4



Health Care Spending Accounts

A **Health Care Spending Account** can save you money on eligible out-of-pocket health care expenses, such as doctors' office co-pays, dental and orthodontia co-pays, prescription co-pays, health insurance deductibles, vision and hearing expenses not covered by insurance, and some over-the-counter drugs such as cold and allergy medications, pain relievers and antacids.

If you are uncertain about whether or not an item or service qualifies for reimbursement, you can determine its eligibility before making the purchase by calling the ADP Solution Center at (800) 422-3703. You may only claim eligible expenses, co-pays and deductibles that are not covered by your insurance or any other plan. Health insurance premiums and long term care insurance premiums are *not* eligible expenses.

The following is a **partial** list of eligible health care expenses:

Medical Plan Deductibles and/or Co-pays Associated With:

- Medical services
- Dental services, including orthodontia
- Vision care exams
- Prescription drugs
- Psychological and psychoanalytical therapy
- Occupational/physical therapy
- Speech therapy
- Chiropractic expenses for medical care
- Private duty nursing services

General Expenses:

- Glasses, contact lenses, lens maintenance solutions and laser eye surgery
- Hearing aids and batteries
- Cosmetic surgery (medically necessary)
- Infertility treatments
- Weight-loss programs (medically necessary)

Equipment & Supplies:

- Specialized apparatuses (qualified)
- Back support devices
- Orthopedic shoes
- Special mattress (medically necessary)
- Repair of special phone equipment for the deaf

Medical Treatments:

- Acupuncture or related procedures (qualified)
- Sterilization (reproductive)
- Whirlpool baths (medically necessary)
- Over-the-counter drugs and medicines (qualified)

Miscellaneous Items:

- Braille books
- Convalescent home (for medical treatment only)
- Reading therapy for dyslexic child
- Guide dog and its maintenance
- Select educational costs for physically and cognitively handicapped children

Note: The minimum annual contribution per employee is \$2.00. The maximum annual contribution per employee is \$5,000. A married couple that both work for the State of Michigan may contribute \$10,000 total (\$5,000 each).



Health Care Spending Account Debit Card

You can use your Health Care Spending Account debit card like a credit card to pay your eligible expenses. The payment will be made directly from your Health Care Spending Account instead of paying cash and then waiting for reimbursement.

If you use the Health Care debit card, you must retain documentation for each expense for a minimum of one year. Use of the card indicates that you agree to submit this documentation to ADP upon request, and will be subject to payroll deduction if documentation is not provided in the timeframe as specified in the plan booklet. Questions and answers for the debit card may be found at www.michigan.gov/documents/mdcs/The_ADH_Health_Care_Debit_Card_Questions_254250_7.pdf.

You may choose not to use the debit card and instead pay for the expense and send a request for reimbursement to ADP. Document requirements are specified by the IRS and can be found in the 2010 Flexible Spending Account Plan Booklet.

All new Health Care Spending Account participants will automatically receive an ADP Health Care debit card free of charge.

If your debit card is set to expire in December 2009 or anytime during the 2010 plan year, you will be reissued a new debit card. The new card should arrive approximately 30 days before the expiration date of your current card. Your old debit card will be shut off on the expiration date.



Dependent Care Spending Accounts

A **Dependent Care Spending Account** can be used to pay for day care expenses while you or your spouse are at work, looking for work or are at school. It can also be used for local day camp and for care expenses for any incapacitated person you are eligible to claim on your income taxes. **The Dependent Care Spending Account may not be used for medical expenses.** The following is a **partial** list of eligible dependent care expenses:

- Care at licensed nursery schools
- Day care in or outside your home
- Before and after school care
- Day camps
- Child care centers
- Babysitter or *au pair*
- Eldercare



Note: Details about the annual regulatory maximum for dependent care FSA contributions can be found in the 2010 FSA Plan Booklet. The maximum annual amount for the Dependent Care Spending Account is \$5,000 per household, but varies depending on your tax filing status and you and your spouse's income. Details regarding the maximum amount for this plan can be found in the 2010 Flexible Spending Account Plan Booklet.



Grace Period for Medical and Dependent Care Spending Accounts

Internal Revenue Service Notice 2005-42 permits a **grace period** of 2 months and 15 days following the end of each plan year during which unused contributions in either your Health Care or Dependent Care Spending Account may be reimbursed for qualified expenses incurred during the grace period.

This means that since the State of Michigan's 2010 Spending Account plan year will end on December 31, 2010, you may incur qualified expenses through March 15, 2011. You may use any remaining funds from your 2010 plan year account as long as you are an active participant in the Health Care or Dependent Care Spending Account on December 31, 2010.

You will have until April 15, 2011, to submit claims for reimbursement for expenses for the 2010 plan year and any claims incurred during the grace period. Any funds you have contributed that remain in your account, after processing of claims received prior to this deadline, will be forfeited. The only exception to this rule applies to persons entering active military service. Please see the 2010 Plan Booklet for details.



Important: If you have expenses that you incurred during 2009 and want them to be reimbursed from your 2009 contributions, it is important that you submit them prior to using your debit card or submitting expenses you incur during 2010. In other words, it is important you submit claims in the order in which they were incurred.

For Example: Susan participates in the 2009 Health Care Spending Account (HCSA) for \$1,000 annually. As of November 31, 2009, she has been reimbursed for \$800 of eligible 2009 expenses. Susan then purchases contact lenses for \$200 on December 22, 2009, and intends to send a request for reimbursement and the receipt to ADP in order to use the remainder of her 2009 HCSA money. On January 15, 2010, she has dental work costing \$1,200 and uses her debit card to pay this expense. ADP uses the \$200 from Susan's 2009 account and \$1,000 from her 2010 account to pay the expense. On January 20, 2010, Susan mails her request for reimbursement to ADP for the contact lenses she purchased in December, 2009. ADP rejects this claim because there are no more funds available in her 2009 account.

**MI HR SELF-SERVICE
AND MI HR INFORMATION**

**ON-LINE IN MI HR SELF-SERVICE
WWW.MICHIGAN.GOV/SELFSERV**

MI HR SERVICE CENTER

Mailing Address:
P.O. Box 30002
Lansing, MI 48909

Lansing Area: (517) 335-0529
Toll Free: (877) 766-6447

TDD (for the hearing impaired):
(517) 241-8046

Fax: (517) 241-5892

How Do I Enroll?

Enrollment can be completed in your MI HR Self-Service account at www.michigan.gov/selfserv. After logging into your account, select the 'Flexible Spending' link on the left to access links to Flexible Spending plan information and instructions on how to enroll.

Access to your MI HR Self-Service account is available seven days a week via the Internet/ Intranet, except during regularly scheduled maintenance.



If you do not have access to the Internet or need assistance enrolling, contact the MI HR Service Center at (877) 766-6447 to enroll by telephone, Monday through Friday from 7:00 a.m. to 6:00 p.m.

If you have lost or forgotten your MI HR Self-Service password, you can reset it at www.michigan.gov/selfserv by selecting 'Password Help', or e-mail Self-Serv-Support@michigan.gov.

Flexible Spending Open Enrollment Checklist

- Review the [2010 Flexible Spending Account Plan Booklet](#) for plan information and changes.
- Carefully calculate what your Health Care Spending and/or Dependent Care expenses will be for 2010. OR, if you already know your 2010 contribution, calculate your bi-weekly deductions using the formula below.

\$ _____ ÷ _____ = \$ _____

total contribution for 2010 number of desired pay periods bi-weekly amount
(not to exceed plan maximums*) (up to 26) (\$2 minimum)
- Complete enrollment online in MI HR Self-Service **OR** contact the MI HR Service Center for assistance at (877) 766-6447.
- Print and retain your confirmation statement. Confirmation statements for enrollments completed through the MI HR Service Center will be mailed to your home address on record. Please be sure your address is correct.
- Review your January 7, 2010, payroll earnings statement to ensure that your Flexible Spending deductions were taken.

* Information on plan minimums and maximums is available in the 2010 Plan Booklet.

If you need assistance, please contact the MI HR Service Center.

Lansing Area: (517) 335-0529
Toll free: (877) 766-6447
TDD for the hearing impaired: (517) 241-8046