FSA Open Enrollment

• part of BOE •

October 13, 2025–October 31, 2025

State of Michigan

2026 Flexible Spending Account (FSA) Plan Booklet

for

Health Care and Dependent Care FSAs

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Flexible Spending Accounts (FSA) Overview

How FSAs Work

The State of Michigan's Flexible Spending Accounts (FSAs) allow you to set aside **pre-tax dollars** to pay eligible out-of-pocket expenses for health care and dependent care. Throughout the plan year, you may use the money that was deducted from your paycheck and contributed to your FSA to pay for eligible General Purpose Health Care (GPHC) FSA, Limited Purpose Health Care (LPHC) FSA, or Dependent Care FSA expenses, depending on which FSA(s) you are enrolled in. These are eligible expenses that you would have to pay out-of-pocket if you did not have an FSA (e.g., day care bills, copays, eyeglasses, dental care, and more). But with an FSA, you use money that you did not have to pay taxes on to do so. Without an FSA, you would pay taxes on the money you use to pay for these eligible expenses, costing you more out-of-pocket.

The total amount you contribute for the year for each type of plan is called your "Annual Goal." IRS regulations require FSA contributions be made at uniform intervals for all participants. A 25 bi-weekly pay period interval allows employees whose FSA enrollment begins January 1 of the plan year to elect the FSA annual maximum(s) if desired. The minimum amount you may contribute to any FSA plan is $1 per pay period. The state offers the following types of FSAs:

Health Care FSAs: These allow you to put aside payroll-deducted pre-tax dollars to pay for eligible health care expenses not covered by any medical, dental, or vision plan for you and qualifying individuals. See Page 9 for eligible Health Care FSA expenses. Two types of health care FSAs are offered:

- General Purpose Health Care FSA (GPHC FSA) is the standard Health Care FSA that the state traditionally has offered. This FSA can be used for eligible health, prescription, dental, and vision expenses.
- Limited Purpose Health Care FSA (LPHC FSA) is a Health Care FSA that can be used for eligible dental and vision expenses and is compatible with the State High Deductible Health Plan (HDHP) with Health Savings Account (HSA) or any other HSA enrollment. This FSA is intended for employees enrolled in an HDHP with HSA.

Dependent Care FSA: This allows you to put aside payroll-deducted pre-tax dollars for eligible child and elder-care expenses of your eligible dependents incurred so you can attend work, find work, or attend school. See Page 12 for a list of eligible Dependent Care FSA expenses.

Annual FSA Enrollment

The 2026 FSA Open Enrollment period is October 13, 2025, through October 31, 2025, and is part of Benefits Open Enrollment (BOE).

You must enroll each year, even if you wish to elect the same annual contributions. FSA enrollments expire every year on December 31 and do not carry over or renew automatically.

Enrollments for the 2026 plan year must be completed during the Benefits Open Enrollment period or within 31 days of a qualifying life event (QLE).

There are two easy ways to enroll:

- Online: **HR Self-Service**
  - www.mi.gov/selfserv
- Contact **MI HR Service Center**:
  - Call: 877-766-6447
  - Monday–Friday, 8:00 a.m.–5:00 p.m.

Once the enrollment process is complete, you will receive a confirmation statement. This confirmation statement is your only proof of successful enrollment. Make sure you retain your statement.

It is important that you review your confirmation statement to ensure the details of your enrollment are correct. You must retain this statement for your records. At the end of December, you will receive correspondence from HealthEquity|EZ Receipts (formerly WageWorks) confirming your Annual Goal and the plans in which you enrolled for 2026. Verify the accuracy of your contribution amount on your first pay warrant of the year.

Flexible Spending Accounts (FSA) Overview

Advantages of FSAs

Your FSA contributions are deducted from your biweekly pay warrant before federal, Social Security (FICA), and state taxes have been deducted.

For example, if you earn $32,000 and contribute $2,000 to your FSA, you will only pay taxes on $30,000 of wages, resulting in tax savings.

To estimate your potential savings, access the HealthEquity|EZ Receipts (formerly WageWorks):

- Dependent Care FSA Calculator

On your federal income tax return, you can deduct medical expenses only if they exceed an IRS-set percentage of your adjusted gross income. With FSAs, however, in 2026 up to $3,400 for Health Care FSAs and $7,500 for Dependent Care FSAs may be tax-advantaged under current law.

Contributions to all plans, regardless of employer, cannot exceed the annual federal statutory limits.

Calculating Contributions

For each enrollment, you will need to estimate the amount of eligible out-of-pocket health care or dependent care expenses you expect to incur in the plan year to determine your Annual Goal for each plan. Health Care FSAs and Dependent Care FSAs have different Annual Goal maximums; see Page 6 and Page 12 for more info.

Do not include the Grace Period when calculating your future Annual Goal for Dependent Care FSA. You should use only the 12-month calendar year for calculating expenses for your 2026 plan year Dependent Care FSA. The Internal Revenue Service Grace Period provides additional time after the plan year to spend your Annual Goal if you have not incurred all of your anticipated expenses during the plan year; in this case, through March 31 of the following year.

The Annual Goal you choose will be deducted from your pay warrants over 25 pay periods. To calculate your pay period contribution amount, divide your Annual Goal amount by 25. Mid-year enrollments will result in your Annual Goal being deducted over the remaining number of pay periods in the plan year and cannot exceed 25 pay periods.

Enrollment

If you are a current employee and enroll during BOE, your plan is effective the following calendar year from January 1 through December 31.

Newly hired employee coverage is effective the first day of the pay period after your enrollment is processed and ends December 31 of the current plan year.

If you have a qualifying life event (QLE) and submit an FSA QLE Enrollment/Change Form within 31 days of that life event, your coverage is effective the first day of the pay period after your enrollment is processed and ends December 31 of that current plan year, plus any applicable Grace Period or Carryover period.

Eligibility

All State of Michigan employees can participate in FSAs, except non-career and special personal services (SPS) employees. **Employees enrolled in a Health Savings Account (HSA) are ineligible for the GPHC FSA but may enroll in the LPHC FSA**. Employees must have sufficient earnings to cover any amount chosen to contribute to an account.

New Hire/Mid-Year Enrollment

New employees must contact the MI HR Service Center within 31 days of hire to enroll in any FSA. If you do not enroll during this initial eligibility period, you must wait until the next annual Benefits Open Enrollment or until you experience a QLE as described on Page 10 or Page 13.

Flexible Spending Accounts (FSA) Overview

Layoff or Leave of Absence (LOA)

Employees who elect to enroll during Benefits Open Enrollment (BOE) and are placed on a seasonal layoff before January 1, 2026, will have their enrollment voided. To re-enroll if returned to work, the employee must submit an FSA QLE Enrollment/Change Form to the Employee Benefits Division (EBD) within 31 days of returning to work.

Employees who are enrolled in a Health Care FSA who go on an approved unpaid LOA have their deductions automatically restarted upon return to work. Employees must make up any missed Health Care FSA contributions upon returning to work. This is calculated by taking your remaining Annual Goal at the time of your leave then dividing the balance by the number of remaining pay periods in the plan year. Employees who miss the 2026 BOE period due to an LOA or seasonal layoff can enroll by submitting an FSA QLE Enrollment/Change Form to EBD within 31 days of returning to work.

Rehires/Recalls

Employees rehired or recalled within 30 days of their departure and within the same plan year who had an FSA must maintain their original Annual Goal unless there is a QLE. There will be no lapse in coverage, contributions will be recalculated, and any Carryover balances will not be affected. Employees rehired or recalled after 30 days from their departure and within the same plan year who had an FSA will not have their FSA restarted and cannot re-enroll until the next plan year, except for seasonal employees. Employees rehired or recalled who were not previously enrolled in current plan year FSAs may contact the MI HR Service Center at 877-766-6447 within 31 days of rehire or recall date to enroll.

Employee/Participant Death

If you pass away, your FSA contributions will stop. Until the applicable claim filing deadline, your estate may submit claims for eligible expenses incurred before your death. Any request for reimbursement must be submitted by your estate's Personal Representative (PR) with documentation showing that they are acting on behalf of your estate. Any reimbursement will be issued in your name and the PR may need such documentation to cash or deposit the check issued. If coverage is not continued as provided below, any amount not claimed for eligible expenses by the plan run-out deadline will be forfeited. An eligible dependent may also elect to continue Health Care FSA coverage to the same extent as you, as if you had terminated employment. If coverage is continued by a dependent, any Carryover balance resulting from an active election you made for the current plan year will carry over for one additional year. If an eligible dependent is the beneficiary of the deceased participant's final compensation, they may request that the remaining Annual Goal be deducted from the final compensation. An eligible dependent electing to continue FSA coverage may also pay any remaining Annual Goal by personal check.

Claims

Reimbursements can only be made for claims incurred during the period of coverage. Expenses are incurred when the health care or dependent care is provided, not when you are billed or pay. Coverage for the Health Care FSA runs from January 1 through December 31 of the plan year. Coverage for the Dependent Care FSA runs from January 1 of the plan year through March 15 of the following year.

Providing documentation is the only way to substantiate a claim. You must request and retain itemized receipts which include **patient name, provider name, type of service, date of service, and amount charged** for all claims for which you request reimbursement. HealthEquity|EZ Receipts (formerly WageWorks) may require you to submit these receipts to substantiate claims.

Claims Appeal Process

If a claim is denied, you will receive notification in writing or by email within 30 days after HealthEquity|EZ Receipts (formerly WageWorks) receives the claim. If you disagree with the decision, you may file a written appeal with HealthEquity|EZ Receipts (formerly WageWorks) no later than 180 days after the date of the denial letter. If you still disagree with their decision, you may file a written appeal with the Employee Benefits Division within 28 calendar days from the date of the most recent appeal denial.

FSA Annual Goal Differences

You have access to the full amount of your Health Care FSA Annual Goal immediately after the effective date of coverage. Dependent Care FSAs require adequate funds in your account before a claim can be reimbursed. You do **not** have access to your full Dependent Care FSA Annual Goal at the start of the new plan year. The only funds available from your Dependent Care FSA are those you have contributed.

FSA FAQs 1 of 2

What happens if I have funds remaining in my account at the end of the plan year?

Health Care FSAs: Up to $680 of funds left in your Health Care FSA after all claims incurred in 2026 and submitted by the March 31, 2027 deadline (run-out period) will be carried over into your 2027 Health Care FSA. As required by the IRS, any unused amounts over $680 are forfeited.

Dependent Care FSA: You may incur qualified expenses through the end of the Dependent Care FSA Grace Period ending March 15, 2027. As required by the IRS, any funds remaining in your account after all claims submitted by the March 31, 2027 submission deadline (run-out period) are forfeited.

Estimate your expenses carefully and determine your contributions to avoid forfeiting funds.

When is my Health Care FSA Carryover balance available to use?

Any Carryover amount is available to reimburse 2026 expenses during the 2026 plan year run-out period (through March 31, 2027) and 2027 expenses until any Carryover balance is exhausted.

Expenses incurred in the 2027 plan year will pay first from your 2026 Carryover balance, and second from any 2027 election.

How long can Health Care FSA funds be carried over? Are multi-year Carryovers permissible?

Funds may be carried over indefinitely while enrolled in the Health Care FSA plan. If you do not re-enroll for the next plan year, you can carry over and spend up to $680 for that next year, but if you do not re-enroll for two consecutive years, you will forfeit any remaining Carryover funds.

If I have a Health Care FSA balance that carried over to the next plan year and depart mid-year, can I take the funds with me?

If you elect COBRA continuation of coverage for your Health Care FSA, you may use any remaining funds in the FSA during the current plan year. You may use up to $680 of Carryover funds to pay qualified expenses incurred during the next plan year, up to the applicable COBRA continuation period.

If you do not elect COBRA continuation of coverage, Health Care FSA Carryover funds are non-transferable, and you cannot carry over any Health Care FSA funds to pay qualified expenses incurred in the next plan year. Funds will be forfeited if claims are not submitted by the “Claim It By” date for expenses incurred before the plan year ends. You must be an active participant or COBRA beneficiary on the last day of the plan year to have funds carried over to the next plan year.

Can I use FSA funds on expenses for people other than me?

The Health Care FSAs can be used by you and qualifying individuals for eligible expenses remaining **after** claims have been paid by any insurance plan regardless of whether the qualifying individuals are covered under your insurance plan. See Page 7 for more information on qualifying individuals for Health Care FSAs. **A Health Care FSA does not replace your insurance plan.**

Flexible Spending Accounts (FSA) Overview

FSA FAQs 2 of 2

Can I transfer funds between Health Care and Dependent Care FSAs?
No. Funds are not transferable between Dependent Care and Health Care FSAs. Also, you cannot transfer funds between your and your spouse's accounts.

Will FSA contributions impact my taxes or state benefits?
Your contributions will lower your Social Security Wage Base since Social Security taxes will be calculated after FSA contributions are subtracted. FSA contributions will lower Social Security taxes, so Social Security benefits may be slightly lowered.

Your state benefits are not affected. FSA contributions lower your taxable income, but they do not lower the amount of salary used to calculate benefits, such as any retirement plan, Long Term Disability Insurance, or Group Life Insurance.

Can I have a General Purpose Health Care FSA and a Limited Purpose Health Care FSA?
No. The IRS does not allow having both.

What is the difference between a General Purpose Health Care FSA and a Limited Purpose Health Care FSA?
A GPHC FSA will cover all eligible medical, dental, vision, and pharmacy expenses while a LPHC FSA will only cover eligible dental and vision expenses. A GPHC FSA is not compatible with an HSA. If you will not have an HSA, enrolling in the GPHC FSA maximizes the eligible expenses you can seek reimbursement for.

What if an expense is eligible for reimbursement under both my Limited Purpose Health Care FSA and Health Savings Account?
You cannot use funds from both your LPHC FSA and your HSA to cover the same eligible expense. Double dipping is not allowed. You must choose which account will reimburse the expense.

Can I ever use Limited Purpose Health Care FSA funds for out-of-pocket health related expenses?
Your LPHC FSA remains limited to vision and dental eligible expenses until you meet the State HDHP in-network annual deductible. Once you obtain an explanation of benefits (EOB) from your health insurance carrier verifying you or your covered dependents met the in-network annual deductible and provide it and the HSA/HDHP Deductible Form to HealthEquity|EZ Receipts (formerly WageWorks), which can be downloaded from the member portal after their 2026 deductible requirements are met. You can also use your LPHC FSA for eligible health and prescription drug expenses for the rest of that calendar year.

Visit the HealthEquity|EZ Receipts (formerly WageWorks) General Purpose Health Care FSA Eligible Expenses or Limited Purpose Health Care FSA Eligible Expenses pages for a complete, up-to-date list of eligible expenses.

Additional FSA Q&As can be found on the Employee Benefits Division's website.

Health Care FSA Overview

Health Care FSA Types

A **General Purpose Health Care FSA (GPHC FSA)** is the standard Health Care FSA traditionally offered by the state. This FSA can be used for eligible health, prescription, dental, and vision expenses.

A **Limited Purpose Health Care FSA (LPHC FSA)** is a Health Care FSA that can be used for eligible dental and vision expenses and is compatible with the State HDHP with HSA or any other HSA enrollment.

Plan provisions for GPHC and LPHC FSAs are the same, except for eligible expenses and the ability to contribute to an HSA.

Max Health Care Contribution

For the 2026 Health Care FSA plan year, the maximum annual contribution amount is $3,400 per employee. Up to $680 may to be carried over to the 2027 plan year and will not affect the maximum contribution amount for 2027.

Payment Options

1) HealthEquity|EZ Receipts (formerly WageWorks) Health Care Card

Present your card to your provider to pay eligible expenses at the time of service from your GPHC or LPHC account. You may later be asked to verify eligibility by submitting substantiation documentation. **Substantiation documentation may include an itemized bill or receipt showing the patient name, provider name, type of service, date of service, and amount charged**. HealthEquity|EZ Receipts (formerly WageWorks)cards expire every three years. HealthEquity HSA cards expire every five years. Continue to use your current card until you receive a replacement.

2) Pay Me Back Claim

Submit a Health Care FSA Pay Me Back Claim online by logging into your account at www.healthequity.com* or using the EZ Receipts app and selecting "Submit Receipt or Claim." You also have the option to mail or fax a claim form to HealthEquity|EZ Receipts (formerly WageWorks).

3) Pay My Provider

Use this payment option at www.healthequity.com* or using the EZ Receipts app to submit a claim to make a payment directly to your provider. You can request a one-time payment or recurring monthly payments for eligible services (e.g., chiropractic, orthodontic, etc.).

Claims Substantiation

HealthEquity|EZ Receipts (formerly WageWorks) will notify you by mail or email if documentation is required to substantiate a claim. Some eligible expenses also require a Letter of Medical Necessity, signed by your doctor, to be eligible for reimbursement. Substantiating documentation is not required when:

- The Health Care Card payment matches the copay amount under your insurance plan.
- The card payment matches your insurance carrier's electronic file (if applicable).

When providing substantiation documentation, you must submit a provider-supplied itemized bill or receipt showing the following:

- **Patient name**
- **Provider name**
- **The type of service**
- **The date(s) services were provided**
- **The amount you were charged**

If acceptable documentation is not provided, your card will be suspended and you will be required to pay back the amount you were reimbursed. Account statements must include the details above for each expense if used instead of a receipt. If your card is suspended, it will be reactivated within 24 to 48 hours after receipt or repayment has been processed and approved for all unverified card transactions.

You are strongly encouraged to regularly monitor your HealthEquity|EZ Receipts* (formerly WageWorks) account online to track and manage your claims. FSA plans must be reimbursed for any improperly paid claims or unsubstantiated expenses.

*Select Login in the upper-right corner, then EZ Receipts, then Members|For Individuals from the drop-down menu.

Health Care FSA Overview

Qualifying Individuals

Qualifying individuals under Health Care FSAs include your legal spouse and your children under age 26. 26-year -old children are eligible through the last day of the month in which they turn 26.

A qualifying individual also includes other individuals defined as dependents in IRS Code Section 105(b), such as one who is physically or mentally unable to care for themselves and is claimed as your dependent on your taxes. Other Eligible Adult Individuals (OEAIs) and their dependents are not qualifying individuals for FSAs.

Carryover

Up to $680 remaining in your Health Care FSA for the 2026 plan year will be carried over to a 2027 Health Care FSA. Any amount carried over will not count against the 2027 maximum FSA contribution.

If you do not enroll in a Health Care FSA in both 2027 and 2028, any remaining FSA funds carried over to the 2027 plan year from the 2026 plan year are forfeited on December 31, 2027.

No "Double Deductions"

Health care and dependent care expenses can be reimbursed through your applicable FSA or taken on your tax return as a medical deduction or dependent care tax credit, but not in both. Check with your tax advisor to see if a Health Care FSA or Dependent Care FSA may be more advantageous than a credit on your tax return.

OTC Medicines and Drugs

Many over-the-counter (OTC) drugs and medicines can be paid for or reimbursed through an FSA without a prescription.

You may use your HealthEquity|EZ Receipts (formerly WageWorks) Health Care Card to purchase OTC medicines at an Inventory Information Approval System (IIAS)-approved pharmacy. If an OTC purchase is made at a non-IIAS pharmacy, you can pay for the OTC medication and submit the itemized receipt and prescription with a Pay Me Back Claim Form for reimbursement to HealthEquity|EZ Receipts (formerly WageWorks).

Travel Expenses

Some expenses for out-of-town travel for health care are eligible under the GPHC FSA. This includes expenses for parking fees, tolls, airfare, lodging, rental cars, and mileage for a privately owned vehicle. You cannot be reimbursed for a trip or vacation taken for a change in environment, improvement of morale, or general improvement of health, even if on the advice of a doctor. Corresponding health care services are required at the same time as the travel when submitting travel expenses.

Parking Fees and Tolls: A receipt for a parking fee or toll is required to substantiate a claim.

Airfare: A receipt for the airfare is required to substantiate the claim.

Lodging: You may submit a claim for the cost of lodging not provided in a hospital or similar institution. Lodging is reimbursable for a person traveling with the eligible dependent receiving medical care. The reimbursable amount allowed for lodging cannot exceed $50 per night, per person.

Mileage: Mileage can be reimbursed for trips to and from your health care provider. A visit to your pharmacy is treated as a visit to your local health care provider. Effective July 1, 2026, you may calculate mileage at the rate of $0.235 per mile. This rate is subject to subsequent IRS revisions.

Mobile App

Participants with a smartphone can download the HealthEquity|EZ Receipts (formerly WageWorks) EZ Receipts app. The app allows you to take a photo of an itemized receipt and submit it along with your claim. With the EZ Receipts app you can manage FSA benefits. Download the app to your smartphone, log in to your account, and check your balances, submit claims, take photos of receipts, capture the signature of the Dependent Care provider as proof of services when filing a DCFSA claim, and receive alerts by text or email.

Heroes Earnings Assistance & Relief Tax Act of 2008

Under the *Heroes Earnings Assistance and Relief Tax Act of 2008*, employees called to active military duty for a period of at least six months can receive a taxable distribution of the Health Care FSA funds to avoid forfeiture.

Health Care FSA Overview

Eligible Health Care Expenses

IRS Code Section 213(d) defines eligible Health Care FSA expenses as costs incurred to diagnose, treat, or prevent a specific medical condition, or for purposes of affecting any function or structure of the body. This includes prescription drugs and some over-the-counter items. **LPHC FSAs can only be used for eligible dental and vision expenses. An LPHC FSA cannot be used for medical expenses until the deductible is met and the EOB confirming the deductible has been met is provided to HealthEquity|EZ Receipts (formerly WageWorks).**

Medical expenses for vitamins, nutritional supplements, or cosmetic purposes are ineligible without approved documentation of medical necessity. See the links on the following page for more information and a complete list of eligible expenses. You cannot be reimbursed for expenses paid in advance, except orthodontics. Pre-payment of orthodontics must occur in the same plan year that you request reimbursement.

Health Care Card

HealthEquity|EZ Receipts (formerly WageWorks) will issue a new Health Care Card for new enrollees and when cards expire. Health Care Cards for additional eligible qualifying individuals can be requested through your online account or by calling HealthEquity|EZ Receipts (formerly WageWorks) customer service.

You must use the last four digits of your Employee ID# to activate the card. Cards for additional eligible qualifying individuals are activated using the last four digits of their Social Security Number.

Using the Health Care Card

Use of the HealthEquity|EZ Receipts (formerly WageWorks) Health Care Card is voluntary and allows you to pay for purchases directly from your GPHC or LPHC FSA account. The cards work like a credit card, except funds are only deducted from your Health Care FSA and allow easy access to your account funds when costs are incurred.

The card can be used at health care provider offices and at retail establishments and pharmacies where an Inventory Information Approval System has been implemented.

You must request and retain itemized receipts for all purchases made with your card.

HealthEquity|EZ Receipts (formerly WageWorks) may request a copy of your receipt to substantiate a claim. IRS regulations require you to save your itemized receipts for tax purposes. The card is not available for Dependent Care FSAs.

Card Holder Agreement

To use the card, you must agree to abide by the terms and conditions of the Plan in the Cardholder Agreement. This includes the limits on card use, and the Plan's right to withhold and offset ineligible claims.

When you activate your card, the Cardholder Agreement becomes part of the terms and conditions of the Plan.

Reporting Lost Cards or Requesting Additional Cards

You may report a lost or stolen card or request additional cards for your spouse or qualifying individuals over age 18 by calling the HealthEquity|EZ Receipts (formerly WageWorks) Customer Service Center at 877-924-3967, available 24/7, or through your online account at www.healthequity.com. Once logged into your account, select "Manage Cards" on the right side of the page under Manage Accounts to complete the online request. There is no charge for additional or replacement cards.

Automatic Card Deactivation

The HealthEquity|EZ Receipts (formerly WageWorks) Health Care Card will be automatically deactivated if:

- Employment or coverage terminates, or
- You do not provide appropriate documentation to substantiate a claim when requested by HealthEquity|EZ Receipts (formerly WageWorks)

Health Care FSA Overview

Resolving a Card Transaction Requiring a Receipt or Repayment

IRS regulations require that card transactions be verified to show plan benefits were used to pay eligible expenses. HealthEquity|EZ Receipts (formerly WageWorks) does not offer generic Card Use Verifications (CUV). All CUVs are pre-populated with the card transactions being requested. If you misplace your CUV form, a duplicate from HealthEquity|EZ Receipts (formerly WageWorks) may be requested by phone or accessed through the "View Claims and Payments" link in your online account. CUVs expedite processing but are not required to resolve card transactions. Please follow the instructions below to resolve unverified card transactions.

Options to Resolve a Card Transaction

Submit a copy of the detailed receipt for the actual card transaction that contains the service date, service description, patient name, provider name, and your cost.

Submit a copy of any number of substitute receipts for any eligible products and services that you did not and will not pay for using funds in your Health Care FSA.

a. The receipts must include the service date, service description, patient name, provider name, and your cost (amount of patient financial responsibility).
b. The substitute receipts must be for an eligible expense incurred by an eligible individual during the same coverage period as the card transaction to be resolved.

Online repayments are also available through your account (www.healthequity.com) by selecting the "Submit Repayment" link under "Manage Account" or by selecting "View Claims & Repayments" and then "Submit Repayment," following the instructions and providing your bank account, credit card (Visa, MasterCard, Discover or American Express) or debit card information (Visa, MasterCard or Discover). Select Login in the upper-right corner, then EZ Receipts, then Members|For Individuals from the drop-down menu.

Send a check to repay your account for the amount if you no longer have the detailed receipt or accidentally used your card to pay ineligible expenses. The amount repaid will be available for other eligible expenses incurred during your plan year. Any amount of card transactions that remains unverified 90 days after the card transaction date will be automatically deducted from any future Pay Me Back claim payments. Please note which transactions you are repaying to ensure the repayment is processed correctly.

Checks should be made out to **HealthEquity|EZ Receipts (formerly WageWorks)** and mailed to:

Claims Administrator
PO Box 14053, Lexington, KY 40512

Please submit the following information with payment:

- First and Last Name
- State of Michigan
- Last 4 numbers of your Employee ID,
- Residential Zip Code
- Birth Date (month/year)

Failure to submit appropriate proof or repayment for your card transactions will result in suspension and loss of card privileges, possible tax penalties, and recoupment. If unsubstantiated claims remain on your account after the Plan Year Documentation Deadline (Run-Out Period), the state will begin the collection process provided in Regulation 5.16, Correcting Compensation and Benefit Errors.

Claim Reimbursement Time Frame

Reimbursements for eligible expenses will be made within 5 business days after the claim is processed. All claims must be incurred after December 31, 2025 and before January 1, 2027, and submitted by March 31, 2027, to be eligible for reimbursement.

Up to $680 of funds left in your 2026 Health Care FSA after all eligible claims incurred in 2026 and submitted by the March 31, 2027 deadline (run-out period) have been paid will be carried over into your 2027 Health Care FSA, as described on Page 4. As required by the IRS, any unused amounts over $680 after March 31, 2027 are forfeited.

Visit the HealthEquity|EZ Receipts (formerly WageWorks) General Purpose Health Care FSA Eligible Expenses or Limited Purpose Health Care FSA Eligible Expenses pages to see the complete, up-to-date list of eligible expenses!

Health Care FSA Overview

Leaves, Seasonal Employees, Layoffs, Retirees, and Departures

Leave of Absence: Employees placed on a leave of absence or who experience "lost time" will have full use of the Health Care FSA and Health Care Card.

Employees must make up any missed Health Care FSA contributions upon returning to work. This is calculated by taking your remaining Annual Goal at the time of your leave and dividing the balance by the number of remaining pay periods in the plan year.

If you return to work after the 2026 plan year ends, the state will collect the remaining amount from your pay warrant on an after-tax basis due to it being in a different taxable year. This will also occur if not enough pay periods remain in the plan year to make up your missed contributions.

Seasonal Employees: Seasonal employees enrolled in a Health Care FSA and laid off will have their account suspended and Cards inactivated until returned to work. If returning to work in a different plan year, contact the Employee Benefits Division at 800-505-5011.

Layoffs, Retirees, and Departures: Health Care FSAs for these employees will end and Cards will be inactivated the last day of the last pay period worked.

Individuals wishing to achieve their Annual Goal and continue their Health Care FSA by a **pre-tax** deduction from their remaining pay warrants should complete the Health Care FSA Continuation of Coverage Form (CS-1814). Employees may also choose to pay for the remaining contributions by personal check **after tax**.

Employees must either submit the form or contact the Employee Benefits Division at 800-505-5011 30 days before their last day worked, when possible.

The advantage of achieving the Annual Goal is extending when Health Care FSA funds can be used. Doing so allows expenses to be eligible through the remainder of the plan year. Without achieving the Annual Goal, claims incurred after the last day of the last pay period worked are ineligible for reimbursement.

If you have paid your entire Annual Goal before leaving state service, your FSA coverage is extended through the end of the plan year. Health Care Cards are disabled once you are no longer an active employee. To receive reimbursement for your remaining funds you must pay out of pocket and submit for reimbursement through HealthEquity|EZ Receipts (formerly WageWorks).

Qualifying Life Events (QLEs)

Change in Marital Status: Marriage, legal separation, annulment, divorce, or death of spouse.

Qualifying Individuals: Change in the number of your qualifying individuals, including birth or adoption of a child, gain or loss of custody, foster care, or death.

Employment Status: Changes that affect coverage eligibility of the employee or the employee's spouse or qualifying individual, that may include starting or ending employment, a change from full-time to part-time employment, or loss or gain of coverage.

Judgments, Decrees, Court Orders, or Change in Legal Custody: Requirement by one of these legal documents to add or terminate coverage for your dependent.

Eligibility for Medicare or Medicaid: Enrolling in or losing eligibility for Medicare or Medicaid.

Qualifying Life Event (QLE) Changes

If you experience a QLE, the IRS allows you to change your Health Care FSA Annual Goal consistent with the QLE.

Any change in your Annual Goal would result in more than one period of coverage within a plan year with eligible expenses being reimbursed from the appropriate period of coverage. Money from a previous period of coverage can be combined with amounts after a permitted mid-year election change, but expenses incurred before the election change can only be reimbursed from the balance present in the Health Care FSA before the change.

IRS rules also require that contribution changes during the plan year be made consistent with the QLE. The FSA QLE Enrollment/Change Form must be submitted with supporting documentation to the Employee Benefits Division within 31 days of the QLE. The period of coverage and deduction change will be reflected in the pay period following the approval.

Dependent Care FSA Overview

How Dependent Care FSAs Work

A Dependent Care FSA can be used to pay for eligible day care expenses while you or your spouse are at work, looking for work, or at school. It can also be used for expenses such as elder care and day care for any incapacitated person you are eligible to claim as a dependent on your income tax returns. You must have sufficient funds in your Dependent Care FSA before a claim can be reimbursed. **A Dependent Care FSA cannot be used for medical expenses.**

The Annual Goal you decide upon will be incrementally deducted over 25 pay periods. To calculate what your pay period contributions will be, divide your Annual Goal by 25, the number of pay periods over which deductions will be taken, as shown in the example below:

Annual Goal		# of Pay Periods (PP)		PP Cost Contribution
$7,500	÷	25	=	$300.00

Mid-year enrollments will result in your Annual Goal being deducted over the remaining number of pay periods in the plan year and cannot exceed 25 pay periods.

Qualifying Individuals

A qualifying individual is:

- An individual age 12 or under who (a) lives with you; (b) does not provide over half his or her own support; and (c) is your son, daughter, grandchild, step-child, brother, sister, niece, or nephew
- A spouse or other tax dependent (as defined in IRS Code Section 152) who is physically or mentally incapable of caring for themselves and resides with you more than half the year

Typically, if you are divorced or separated, your child must be a dependent for whom you can claim an exemption on your tax return to be a qualifying individual.

A separate rule covers children of divorced parents. If you are divorced, a child is only a qualifying individual of the "custodial" parent [as defined in IRS Code Section 152(e)].

If you are the **custodial parent**, the child can be an eligible dependent even if you cannot claim the child as an exemption on your tax return. If you are the **non-custodial parent**, your child is not a qualifying individual, even if you can claim the child as an exemption on your tax return. See IRS guidelines for further details on this exception. **Other Eligible Adult Individuals (OEAIs) and their dependents are not qualifying individuals for FSAs.**

Eligible Dependent Care Expenses

Eligible expenses can only be incurred from your effective date of coverage through March 15, 2027. **Any expenses not timely claimed cannot be reimbursed.**

Expenses must be incurred for the care of a qualifying individual and to accommodate your ability to gain or maintain employment. Expenses for overnight stays or overnight camp are ineligible.

If daycare is provided outside the home and expenses are incurred for the care of a qualifying individual, the dependent must regularly spend at least 8 hours per day in your home.

Federal Tax Reporting

Amounts you contribute to a Dependent Care FSA are reported on your W-2 form, but this does not mean you are taxed on your reimbursement. This notifies the IRS that the taxpayer should also be filing IRS Form 2441. This form requires you to list the name and taxpayer identification number or Social Security Number of the dependent care providers you used during the year. **Eligible dependent care expenses can be used to claim a credit on your income tax return or reimbursed from your FSA, but not both.**

Dependent Care FSA Overview

Max Contribution Amounts

Federal law limits the amount you can contribute to a Dependent Care FSA each plan year. You may choose an annual contribution up to the maximum amount for which you qualify. Your max contribution depends upon your annual earnings, your tax filing status, your spouse's annual earnings, and several other factors.

The contribution maximums are the lesser of:

- $7,500 for single individuals or married couples filing joint returns;
- $3,750 for married individuals filing separate returns,
- The employee's earned income (if less than $7,500/$3,750) or
- The spouse's earned income (if less than $7,500/$3,750). Special rules may apply where a spouse is a full-time student or incapable of self-care, as provided by federal law.

You are responsible to ensure your annual contributions do not exceed the maximum allowed by the IRS.

Leaves, Seasonal Employees, Layoffs, Retirees, and Departures

Unpaid Leave of Absence or Workers Compensation: Your eligibility for the Dependent Care FSA ends on your last day of work. Expenses incurred while not actively at work are ineligible for reimbursement. If you return to work during the same calendar year, dependent care expenses incurred while you are actively at work are again eligible for reimbursement. Contributions will restart at the same biweekly contribution amount in place before you left unless you request a change due to a qualifying life event (QLE).

Paid Leaves: Contributions continue during a paid leave of absence, but expenses incurred while not actively at work are ineligible for reimbursement.

Seasonal Employees: Seasonal employees enrolled in a Dependent Care FSA and laid off will have their account suspended. If returning to work in a different plan year, contact the Employee Benefits Division at 800-505-5011.

Layoffs, Retirees, and Departures: Eligibility for the Dependent Care FSA ends on your last day of work. Expenses incurred while not actively at work are ineligible for reimbursement.

Claim Reimbursement Time Frame

Reimbursements for eligible expenses will be made within 5 business days after the claim is processed. All claims must be submitted by the end of the run-out period, March 31, 2027, to be eligible for reimbursement.

Payment Options

Dependent Care FSA enrollees can use the Pay Me Back and Pay My Provider options outlined on Page 6 for Health Care FSAs.

There is no card-based payment method for Dependent Care FSAs currently.

Visit the HealthEquity|EZ Receipts (formerly WageWorks) Dependent Care FSA Eligible Expenses page to see the complete, up-to-date list of eligible dependent care expenses!

Dependent Care FSA Overview

Qualifying Life Events (QLEs)

If you experience a QLE, the IRS allows you to change your Dependent Care FSA annual contribution.

IRS rules also require that contribution changes during the plan year be made consistent with the QLE. This means that your annual contribution can be increased to add costs for a new dependent for the remainder of the calendar year. However, the annual contribution cannot be increased for both the cost of the added dependent and to make up costs incurred before the QLE.

The FSA QLE Enrollment/Change Form must be submitted with supporting documentation to the Employee Benefits Division within 31 days of the QLE. The period of coverage and deduction change will be reflected in the pay period following the approval. QLEs are listed below:

Change in Marital Status: Marriage, legal separation, annulment, divorce, or death of spouse that causes a change in the amount paid or number of dependents needing day care.

Qualifying Individuals: Change in the number of your qualifying individuals, including birth or adoption of a child, gain or loss of custody, foster care, or death.

Significant Change in Care Modifications: Change in dependent care needs or number of dependents, dependents turning 13, or significant change in cost of care.

Leave of Absence or Workers Compensation: Paid or unpaid leave of absence.

Employment Status: Changes that affect eligibility of the employee or the employee's spouse (for example start or end of employment, change from full-time to part-time employment, or loss or gain of coverage).

Enroll During BOE

Online

HR Self-Service

www.mi.gov/selfserv

Note: HR Self-Service is compatible with Google Chrome and Microsoft Edge. View Browser Issues for more information.

Call

MI HR Service Center

877-766-6447

Monday–Friday
8:00 a.m.–5:00 p.m., EST
Fax: 517-241-5892

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The MI HR Service Center is available to answer all enrollment questions and can complete your enrollment on your behalf during BOE.

Important Dates

2025

October 13
2026 FSA Open Enrollment Begins (part of BOE)

October 31
2026 FSA Open Enrollment Ends (part of BOE)

2026

January 1
2026 FSA Plan Year Begins

December 31
2026 FSA Plan Year Ends

2027

March 15
2026 FSA Grace Period Deadline (DC FSA Only)

March 31
2026 FSA Claim Submission Deadline (Run-Out Period)

Contact Info

Claims Processing

HealthEquity|EZ Receipts (formerly WageWorks) Claims Processing
Claims Administrator
P.O. Box 14053
Lexington, KY 40512
Fax: 877-353-9236

Eligibility, Claims, and More

HealthEquity|EZ Receipts (formerly WageWorks)
Phone: 877-924-3967
Monday–Friday
8:00 a.m.–8:00 p.m., EST
www.healthequity.com

Qualifying Life Events (QLEs)

Employee Benefits Division
Phone: 800-505-5011
Monday–Friday
8:00 a.m.–5:00 p.m., EST
Fax: 517-284-0078
MCSC-EBD@mi.gov