

Fringe Benefits Management Company

A Division of WageWorks

July 29, 2016

Dear DCAAccount Participant,

We are writing because you are currently or were participating in the New York State Flex Spending Account (FSA) as an enrollee in the Dependent Care Advantage Account (DCAAccount) for 2016. Due to your union's recently ratified contract with the State, the Employer Contribution is now available to you. The letter below outlines some common situations and indicates any action you may need to take.

A. Participants Who Do Not Need to Take Any Action

1. If you are currently enrolled in the DCAAccount for a greater amount than the Employer Contribution you are eligible for and are having biweekly deductions:

The Employer Contribution will be automatically added to your account. Your total annual election amount will not be changed. Fringe Benefits Management Company, a Division of WageWorks (FBWW), the plan administrator, will recalculate to reduce your biweekly deductions. *You do not need to take any action.*

2. If you are currently represented by a union other than PEF or are designated as Management Confidential (M/C) but were represented by PEF at the time you enrolled, did not receive an Employer Contribution, and are currently enrolled in the DCAAccount for a greater amount than the Employer Contribution you are eligible for and are having biweekly deductions:

The Employer Contribution will be automatically added to your account. Your total annual election amount will not be changed. FBWW will recalculate to reduce your biweekly deductions. *You do not need to take any action.*

3. If you are currently enrolled in the DCAAccount for the exact amount of what would be your Employer Contribution and have not been reimbursed for incurred expenses:

FBWW will stop your payroll deductions, the Office of the State Comptroller (OSC) will refund your deductions on a post-tax basis, and FBWW will apply the Employer Contribution to your DCAAccount. *You do not need to take any action.*

4. If you are currently represented by a union other than PEF or are designated as M/C but were represented by PEF at the time you enrolled, did not receive an Employer Contribution, and you are currently enrolled in the DCAAccount for the exact amount of what would be your Employer Contribution, and have not been reimbursed for incurred expenses:

FBWW will stop your payroll deductions, OSC will refund your deductions on a post-tax basis, and FBWW will apply the Employer Contribution to your DCAAccount. You do not need to take any action.

5. If you are currently enrolled for the anticipated amount of your Employer Contribution, have been reimbursed, and only want the amount of the Employer Contribution:

FBWW will stop your payroll deductions, OSC will refund your deductions on a post-tax basis, and FBWW will apply your Employer Contribution to your DCAAccount. The balance still owed to you, if any, will be available for reimbursement. You do not need to take any action or repay the account.

6. If you are currently represented by a union other than PEF or are designated as M/C but were represented by PEF at the time you enrolled, did not receive an Employer Contribution, and you are currently enrolled for the anticipated amount of your Employer Contribution, have been reimbursed, and only want the amount of the Employer Contribution:

FBWW will stop your payroll deductions, OSC will refund your deductions on a post-tax basis, and FBWW will apply your Employer Contribution to your DCAAccount. The balance still owed to you, if any, will be available for reimbursement. You do not need to take any action or repay the account.

7. If you are currently enrolled in the DCAAccount for an amount that is less than the Employer Contribution for which you are eligible:

FBWW will stop your payroll deductions, OSC will refund your deductions on a post-tax basis, and FBWW will apply the full amount of the Employer Contribution for which you are eligible. You do not need to take any action.

8. If you are currently represented by a union other than PEF or are designated as M/C but were represented by PEF at the time you enrolled, did not receive an Employer Contribution and you enrolled in the DCAAccount for an amount that is less than the Employer Contribution for which you are eligible:

FBWW will stop your payroll deductions, OSC will refund your deductions on a post-tax basis, and FBWW will apply the full amount of the Employer Contribution for which you are eligible. You do not need to take any action.

FBWW will adjust DCAAccounts, and OSC will issue any necessary refunds with the paychecks of:

- August 24, 2016 for those participants paid on the Administrative pay cycle
- September 1, 2016 for those participants paid on the Institutional pay cycle.

B. Participants Who Must Take Action

1. If you enrolled in the DCAAccount and are currently on a leave of absence (LOA):

You may re-enroll with a change in status (CIS) when you return. No changes will be made to your account, including applying the Employer Contribution, until and unless you return from leave and re-enroll in the DCAAccount. At that time, your account will be adjusted accordingly.

2. If you enrolled for the anticipated amount of your Employer Contribution, had payroll deductions, and terminated your account:

You may re-enroll with an eligible CIS. Your eligibility date will not change from your original enrollment date. You can choose to re-enroll for just the amount of the Employer Contribution, have your deductions refunded on a post-tax basis, and have just the Employer Contribution applied to your account. Please call 1-800-358-7202 (option 1) or visit www.flexspend.ny.gov to re-enroll.

OR

You can choose to re-enroll and *increase* your total annual election amount. When your CIS application is processed your Employer Contribution will be applied to your DCAAccount and deductions started if applicable. Please call 1-800-358-7202 (option 1) or visit www.flexspend.ny.gov to re-enroll.

3. If you are currently represented by a union other than PEF or are designated as M/C but were represented by PEF at the time you enrolled, did not receive an Employer Contribution and you enrolled for the anticipated amount of your Employer Contribution, had payroll deductions, and terminated your account:

You may re-enroll with an eligible CIS. Your eligibility date will not change from your original enrollment date. You can choose to re-enroll for just the amount of the Employer Contribution, have your deductions refunded on a post-tax basis, and have just the Employer Contribution applied to your account. Please call 1-800-358-7202 (option 1) or visit www.flexspend.ny.gov to re-enroll.

OR

You can choose to re-enroll and increase your total annual election amount. When your CIS application is processed your Employer Contribution will be applied to your DCAAccount and deductions started if applicable. Please call 1-800-358-7202 (option 1) or visit www.flexspend.ny.gov to re-enroll.

C. Changes in Status

There are certain circumstances where a change may be permitted. Here are some examples of eligible CIS events:

- Marriage
- Divorce or separation
- Death (spouse/dependent)
- Birth or adoption of a child
- Beginning or end of employment (employee or spouse)
- Dependent disability
- From full-time to part-time employment or vice versa (employee or spouse)
- Beginning of or return from leave of absence (employee or spouse)
- Change in work schedule (employee or spouse)
- Change in custody of dependent
- Change in rate paid (only if the provider is not a relative)
- Change in care provider
- Loss of another Dependent Care Assistance Program (DCAP) plan's coverage (increase or enrollment only)

If you have a CIS, you must submit your application online or by phone within 60 days, inclusive, of the qualifying event. Your application to start or change your account becomes effective once the date of the CIS event has elapsed or the date your application is received, whichever is *later*.

If you are starting an account after the plan year has begun with an eligible CIS event, your expenses will be eligible for reimbursement from the date your application is received, or the date of your CIS, whichever is *later*, through December 31, 2016.

Change in status applications will be accepted during the plan year until November 6, 2016 for CIS events that occur on or before November 6, 2016. Applications received after that date cannot be processed in time for the last pay period of the year.

If you have any questions, please do not hesitate to contact the FSA hotline at 1-800-358-7202.