

HUMAN RESOURCES

Employee Benefits

Flexible Spending Account Plans

This regulation supersedes Regulation 4735.3.

I. PURPOSE

To provide general information on enrollment, contributions, changes, and cancellation of participation in the flexible spending account plans offered by Fairfax County Public Schools (FCPS).

II. SUMMARY OF CHANGES

- A. Section VI. clarifies the reimbursement claim process.
- B. Section VIII. clarifies qualifying status changes.
- C. Section IX. clarifies the contribution schedule when an eligible employee is in a nonpaid leave of absence status.

III. AVAILABILITY OF FLEXIBLE SPENDING ACCOUNT PLANS

The School Board may offer flexible spending account plans to benefit-eligible employees as described in the current version of Regulation 4710.

IV. SCHOOL BOARD CONTRIBUTION

The School Board shall pay the monthly administrative fee subject to budgetary constraints.

V. EMPLOYEE CONTRIBUTIONS

Eligible employees may contribute to a health care spending account and/or a dependent care spending account for a given calendar year. The minimum and maximum annual contributions to these accounts are determined by the Office of Benefit Services. In no event shall the maximum contributions exceed the limits prescribed for such accounts by the Internal Revenue Code.

Contributions are made on a pretax basis by payroll deduction. This subjects the FCPS flexible spending account plans to the rules of section 125 of the Internal Revenue Code. Consequently, except for enrollments made within 30 days of a new employee's date of employment or during an open enrollment period, all other

enrollments, changes, and cancellations must be a result of, and be consistent with, a “qualified status change” as defined in section VIII.

VI. REIMBURSEMENT AND FORFEITURE

Upon the submission of a claim for eligible expenses, an employee will receive reimbursement from the vendor in accordance with the reimbursement schedule published on the benefits web site.

Under the dependent care spending account, reimbursement will be made for claims that are either equal to or less than the balance in the account at the time of the claim submission.

Under the health care spending account, an employee’s full annual election amount is available for reimbursement, subject to eligible claims, as of the first day of the calendar year, or the date immediately following the effective date of the employee’s enrollment for that year, whichever is later.

Reimbursement for a given account in a given calendar year cannot exceed the amount elected by the employee for the calendar year for that account. Each account is independent. Funds may not be transferred from one account to another.

Following the processing of all eligible expenses for a given calendar year, any remaining funds in an employee’s account will be forfeited by the employee and used by FCPS to offset administrative fees.

VII. ENROLLMENT, CHANGES, AND CANCELLATIONS

Newly hired eligible employees have 30 days from their date of employment to enroll in a health care spending account and/or a dependent care spending account for a given calendar year. Plan participation is effective the first of the month after the date the enrollment forms are received by the Office of Benefit Services. Generally, employees who do not enroll during this 30-day period must wait until open enrollment.

Open enrollment is held annually, at the discretion of the Office of Benefit Services. Generally, the open enrollment period is mid-October through mid-November. Elections made during this period take effect the following January 1.

However, employees who have a “qualified status change,” as defined in section VIII., may enroll in one or more flexible spending account plans or change or cancel coverage in one or more flexible spending account plans, provided that the enrollment, change, or cancellation is consistent with the qualified status change, as determined by the Office of Benefit Services, and is received by said office within 30 days of the event (change). Enrollments, changes, and cancellations must be in writing and include documentation of the “qualified status change.”

An eligible employee must enroll each calendar year to participate in the flexible spending accounts program. Participation automatically ends at the end of a given calendar year or upon termination of employment, if earlier. A participant has 90 days to submit a claim for reimbursement following the end of plan participation.

Reimbursement will be made only on claims incurred while the participant was actively participating.

VIII. QUALIFIED STATUS CHANGES

In accordance with section 125 of the Internal Revenue Code, the following events are “qualified status changes” for purposes of this regulation.

- A. Birth, adoption of a child, the placement for adoption of a child, or becoming the legal guardian of a child.
- B. Marriage or divorce.
- C. Death of a spouse or a child.
- D. Spouse’s or other dependent’s change in employment status that affects his or her eligibility for medical and/or dental benefits or his or her employer’s open enrollment period.
- E. Dependent reaching age 23 (for the health flexible spending account).
- F. Dependent reaching age 13 (for the dependent care flexible spending account).
- G. The marriage or divorce of a dependent under age 23.
- H. Changing from an FCPS full-time rate position to a less-than half-time rate position or vice versa.
- I. Loss of other medical coverage.
- J. A significant cost change, a significant coverage curtailment, a significant improvement, a new option, or a change in coverage under the employee’s, spouse’s, or other dependent’s plan.
- K. A court order requiring the employee to cover a child or an order requiring someone else to provide coverage.
- L. Entitlement to or loss of Medicare or Medicaid.
- M. Commencement of or return from an unpaid leave of absence.

IX. LEAVE OF ABSENCE

An eligible employee in a nonpaid leave of absence (LOA) status may continue to participate in the flexible spending account program by making after-tax contributions. Otherwise, active participation ends. If an employee fails to make the required contribution within the allotted time period (at the onset of LOA, no later than 30 days after the date of the employee’s LOA approval letter, and, in the case of an ongoing LOA, payment is due no later than the end of the month for the month of coverage), active participation will terminate. If the employee returns to employment with FCPS, the employee is eligible to enroll in the flexible spending account plans in accordance with section VII.

X. CONTINUATION COVERAGE

Certain terminated employees are eligible to continue their active participation in the health care spending account by making after-tax contributions. FCPS is responsible for providing COBRA notification to terminated employees.

XI. STATE AND FEDERAL STATUTES AND REGULATIONS

Generally, plan benefits and provisions are governed by the proposal issued by the successful vendor, as amended in negotiations, and by School Board regulations. However, when a conflict arises between plan provisions or School Board regulations versus state or federal statutes and regulations, the state or federal statutes and regulations will take precedence.

XII. ADDITIONAL INFORMATION

Specific information regarding the flexible spending account plan is available in the Department of Human Resources, Office of Benefit Services.

See also the current version of: Regulation 4710, Benefit Plan Contributions and Salary Deductions