

BOARD OF EDUCATION CALDWELL-WEST CALDWELL
Business Administrator - Board Secretary

TO: New Staff Members
FROM: Brian McCarthy
RE: Flexible Spending Account

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The Board of Education offers a “Flexible Spending Account (FSA)” to all full-time permanent employees of the district. The FSA plan allows you to put aside pre-tax dollars to pay for unreimbursed medical, RX, dental and a variety of other expenses, through payroll deduction. These expenses include co pays, deductibles, co-insurance amounts, eye glasses, contact lenses, hearing aides and many other eligible expenses that you normally incur for your family each year.

In addition to the Medical FSA, the district also offers the option of electing a Dependent Care Account (DCA). The DCA plan allows pretax deductions for childcare and dependent care expenses only.

The first plan year for you will be effective on November 1, 2022 and end on June 30, 2023, with your first payroll deduction on November 15, 2022. The subsequent plan years will run for 12 months beginning on July 1 each year. Each May will be an open enrollment period for the FSA/DCA plans for the next school year.

The maximum amount you may put into your FSA account for medical expenses will be \$2,850 for the November 1, 2022 - June 30, 2023 year. The maximum contribution into a DCA account will be \$5,000 for the same time period.

Please plan your contribution carefully, as the IRS has a “use it or lost it” rule which means if you don’t spend all of the money you contribute to the plan during the plan year, the balance will be forfeited. You will have a 2.5 month extension each year to incur expenses for the previous plan year. For example, you will have until September 15, 2023 to spend the money you deposited into your account for the November 1, 2022 – June 30, 2023 year.

All necessary forms and information are attached. Your application must be returned to my attention in the Business Office no later than **Friday, September 9, 2022**.

An IRS regulation requires each employee to sign a waiver if they choose not to participate.

Therefore, if you choose not to participate, you must check the box, located at the bottom of page 1 of the enrollment form, sign where indicated and return the form to my office. Please print your name at the top for identification purposes.

Attachment