



State of Wisconsin Department of Administration

Mid-Plan Year Pre-Tax Savings Account Changes

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Table of Contents

- Policy 3
 - Effective Date of Change 3
 - Dependent Day Care Policy in Place Prior to Policy Update 3
 - Pre-Tax Parking and Transit Accounts 3
- Employee Communications 4
- Employee Process to Update Election During Change Window 4
- Agency Steps if Decreasing Healthcare, LPFSA and Dependent Day Care Annual Election..... 4
- Agency Steps if Increasing Healthcare, LPFSA and Dependent Day Care Annual Election..... 5
- How to Update Existing Pre-Tax Parking/Transit Elections 6

Policy

On June 29, 2020, the Group Insurance Board approved a one-time mid-year change for current Healthcare, Limited Purpose and Dependent Day Care FSA enrollees. **Elections to either increase or decrease the annual election can be made from July 1, 2020 through September 1, 2020.** There is no opportunity for employees to enroll in these plans – only current enrollees can make a change to their annual election amount. The GIB also increased the Healthcare and LPFSA carryover limit from \$500 to \$550 for 2021. See the [ETF News item](#) for more information.

If the employee is decreasing their annual election:

- The new annual election cannot be less than the YTD contributions (including any contributions owed until the effective date of the change)
- The new annual election cannot be less than the YTD claims submitted to CYC (this will be reviewed by Central Benefits)
- There is no option to get a refund of any contributions already paid or move funds from one FSA account to another one (ex. not allowed to move Dependent Day Care funds to their Healthcare FSA account)

If the employee is increasing their annual election:

- Expenses incurred prior to the effective date of the increase are reimbursable (all claims incurred as of the original effective date of this year's coverage are eligible for reimbursement)

All applications to change the annual election amount must be received by September 1, 2020. No forms received after September 1st should be accepted.

Effective Date of Change

If an employee wants to make a one-time change to their annual election amount, **the change is effective on the 1st of the month on or following receipt of the [Election Change Request Form](#).** Payroll deductions will continue until the change becomes effective. Please review the [2020 Payroll Deduction Schedule](#) to confirm when deduction amounts will change. For example, if the annual election change is effective on August 1, the change will appear on the August 13 paycheck (PP17).

Dependent Day Care Policy in Place Prior to Policy Update

Prior to this policy change, employees could change their Dependent Day Care election for several reasons including if there was a change in the cost of coverage, a change in employment status or a family status change. If care is no longer needed or a daycare provider is not providing services, this is considered a change in the cost of coverage. The employee had 30 days from the date of the change to submit a Change in Status form to change their annual election.

Once dependent day care services resume, the employee has 30 days to submit an [Election Change Request form](#) again to increase their annual election..

Pre-Tax Parking and Transit Accounts

Employees can enroll in and stop deductions to Pre-Tax Parking and Transit accounts at any time.

Employee Communications

CYC contacted all employees enrolled in Healthcare, LPFSA and Dependent Day Care FSA during the week of June 29th to let them know about the change period. An announcement will be added to the Employee Self Service landing page, but no direct email communication will come from DPM. If the agencies want to follow-up with their employees, the following queries identify enrolled employees:

- Healthcare/LPFSA enrollees: WI_BN_HEALTHCARE_FSA_ENROLL
- Dependent Day Care enrollees: WI_BN_DEP_CARE_ENROLL

Employee Process to Update Election During Change Window

1. Employee must complete an [Election Change Request for Pre-Tax Benefit Accounts](#) between July 1 and September 1, 2020. No requests received after September 1st can be accepted.
 - a. Employee must enter new Total Annual Deduction Amount in Step 2
 - i. Total annual deduction must not be less than YTD contributions (including contributions that will be taken prior to the effective date of the change)
 - ii. Total annual deduction amount must be equal to or greater than claims submitted (this will be validated by Central Benefits staff)
 - iii. Total annual deduction cannot exceed 2020 contribution limits
 1. Healthcare/LPFSA: \$2,700
 2. Dependent Day Care FSA: \$5,000
 - b. Employee should check COVID-19 in Step 3
 - c. Form needs to have some type of employee signature (typed or signed)
2. Employee submits completed form to payroll and benefits office no later than September 1st
3. See the [Employee Job Aid](#) provided by ConnectYourCare for additional information.

Agency Steps if Decreasing Healthcare, LPFSA and Dependent Day Care Annual Election

Central Benefits staff needs to review claims information in CYC's system before the decrease in the annual election can be processed. Agencies should complete the following steps if an application to decrease a Dependent Day Care or Healthcare FSA election is submitted:

1. Review the change form for completion and accuracy and sign (typed or sign) and date the form in the Employer Field
 - a. Applications must be submitted by September 1st – no late applications will be accepted
2. **Create a ticket with a subject line of "CYC COVID-19 – Decrease election for Employee Name, Employee ID" and route to Central Benefits**
 - a. All tickets must be submitted in a timely manner. For applications received in late August through September 1st, all tickets must be submitted to Central Benefits no later than September 7th.

3. Attach a copy of the change form to the ticket – **do NOT do any entry in STAR PeopleSoft**
4. Central Benefits staff will then review YTD claims information in the CYC system (*this step is required to ensure that the employee has not received reimbursement in excess of the requested change to the annual election*) and do all necessary entry in STAR
 - a. Central Benefits will adjust the requested change to the annual election for the following reasons:
 - i. YTD claims exceed the new annual election amount
 - ii. The new annual election does not consider deductions required before the effective date of the change
 - b. Central Benefits will create an ADM event effective the 1st of the month on or following receipt of the application and enter the updated amount
 - c. All changes to the annual election and any other updates will be documented on the ticket
5. To get the most accurate claims information from CYC’s system, these requests will be reviewed and entered once per week (Thursday of non-payroll week and Wednesday of payroll week) – just ahead of sending the weekly interface with the changes to CYC.

Agency Steps if Increasing Healthcare, LPFSA and Dependent Day Care Annual Election

You follow the same instructions for these three plans, but you need to update the election for Plan Type 60 for Healthcare FSA/LPFSA and Plan Type 61 for Dependent Day Care FSA. The example below is for Healthcare FSA.

1. Enter an ADM event on the BAS Activity Table with **Event Date = 1st of the month of coverage change** (aka 1st of the month on or following receipt of application)

The screenshot shows a row in the BAS Activity Table with the following fields: a search icon, the name 'Kelsey', 'Manual Event', a checked checkbox, two input boxes containing '0', a date field set to '08/01/2020', and an 'ADM' button with a search icon.

2. Create a ticket with a subject line of “CYC COVID-19 – Increase election for Employee Name, Employee ID” indicating why the ADM event was entered and route to Central Benefits
3. Once the ADM event is open, **update the Annual Pledge amount** and click the Refresh arrows.

Original Election

The screenshot shows the 'Plan Type 60 : Healthcare FSA' form. It includes an 'Option Code' field with the value '2', the text 'Healthcare FSA (ERAMED)', and a refresh icon. Below this is the 'Annual Pledge' field with the value '\$800.00', which is highlighted with a red box. There is also an 'Employee Contribution Override' field with the value 'Annual'. At the bottom, there is a 'Contribution Worksheet' link with a question mark icon.

Updated Election

Plan Type 60 : Healthcare FSA

Option Code Healthcare FSA (ERAMED)

Annual Pledge

Employee Contribution Override Annual

Contribution Worksheet (?)

Use this worksheet to calculate the employee's desired Annual Pledge and Contribution Amount.

Annual Pledge	Contributions YTD	Pay Periods Remaining	Pay Period Amount	Employee Contribution
<input type="text" value="\$2,700.00"/>	<input type="text" value="\$433.32"/>	<input type="text" value="11"/>	<input type="text" value="\$206.06"/>	<input type="text" value="\$9,957.56"/> Annual

Open protected fields for change. (These fields are normally determined by the system).

As a reminder, the fields in the Contribution Worksheet section do not work correctly, so please disregard the values - just make sure the Annual Pledge amount is correct. The new Annual Pledge amount will be distributed over the remaining paychecks as of the effective date of the change.

4. Submit the election
5. Once the event finalizes, the enrollment will show the new Annual Pledge amount

Plan Type

Plan Type 60 Healthcare FSA

Coverage

*Coverage Begin Date

Coverage Election Elect Waive Terminate

Benefit Program WRS Eligible Non-LTE Employees

Benefit Plan Healthcare FSA

*Deduction Begin Date

*Election Date

App Received Date

Option Code 2

Contribution Level

Annual Pledge

Credit Rollover Included in Pledge

Employee Contribution Override Annual

Account Information

FSA Account Status Active

Contributions YTD \$433.32

How to Update Existing Pre-Tax Parking/Transit Elections

You follow the same instructions for these two plans, but you need to update the election for Plan Type 6V for Parking and Plan Type 6Y for Transit.

1. Enter a COM event on the BAS Activity Table with an **Event Date = Application Receipt Date**

<input type="text" value="James"/>	Manual Event	<input checked="" type="checkbox"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="03/27/2020"/>	<input type="text" value="0"/>	COM
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2. Once the COM event is open, **do NOT waive coverage – you will update the Annual Pledge amount only.** Review the YTD contributions.

Plan Type 6V : Parking (Before Tax)

Option Code Parking (Pre-Tax) (PARKBT)

Annual Pledge

Employee Contribution Override Monthly

Contribution Worksheet ?

Use this worksheet to calculate the employee's desired Annual Pledge and Contribution Amount.

Annual Pledge	Contributions YTD	Pay Periods Remaining	Pay Period Amount	Employee Contribution
(<input type="text" value="\$1,440.00"/> -	<input type="text" value="\$369.81"/>)	18 =	<input type="text" value="\$59.46"/> =	\$128.83 Monthly

Open protected fields for change. (These fields are normally determined by t

3. Change the Annual Pledge to the YTD amount (see #5 below for exceptions) and submit the election.

Plan Type 6V : Parking (Before Tax)

Option Code Parking (Pre-Tax) (PARKBT)

Annual Pledge

Employee Contribution Override Monthly

Contribution Worksheet ?

Use this worksheet to calculate the employee's desired Annual Pledge and Contribution Amount.

Annual Pledge	Contributions YTD	Pay Periods Remaining	Pay Period Amount	Employee Contribution
(<input type="text" value="\$369.81"/> -	<input type="text" value="\$369.81"/>)	18 =	<input type="text" value="\$0.00"/> =	\$0.00 Monthly

4. Once the event finalizes, the enrollment will look like this. Coverage is still active, but no more deductions will take.

Plan Type 6V Parking (Before Tax)

Coverage 1 of 1

*Coverage Begin Date

*Deduction Begin Date

Coverage Election Elect Waive Terminate

*Election Date

Benefit Program WRS Eligible Non-LTE Employees App Received Date

Benefit Plan Parking (Pre-Tax) Option Code 1

Contribution Level	Account Information
Annual Pledge <input type="text" value="\$369.81"/>	FSA Account Status Active
Credit Rollover Included in Pledge \$0.00	Contributions YTD \$369.81
Employee Contribution Override <input type="text"/> Monthly	Employee Status Active

5. You need to be cognizant of the deduction schedule and the timing of the change. If you enter a change effective 4-1-20 to stop deductions, you can enter the YTD amount, and everything is fine. If you receive an application that will be effective on 5-1-20, you need to account for payroll deductions that will take from PP8 and PP9 when determining the annual contribution (if they are stopping deductions).