

## Flexible Spending Accounts 2008 Open Season November 10 Through December 28

The 2008 Flexible Spending Accounts (FSAs) Open Season is scheduled for November 10, 2008, through December 28, 2008, 5:00 P.M. Central Time (CT). Eligible career employees who elect to participate in the FSA program must enroll via *PostalEASE* during this time. Enrollments made during this FSA Open Season are effective for the 2009 plan year — January 1 through December 31, 2009 — plus a grace period that extends until March 15, 2010. Enrollment ends sooner for participants who separate or have extended leave without pay.

FSAs allow employees to set aside a portion of their pretax earnings for certain types of out-of-pocket health care and dependent care expenses. The money withheld for FSAs is not subject to income, Medicare, or Social Security taxes. United Healthcare administers the FSA program for the Postal Service™.

The booklet FSA BK1, *Flexible Spending Accounts* (November 2008), which is being mailed to all employees, provides an overview of FSAs.

### Grace Period Still in Effect

Employees with FSAs — for Health Care, Dependent Care, or both — are able to use any balance remaining in an FSA at the end of the plan year to cover expenses incurred during the 2 1/2 months following that plan year. For the 2008 plan year, the grace period extends until March 15, 2009. For the 2009 plan year, the grace period will extend until March 15, 2010. With the grace period, employees do not have to schedule services or procure items in an end-of-year rush to avoid losing money in the account. Of course, participants have to spend the previous year's balance by March 15 or forfeit the money under the use-it-or-lose-it rule.

The grace period is available only to FSA participants who are still enrolled on December 31 of the plan year. Most FSA participants remain enrolled through December 31, but an employee who retires before that date (on December 30, for example) is not eligible for the grace period.

The deadline for filing claims has not changed — the FSA Customer Service Center must receive all claims by September 30 of the year after the plan year.

For full details, refer to FSA BK1, *Flexible Spending Accounts* (November 2008).

### Using *PostalEASE* to Enroll

**To enroll in FSA during open season, employees have four options:**

1. Go to <https://liteblue.usps.gov> and then click *PostalEASE*.

2. Use an employee self-service kiosk and then click *PostalEASE*.
3. Go to <http://blue.usps.gov>, click *Employee Self-Service*, and then click *PostalEASE*.
4. Call the Employee Service Line toll free at 877-477-3273, and select 1 for *PostalEASE*.

### Publicity

#### Poster

To publicize FSA Open Season, all offices must post the open season notice on bulletin boards through December 28, 2008. See page 43 in this issue.

#### Direct Mailings to Employees

Headquarters Compensation is coordinating FSA Open Season mailings to career employees at their mailing addresses of record. Employees receive a leaflet, postcards, and an enrollment kit consisting of an FSA brochure, a *PostalEASE* FSA worksheet, and a withdrawal request form. See details under "Open Season Materials, Direct Mailings to Career Employees."

Undeliverable mailed kits are returned to the employing office of record. When an office receives a returned kit, the office should encourage the employee to update his or her address. Employees with access to Employee Change of Address on the Postal Service Intranet (Blue page) or an employee self-service kiosk should use those entry methods.

Employees who cannot use the Intranet or a kiosk should submit an updated PS Form 1216, *Employee's Current Mailing Address*, to the HR Shared Service Center (HRSSC). See ordering information under "Open Season Materials, Additional Supplies of Materials."

### Review of Basic FSA Provisions

#### Eligibility to Participate

Participation in the FSA program is limited to career employees. To enroll, a career employee must have completed at least 26 full pay periods of Postal Service career service during the current appointment by the end of Pay Period (PP) 26-08 (December 19, 2008). A career employee who is in a leave without pay (LWOP) status that has lasted for eight consecutive full pay periods as of December 19, 2008, is not eligible to participate in the FSA program, unless he or she is returning from uniformed military service.

#### Election Opportunities — Health Care and Dependent Care FSAs

Eligible career employees may elect to participate in one, or both, of two FSAs — the Health Care FSA and the Dependent Care FSA. Each FSA covers eligible expenses

for services that are received during the employee's period of participation during the 2009 plan year (for most employees this will be January 1, 2009, through March 15, 2010). Annual contributions to the Dependent Care FSA are limited to \$5,000 for a family and \$2,500 for a married employee filing a separate income tax return. FSA BK1, *Flexible Spending Accounts*, describes eligible and ineligible expenses and provides guidelines for estimating 2009 expenses.

**Reminder:** Health care expenses for dependents must be included in the Health Care FSA contribution amount and not in the Dependent Care FSA.

#### *Withholding of FSA Contributions*

Contributions for each FSA are withheld in equal amounts through payroll deductions covering 26 pay periods (PP 01-09 through PP 26-09). The minimum annual contribution employees may make to either FSA is \$130 (\$5 per pay period).

#### *Qualified Life Status Change Enrollment and Elections*

Participants may neither cancel enrollments nor change contribution levels during the plan year except following qualified life status changes, as explained in FSA BK1, *Flexible Spending Accounts*. In those cases, HRSSC specialists determine a participant's eligibility to enroll or to change contribution levels during the plan year and respond to employee inquiries about that eligibility.

#### *FSA Claims*

Participants mail or fax Form FSA1, *Flexible Spending Account (FSA) Withdrawal Request*, directly to the FSA Customer Service Center in El Paso, Texas, as explained on Form FSA1.

### **Open Season Materials**

#### *Direct Mailings to Career Employees*

The following items are mailed to each career employee at his or her mailing address of record during the FSA Open Season:

- Publicity postcards, as follows:
  - A postcard with instructions on how to obtain a USPS® Personal Identification Number (PIN).
  - Postcards on other topics, such as using FSAs to cover over-the-counter medications and other eligible expenses.
  - A postcard with a reminder of the closing date.
- FSA LF1, *Flexible Spending Accounts Overview and Tax Savings Estimator* (October 2008). This leaflet provides an overview of the advantages of the FSA program.

- An enrollment kit that includes the following items:
  - FSA BK1, *Flexible Spending Accounts* (November 2008), a brochure that explains plan policies and provisions.
  - The FSA *PostalEASE* worksheet.
  - FSA1, *Flexible Spending Account (FSA) Withdrawal Request* (November 2008), a form used to request withdrawal of funds from an FSA for payment of eligible expenses for services received during the period of participation.

#### *Additional Supplies of Materials*

Residual materials will not be distributed to field offices.

Additional copies of the following FSA items will be available from the Material Distribution Center (MDC) in *mid-December*. FSA items will not be available until *mid-December*. PS Form 1216 is available now. Order by using touch-tone order entry (TTOE): Call 800-273-1509.

**Note:** You must be registered to use TTOE. To register, call 800-332-0317, option 1, extension 2925, and follow the prompts to leave a message. (Wait 48 hours after registering before placing your first order.)

Use the following information to order:

#### *Employee's Current Mailing Address*

<b>PSIN:</b>	PS 1216
<b>PSN:</b>	7530-02-000-7354
<b>Unit of Measure:</b>	SE
<b>Quick Pick Number:</b>	118
<b>Bulk Pack Quantity:</b>	4,000
<b>Minimum Order Quantity:</b>	1
<b>Price:</b>	\$0.0187
<b>Edition Date:</b>	06/05

#### *Flexible Spending Accounts*

<b>PSIN:</b>	FSA BK1
<b>PSN:</b>	7530-02-000-9910
<b>Unit of Measure:</b>	EA
<b>Quick Pick Number:</b>	N/A
<b>Bulk Pack Quantity:</b>	250
<b>Minimum Order Quantity:</b>	1
<b>Price:</b>	\$0.00
<b>Edition Date:</b>	11/08

*Flexible Spending Account (FSA) Withdrawal Request*

<b>PSIN:</b>	FSA1
<b>PSN:</b>	7530-02-000-9911
<b>Unit of Measure:</b>	EA
<b>Quick Pick Number:</b>	N/A
<b>Bulk Pack Quantity:</b>	2,000
<b>Minimum Order Quantity:</b>	1
<b>Price:</b>	\$0.00
<b>Edition Date:</b>	11/08

**Further Information***FSA Customer Service Center Toll-Free Hotline*

Employees with questions should call the FSA Customer Service Center's toll-free hotline at 800-842-2026. After enrolling, participants may use the hotline to:

- Make account inquiries.

- Discuss expenses that are eligible for payment through the FSA program.
- Obtain other plan information.

The FSA Customer Service Center also provides a tele-type (TTY) line at 888-697-9056. The Center encourages employees to have a colleague place an advance call to the toll-free hotline before they use the TTY line.

*Tax Advice*

FSA BK1, *Flexible Spending Accounts*, provides some tax information. Participants with tax questions not addressed in FSA BK1 should contact their tax advisors or call the IRS toll-free information line at 800-TAX-1040 (800-829-1040).

— *Compensation,  
Human Resources, 11-6-08*

**Penalty Overtime Exclusion**

As referenced in article 8, sections 4 and 5, of the USPS-NALC and USPS-APWU national agreements, the December period (during which penalty overtime regulations are not applicable) consists of 4 consecutive weeks. This year, the December period begins Pay Period 26-08, Week 1 (December 6, 2008), and ends Pay Period 01-09, Week 2 (January 2, 2009).

— *Policy and Programs, Labor Relations, 11-6-08*