

**To:** All Employees

**From:** Computercraft Human Resources

**Date:** December 11, 2019

**Re:** Computercraft 2020 Open Enrollment: Flexible Spending Account

Please see below for details regarding the Flexible Spending Account (FSA) program (forms are available via the shared folder). **All employees that are (1) planning to continue to participate in the FSA for 2020 OR (2) newly electing to participate in the FSA MUST complete and submit an Enrollment Change Form.** If you DO NOT currently participate in the FSA program and DO NOT plan to enroll for 2020, no action is required for the below.

The Flexible Spending Account program is designed to help you increase your take-home pay by paying for out-of-pocket medical expenses, and childcare and dependent care expenses, and with pre-tax dollars. Utilizing this plan reduces your taxable income and allows you to obtain full value for the portion of gross income allocated to the FSA. The elected contributions to your FSA are deducted from each paycheck before taxes and are held in an account. After a qualifying event, you will submit receipts and claim forms and then be reimbursed. You will also be provided with an FSA debit card (for out-of-pocket medical expenses) that you can utilize for qualifying events. Please see attached for background on the Flexible Spending Account, which includes examples of eligible and ineligible expenses.

IMPORTANT: The IRS allows for a grace period of 2.5 months to utilize remaining FSA dollars. If you currently participate in the FSA plan, any dollars from 2019 that were not yet utilized for claims will have been lost unless claims are submitted by March 15, 2020. Similarly, if you enroll for the upcoming plan year, any FSA dollars from 2020 that will not be utilized for claims by March 15, 2021, will be lost.

The Plan Year maximums for Dependent Day Care and Out-of-Pocket Medical Costs are indicated below. (Note: While the IRS has increased the maximum allowable plan year election amount for Out of Pocket Medical expenses to $2,750, the Computercraft plan limit remains $2,700. The dependent care FSA maximum remains $5,000.)

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|  | **MAXIMUM PLAN YEAR ELECTION AMOUNT** | **NO. OF PAYCHECKS** | **AMOUNT PER PAYCHECK** |
| **Dependent Day Care** | $5,000 | 24 | $208.33 |
| **Out of Pocket Medical** | $2,700 | 24 | $112.50 |

If you are planning to continue your participation in the FSA program or would like to submit a new enrollment, please complete the attached Enrollment Form and submit it to isuh@computercraft-usa.com by **Friday, December 20**.