

# ***Warren-Newport Public Library District***

## **Staff Manual**

### ***326 Flexible Spending Account (FSA)***

Effective Date: 09/13/2010

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The Warren-Newport Public Library District provides a Flexible Spending Account (FSA) program that allows employees to have pre-tax dollars deducted from their salaries to pay for eligible out-of-pocket expenses. The pre-tax contributions made to the FSA can be used to pay for predictable non-reimbursed health care expenses and dependent care expenses during the plan year. Through the FSA program, employees can reduce their taxable incomes without reducing their real incomes, so that they can keep more of the money they earn.

Employees in the following employment classifications are eligible to participate in the Flexible Spending Account program:

- Regular full-time employees
- Regular part-time employees who work 30 or more hours a week

Participation in the Health Care and/or Dependent Care FSA is optional and determined on an annual basis for the plan year. Employees must enroll for each plan year. Each employee determines how much to contribute to his or her account, up to a specified maximum, based on anticipated expenses during the plan year. Each year, the Internal Revenue Service may change the maximum an employee may contribute to both the Health Care FSA and Dependent Care FSA. Thus, the Human Resources Associate will communicate the new cap to employees during open enrollment and include the limit in open-enrollment materials.

Contributions are directed to the account through salary reduction on a pre-tax basis. This tax-free money is then available to the employee for reimbursement of out-of-pocket expenses. Since the amounts that remain in the account at the end of the plan year might be forfeited, an employee should take care not to over-fund his or her account.

Details of the Flexible Spending Account program are described in the Summary Plan Description. Contact the Human Resources Associate for more information on the Flexible Spending Account.