UNIVERSITY OF CALIFORNIA

UC POSTDOCTORAL SCHOLARS

FLEXIBLE SPENDING ACCOUNTS FAQs

POSTDOC FSA ELIGIBILITY

1. Who is eligible for the postdoctoral scholar FSA plans?

    - Postdoctoral Scholar Employees (Job Code 3252), Postdoctoral Scholar Employee NEX (Job Code 3255) and Interim Postdoctoral Scholar Employee (Job Code 3256) are eligible to participate in the postdoc FSA plans.

      Postdoctoral Fellows (Job Code 3253) and Postdoctoral Scholars Paid Direct (Job Code 3254) are ineligible for the postdoc FSA plans.

      Postdocs must receive taxable wages to be eligible for the FSA plans. Earnings from grants, scholarships or "Direct Pay" status are not eligible for FSA deductions.

2. I have an employee (3252) appointment and a fellow (3253) appointment. Am I still eligible to participate in the FSA plans?

    - You are eligible for the FSA plans if your Postdoc Employee (3252) appointment is primary for benefit eligibility and, by virtue of that appointment, you are eligible for the Postdoctoral Scholars Benefits Program. In addition, you must meet the enrollment criteria for the plan you select (e.g., for Dependent Care FSA, you must have an eligible dependent).

3. What happens if I have an employee (3252) appointment and a fellow (3253) appointment, but I don't have enough employee earnings for my FSA deductions to be taken?

    - If your earnings are insufficient to cover your deductions, the amount not deducted will be applied to the next pay cycle. UCPath will recalculate your remaining annual pledge amount across the remaining payroll cycles of the year, and adjust the amount to be deducted in future pay cycles to meet the annual pledge.

ENROLLING IN AND CHANGING YOUR FSA ELECTIONS

1. How do I enroll in the FSA?

    - You will enroll in the FSA plan through the UCPath portal at: ucpath.universityofcalifornia.edu during your PIE upon hire, at Open Enrollment, or during a Qualifying Life Event.

2. Can I enroll in or cancel my FSA plan any time I wish?

    - No, IRS regulations govern when a participant can elect, make changes, and cancel their FSA plans. FSA plans end on December 31st of each plan year in which you make an election. Refer to the Summary Plan Description.

3. Can I change my FSA election during a life event?

    - You may be eligible to change your FSA election amount depending on the type of life event you experience. Consult the Summary Plan Description (SPD) for details on which changes are permitted for each type of life event.

4. Do I need to re-enroll to become eligible for the carryover (HCFSA) or grace period (DCFSA)?

    - No, you do not need to re-enroll to be eligible for the carryover or grace period. However, if your enrollment terminates before December 31, you are not eligible for the carryover or grace period. For Health Care FSA, if you do not re-enroll in the following year, you need to have a minimum balance of $25 to be eligible for carryover.

5. What is the deadline to submit my FSA claims?

    - You have until April 15th of the following year to submit your Health Care FSA or Dependent Care FSA claims to WEX.

6. Does my plan enrollment roll over from one year to the next?

    - No, the FSA plans require active election each year at Open Enrollment. You must re-enroll for your participation to continue into a new plan year.

ABOUT HEALTH CARE FLEXIBLE SPENDING ACCOUNTS

1. What is a Health Care Flexible Spending Account (HCFSA)?

    - A HCFSA is a pre-tax benefit account that is used to pay for eligible medical, dental, and vision care expenses that are not covered by your health plans. With an HCFSA, you use pre-tax dollars to pay for qualified out-of-pocket health care expenses.

      The money you contribute to a HCFSA is not subject to payroll taxes, so you end up paying less in taxes and taking home more of your paycheck. You decide how much to contribute to your HCFSA based on how much you plan to spend in the upcoming year on out-of-pocket medical, dental, and vision care expenses. See Health Care FSA for more information.

      Important: HCFSA cannot be used to pay for health insurance, life insurance, or any other insurance premiums.

      Keep in mind that the HCFSA is a use-it or lose-it benefit, which means that funds must be spent by a participant by the end of the plan year, unless the balance is at or below the carryover limit for that year. Refer to the WEX website of plan Summary Plan Description (SPD) for an updated carryover limit.

2. Is there a contribution limit for the Health Care FSA (HCFSA)?

    - The maximum amount you can contribute to an HCFSA is $2,850 per plan year. The minimum annual contribution is $180. The full election amount is available on day one of your plan year. After you're enrolled, your funds are withdrawn automatically from each paycheck - before taxes are determined - for deposit into your account.

3. What types of expenses are reimbursable in the Health Care FSA (HCFSA)?

    - You can save on a variety of expenses, including:
        - Medical, dental, and vision copays
        - Health plan deductibles and coinsurance
        - Prescription drugs
        - Eligible over-the-counter (OTC) expenses such as pain relief medications and cold/flu products
        - Eye exams, contact lenses, and eyeglasses

Review the eligible expenses list for more information.

4. Are my family's health care expenses eligible for reimbursement from my Health Care FSA (HCFSA)?

    - Yes, if you enroll in a HCFSA, you may request reimbursement for health care expenses incurred by you, your spouse and dependents that you can claim on your tax return. You may also submit claims for eligible health care expenses incurred by your adult children through age 26.

      Please see Health Care FSA for more information.

5. How do I use my Health Care FSA (HCFSA) plan?

    - After enrolling, you will receive an email from WEX with instructions for creating an online account. Here's how to get started:
        - Register on the WEX website, uc-fsa.com, to create your account and review your election(s).
        - For easy access to your account, download the WEX App to your smartphone.
        - Receive your WEX debit card within 10 business days of completing your enrollment. For Health Care FSA, the debit card will have your annual election amount pre-loaded so you can use it to pay for eligible expenses at point-of-sale. Please keep your receipts for claim substantiation if requested by WEX.

6. How can I find my FSA account balance?

    - You can access your WEX account by visiting uc-fsa.com, by calling 844-561-1338 or by downloading the WEX mobile app.

7. What is claim substantiation?

    - The IRS requires that every dollar spent from an FSA be a verified eligible expense. The verification process is called "substantiation."

There are two ways your expenses may be substantiated in compliance with IRS requirements:

- Auto-substantiation: Substantiation may be completed automatically through electronic evidence provided by the seller at the time of purchase. Auto-substantiation is most common at large, national retailers and pharmacies. Target, Costco, Walgreens, CVS, Amazon and the FSA Store are a few examples of retailers currently set up to auto-substantiate your FSA purchases.
- Manual substantiation: If purchases do not qualify for auto-substantiation and verification is required, WEX will request a receipt or proof of purchase to substantiate your claims. WEX will contact you, using the preferred method set up in your account (postal letter, email, text alert), to request the necessary documentation.
- **Always keep your receipts!**

8. What if I do not respond to a card substantiation requirement?

- WEX may request a receipt or proof of purchase for an item that you paid for with your debit card. Your debit card will be deactivated if you do not provide a valid receipt in 120 days. Once you provide a valid receipt, WEX will reactivate your debit card as soon as the substantiation is completed. If you used your debit card on an ineligible expense, you are required to repay the amount to your account.

9. How long do I have to spend the funds/incur claims in the Health Care FSA (HCFSA)?

- For HCFSA, you have until Dec 31st to incur eligible claims. Any unused balance as of Dec 31st, up to the carryover limit, will roll over to the next year. For example, if you have a $600 unused balance on Dec 31, 2022, $570 will be carried over to 2023 and the balance of $30 will be forfeited. The carryover balance will combine with your new 2023 FSA election for use on expenses in the new plan year.

10. What happens to my Health Care FSA account when I leave the University?

- For monthly-paid employees, your plan ends the last day of the month in which you separate from the University. For biweekly-paid employees, your plan ends the last pay period in which payroll deductions are taken. Any eligible claims can be submitted for reimbursement by the April 15th run-out period deadline.

  HCFSA is subject to COBRA continuation. If you have not spent down your balance upon separation, you will have the ability to continue your plan through COBRA through December 31 of the plan year.

11. How do I elect to continue to my Health Care FSA plan through COBRA?

- You will receive a COBRA election packet from Gallagher Benefit Services upon your COBRA qualifying event. You can elect Health Care FSA through COBRA and submit the post-tax monthly premium to WEX to access your unused funds. Any unused balance as of December 31st is not eligible for carryover under COBRA continuation.

ABOUT DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

1. What is a Dependent Care Flexible Spending Account?

   - A Dependent Care FSA (DCFSA) is a pre-tax benefit account used to pay for eligible dependent care services, such as preschool, summer day camp, before or after-school programs, and child or adult daycare.

     The money you contribute to a DCFSA is not subject to payroll taxes, so you end up paying less in taxes and taking home more of your paycheck. See Dependent Care FSA for more information.

     Important: DCFSA is not an account for your dependent's health care expenses. If enrolled in a Health Care FSA, you may use those funds to cover eligible health care expenses incurred by your spouse and tax dependents.

     Keep in mind that the DCFSA is a use-it or lose-it benefit, which means that funds must be spent by a participant by the end of the plan year or during the grace period extension to March 15th of the following year. You must be an active participant on Dec 31st of the plan year to be eligible for the grace period. Refer to the WEX website or Summary Plan Description (SPD) for more information.

2. Is there a contribution limit for the Dependent Care FSA?

   - The maximum amount you may contribute for a DCFSA is $5,000 per household ($2,500 if married filing separately). If your spouse has contributed to a DCFSA through his/her current employer or you participated in a DCFSA before joining UC's DCFSA in the same tax year, you need to ensure that the total contributions do not exceed the $5,000 IRS plan limit. It is important that you plan carefully.
   - If you earned $135,000 or more in 2022 and participate in DCFSA in 2023, your maximum allowed election will be $3,000.

3. What types of expenses are reimbursable through a Dependent Care FSA?

   - You can use DCFSA funds to pay eligible dependent care expenses for care of your dependent children under age 13, or for a person of any age whom you claim as a dependent on your federal income tax return and who is mentally or physically incapable of self-care.

   - Examples of eligible services include:
     - Placement or program fees for a dependent care provider

    - Before and after-school care (other than tuition expenses)
    - Care of an incapacitated adult who lives with you at least eight hours a day
    - Childcare at a day camp, nursery school, or by a private sitter
    - Late pick-up fees
    - Summer or holiday day camps, including registration fees

4. Who is a qualifying dependent for a Dependent Care FSA?

    - A qualifying dependent for a DCFSA is your tax dependent who is:
        - Child under age 13;
        - Your spouse or other tax dependent (regardless of age) who is mentally or physically incapable of self-care.

    - To claim dependent care expenses, you must meet the following conditions:

        - You must have incurred the expenses for you and your spouse to work, look for work (as long as you found a job and have earned income), attend school full-time, or your spouse was physically or mentally incapable of self-care. The payments for care cannot be paid to someone you can claim as your dependent on your federal income tax return or to your child who is under age 19. (However, payments can be made to a provider between ages 13-19 that you do not claim on your taxes as a dependent, or who does not live in your home.) The care must have been provided for one or more qualifying persons identified on the form you use to claim the credit.
        - You (and, if you're married, your spouse) must maintain a home that you live in for more than half of the year with your qualifying child or dependent.

5. How do I use my Dependent Care FSA plan?

    - After enrolling, you will receive an email from WEX with instructions for creating an online account. Here's how to get started:
        - Register on the WEX website, uc-fsa.com, to create your account and review your election(s).
        - For easy access to your account, download the WEX App to your smartphone.
        - Receive your WEX debit card within 10 business days of completing your enrollment. Unlike the Health Care FSA, the debit card will not have a pre-loaded balance for the Dependent Care FSA. You will only be reimbursed up to the amount you have contributed.
        - Please keep your receipts for claim substantiation if requested by WEX.

If you have a recurring payment for Dependent Care expenses, you can set up recurring Dependent Care reimbursements by completing the applicable form and submitting it to WEX.

Review the eligible expenses list for more information.

6. How can I find my FSA account balance?

    - You can access your WEX account by visiting uc-fsa.com, by calling 844-561-1338 or by downloading the WEX mobile app.

7. My spouse and I both have access to Dependent Care FSA plans with our employers. Can we both contribute the maximum of $5,000 to our Dependent Care FSA plans?

    - Per IRS rules, the total that each family can elect for a DCFSA must not exceed $5,000 per household ($2,500 each if married and filing separately).

8. How long do I have to spend the funds/incur claims in the Dependent Care FSA?

    - If you are an active participant on Dec 31st of the plan year in which you elect coverage, any unused balance can be used to pay eligible expenses incurred during the grace period, January 1st – March 15th of the following year. Claims must be submitted by April 15th. Any remaining balance after March 15th of the following year is forfeited.

9. What happens to my Dependent Care FSA account when I leave the University?

    - For monthly-paid employees, your plan ends the last day of the month in which you separate from the University. For biweekly-paid employees, your plan ends the last pay period in which payroll deductions are taken. To be eligible for reimbursement, claims must have been incurred prior to separation from UC. Eligible claims can be submitted for reimbursement until April 15th of the year following the plan year in which you were enrolled.

    DCFSA is not eligible for continuation under COBRA.