



MEMORANDUM

TO: All Employees Eligible for Health Insurance

SUBJ: Flexible Spending Accounts Open Enrollment

DATE: May 1, 2020

The Town offer's Flexible Spending Accounts (FSA's) to all employees who are eligible for our employer subsidized health insurance. **You are not required to have one of the Town's health insurance plans in order to take advantage of this benefit.**

As a reminder, FSA's allow an employee to set aside a portion of his or her earnings to pay for qualified medical expenses and for dependent care expenses. Money deducted from an employee's pay into an FSA is not subject to payroll taxes, resulting in payroll tax savings.

Open enrollment for the year beginning on July 1, 2020 will take place from May 1 until May 31. Even if you already are a participant you must re-enroll!

The contribution limit for health FSA's have increased to \$2,750.00 for the plan year starting July 1, 2020. The monthly administration fee remains the same at \$4.95 per month.