



Benefits Administration Letter

Number: 03-802

Date: May 19, 2003

Subject: **The Federal FSA Program Open Season**

The Federal FSA Program (FSAFEDS) Open Season begins today. Our web site is up and SHPS Benefits Counselors are ready to accept calls. Through the web site, we are taking the names of people who are interested in enrolling in the program, but for reasons explained below, we are unable to take the actual enrollments at this time.

You have probably heard some of the reports and discussion recently about the administrative fees for the FSA Program. We had planned to review whether agencies could pay fees on behalf of their employees for the 2004 Plan Year. In response to Agency-level inquiries and in anticipation of possible Congressional action, we've accelerated our review of agency options regarding administrative fees associated with the FSAFEDS Program, as well as necessary changes to billing structures in place for the 2003 Plan Year. We expect this review to be completed shortly, at which time we will begin to accept FSA enrollments.

In the meantime, please encourage your employees to visit the web site - <http://www.fsafeds.com/> - to become more familiar with the Program. Site features include an overview on FSAs; a calculator to help estimate how much to put into either a HCFSA or DCFSA; and Frequently Asked Questions (FAQs). While online, employees can provide an email address to receive notification from SHPS when enrollments will be accepted. Employees can also call a toll free number – 1-877-FSAFEDS (372-3337) -- and speak to a SHPS Benefit Counselor from Monday to Friday, 9 AM until 9 PM Eastern Time, or email any questions to FSAFEDS@shps.net. For hearing impaired employees, the TTY/TDY number is 800-952-0450.

We will notify you via the BENEFITSInfo listserv, the FSAInfo listserv and OPM's web site when we are able to fully process enrollments. We will also issue a separate BAL on final billing arrangements. If you have any questions on the information in this BAL, please contact Ms. Laurie Bodenheimer and Ms. Jennifer Hirschmann. They can be reached at 202-606-1413.

A handwritten signature in black ink, appearing to read "Frank D. Titus".

Frank D. Titus
Assistant Director
for Insurance Services