



Benefits Administration Letter

Number: 13-802

Date: October 03, 2013

**Subject: The Federal Flexible Spending Account Program (FSAFEDS):
 2014 Administrative Fees**

Purpose

To notify agencies that the Federal Flexible Spending Account Program (FSAFEDS) reserve account fee and administrative fees will change for the 2014 benefit period.

Background

Administrative Fees

Agencies pay administrative fees to ADP Benefit Services KY, Inc. (formerly known as SHPS, Inc. - the third party administrator under contract with the Office of Personnel Management) on behalf of their employees enrolled in FSAFEDS.

Dependent-Care Flexible Spending Account (DCFSA) Administrative Fee

The current DCFSA administrative fee will be reduced from \$1.25 per DCFSA per month to \$1.00 per DCFSA per month.

Health-Care Flexible Spending Account (HCFSA) Administrative Fee

The current HCFSA administrative fee will be reduced from \$1.35 per HCFSA per month to \$1.00 per HCFSA per month.

Reserve Account Fee

Agencies pay the reserve account fee to OPM on behalf of their employees enrolled in FSAFEDS. For 2014, the monthly reserve fee will remain unchanged at \$.25 per HCFSA per month.

ADP Benefit Services KY, Inc. will send out the first of two annual invoice packages in February 2014, reflecting the above fees. Thank you in advance for your prompt payment.

Sincerely,

John O'Brien
Director
Health and Insurance