



Benefits Administration Letter

Number: 16-801

Date: February 04, 2016

**Subject: The Federal Flexible Spending Account Program (FSAFEDS):
2016 Administrative Fees**

Purpose

To notify agencies that the Federal Flexible Spending Account Program (FSAFEDS) reserve account fee and administrative fees will change for the 2016 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 increase from \$0.25 per DCFSA per month to \$0.70 per DCFSA per month.

Health-Care Flexible Spending Account (HCFSA) Administrative Fee

The current HCFSA administrative fee will increase from \$0.25 per HCFSA per month to \$0.70 per HCFSA per month.

Reserve Account Fee

Agencies pay the reserve account fee to OPM on behalf of their employees enrolled in FSAFEDS. For 2016, the monthly reserve fee will remain unchanged at \$.25 per HCFSA per month.

OPM is currently in the middle of procurement efforts for a new FSAFEDS contract. ADP Benefit Services KY, Inc. will send out the first of two annual invoice packages in February 2016, reflecting the above fees. Thank you in advance for your prompt payment.

Sincerely,

John O'Brien
Director
Health and Insurance