



United States Office of Personnel Management
Healthcare and Insurance

Benefits Administration Letter

Number: 25-802

Date: December 29, 2025

Subject: The Federal Flexible Spending Account Program (FSAFEDS): 2026 Administrative Fees

Purpose

This Benefits Administration Letter serves to notify agencies of the ordering and billing requirements, Administrative fees, and Risk Reserve fees for the Federal Flexible Spending Account Program (FSAFEDS) effective January 1, 2026, and the third-party administrator selected by the U.S. Office of Personnel Management (OPM).

Background

OPM has selected HealthEquity, the incumbent third-party administrator, to continue administration of FSAFEDS. The effective date of the contract is September 23, 2025. The Administrative fees will change for 2026. The Risk Reserve account fee will remain the same for the 2026 benefit period.

Section 1127 of the National Defense Authorization Act for 2004 (P.L. 108-136) requires agencies to pay fees associated with their employees' participation in FSAFEDS. OPM will continue using the Multiple Agency Contract type currently used for FSAFEDS.

Administrative Fees

Agencies pay Administrative fees to HealthEquity on behalf of their employees enrolled in FSAFEDS. The agency fees associated with this contract will change yearly. The agency payment will be calculated based on a per-participating-employee-per-month basis for a Health Care Flexible Spending Account (HCFSA), Limited Expense HCFSA (LEX HCFSA) and Dependent Care Flexible Spending Account (DCFSA). Accordingly, the yearly fees for each account type are:

2026 HCFSA or LEX HCFSA: \$3.95

2026 DCFSA: \$3.19

2027 HCFSA or LEX HCFSA: \$4.07

2027 DCFSA: \$3.27

2028 HCFSAs or LEX HCFSAs: \$4.15

2028 DCFSA: \$3.35

2029 HCFSAs or LEX HCFSAs: \$4.24

2029 DCFSA: \$3.44

OPM may choose to buy down these fees for participating agencies, which means that the agency's FSAFEDS invoice may include a discount OPM uses to lower these fees. See the footnote on page 4 of the attached FSAFEDS MAC Ordering Guide, for an explanation of the administrative offset (buydown).

To maintain market competitiveness and retain an adequate Reserve Account, OPM determines annually if Administrative fees will be discounted for participating agencies.

Risk Reserve Fee

The Risk Reserve fee is placed in the Risk Reserve Fund, held in a Treasury account, to help cover the risk of overpayments associated with HCFSAs and LEX HCFSAs as well as to pay BENEFEDS for the payroll processing functions associated with FSAFEDS. This fee is also used for OPM's administration of the program and may change from year to year. Agencies pay the Risk Reserve fee to OPM on behalf of their employees enrolled in FSAFEDS. The contractor will bill individual agencies separately for the Risk Reserve fee. The Risk Reserve invoice will detail the Intra-Governmental Payment and Collection (IPAC) parameters to pay the invoice to OPM.

Agency Fees for 2026

The DCFSA Administrative fee is \$3.19 per DCFSA per month. For the entire 2026 benefit period, OPM will discount that fee to \$0.25 per DCFSA per month.

The HCFSAs Administrative fee is \$3.95 per HCFSAs per month. For the entire 2026 benefit period, OPM will discount that fee to \$0.25 per HCFSAs per month.

The LEX HCFSAs Administrative fee is \$3.95 per LEX HCFSAs per month. For the entire 2026 benefit period, OPM will discount that fee to \$0.25 per LEX HCFSAs per month.

For the entire 2026 benefit period, the Risk Reserve fee will remain \$0.25 per HCFSAs or LEX HCFSAs per month.

Invoice Process

Agencies will continue to be directly invoiced for the FSAFEDS Administrative fee, as well as the OPM Risk Reserve fee.

The FSAFEDS contractor will notify agencies of the fees due through a Task Order Request in early Q1 of the plan year. This request will include account totals, rate (including any discount OPM determines) and total cost for the Administrative fee and Risk Reserve fee. Detailed employee reports will be provided along with the Task Order Request. Based on the Task Order Request, agencies will execute task orders with the funding to cover the FSAFEDS Administrative fee for the full calendar year of the program. The Risk Reserve fee portion does not require a task order and should not be

included in the task order. Risk Reserve invoices are paid via IPAC per parameters noted on the bottom left of invoice.

Agencies **must** submit a task order to the FSAFEDS contractor, with a copy to OPM, that shows the obligation of funding for the administrative fee to cover the full year. Task orders should be directed to FSAFEDSBilling@healthequity.com and copy FSAFEDSTOTracking@opm.gov, using the subject line of “FSAFEDS Task Order.” Task orders are due within 30 days of receipt of the Task Order Request. Invoices cannot be sent until a task order is received, so timely submission is critical.

When newly eligible employees enroll in one or more FSAFEDS accounts outside of open season, agencies will be required to increase funding to cover the additional participation accordingly and provide a modification to that task order reflecting the increase in cost. An updated Task Order Request will be provided in October by the FSAFEDS contractor, so the original task order can be modified by the agency with the required additional funding and provided to the FSAFEDS contractor and OPM, prior to the second invoice being sent. The FSAFEDS contractor will conduct this catch-up billing through a separate invoice to the applicable agencies in January of each year. For 2029, the last year of the contract, this invoice may be sent in or before the last month of the contract.

The anticipated schedule for the task order and quarterly invoices for benefit year 2026 is as follows:

- February 2026: Initial Task Order Request distributed
- March 2026: Agencies submit fully executed task orders
- April 2026: Q1 2026 (January-March) quarterly invoice distributed
- July 2026: Q2 2026 (April-June) quarterly invoice distributed
- October 2026: Q3 2026 (July-September) quarterly invoice distributed and 2026 Catch-up Task Order Request distributed
- December 2026: Agencies submit fully executed Task Order Modifications (as applicable)
- January 2027: Q4 2026 (October-December) quarterly and Catch-up invoices distributed

HealthEquity will send out the initial task order request in February 2026. The agencies must submit an executed task order to receive the first quarterly invoice in April 2026. Subsequent quarterly invoices will be sent accordingly.

Task Order Requests and Invoice Examples

Examples of a Task Order, the initial and catch-up Task Order Requests, quarterly invoice, and catch-up invoice are attached to this BAL. Thank you in advance for your prompt submission of the required task orders. Please ensure that all fees, including past due fees, are also paid promptly.

Sincerely,

D. Shane Stevens

Associate Director, Healthcare and Insurance

Attachments

Attachment 1: FSAFEDS MAC Ordering Guide

Attachment 2: FSAFEDS Sample Task Order

Attachment 3: FSAFEDS Sample Task Order Requests and Invoices