

Public Agenda Item #23

Consideration of Proposed Fiscal Year 2023 Fees for TexFlexSM Program - (Action)

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TexFlex Flexible Spending Account Program



- Flexible spending account (FSA) programs:
 - Health Care FSA
 - Limited-purpose FSA
 - Dependent Care FSA
- Funded by active employee pre-tax salary contributions and HealthSelectShoppERSSM incentives
- Reimburses participants for qualified, eligible expenses

TexFlex Program

Administrative Fee Holiday



- In previous years, employees enrolled in a flexible spending account were responsible for a nominal account administrative fee of \$1 per account per month.
- The \$1 per account per month administrative fee was paid for through the previous year's forfeited funds balance.
- ERS waived the administrative fee for those enrolled in the plans during PY17- PY22, and ERS staff recommends waiving the administrative fee for PY23.

TexFlex Program

Enrollment and Employee Contributions



	Enrollment (#s)			Contribution Elections** (\$)		
	PY21	PY22	Change %	PY21	PY22	Change %
Health Care FSA and Limited-purpose FSA	41,904	43,783	4.5%	\$53,771,152	\$50,397,918	-6.3%
Dependent Care FSA	2,360	3,227	36.7%	\$8,475,147	\$9,448,226	11.5%
Total Participation*	42,774	44,700	4.5%	\$62,246,299	\$59,846,144	-3.9%

**Total participation does not equal the sum of health care, limited-purpose and dependent care enrollment because some members are enrolled in both a health care FSA and a dependent care FSA.*

*** Contribution elections are employee pledges into the program and are reported commitments for the applicable fiscal year.*

TexFlex Program

An Additional Benefit of HealthSelectShoppERS



737 members who earned a HealthSelectShoppERS* incentive had not previously elected a health care or limited-purpose FSA.

- Of the 737, as of summer enrollment July 2021:
 - 610 members (83%) enrolled in a PY22 FSA – and had not before.
 - 71 (10%) members did not enroll in an FSA
 - 49 (7%) members with employee termination date of 9/1/2021
 - 7 members under research (tbd)

**HealthSelectShoppERS participants can shop for certain lower-cost in-network services, with earned incentives credited to a health care or limited-purpose FSA.*

Questions?
Action Item