



Public Agenda Item #30

Review, Discussion and Consideration of Proposed Fiscal
Year 2021 Fees for TexFlex Program - (**Action**)

May 20, 2020

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TexFlexSM Program



- Flexible spending accounts:
 - Health Care Reimbursement Account
 - Limited Reimbursement Account
 - Dependent Care Reimbursement Account
- Commuter Spending Account
- Funded by pre-tax salary contributions from active employees
- 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.
- ERS waived the administrative fee for those enrolled in the plans during FY17- FY20, and ERS staff recommend waiving the administrative fee for FY21.
- The \$1 per account per month administrative fee was paid for through the previous year's forfeited funds balance.

TexFlex Program

Administrative Fee Holiday Continued



- Staff recommend continuing the administrative fee holiday for FY21, allowing for administrative fees to be paid from the plan forfeiture account.
- Consistent with IRS rules, forfeited fund balances cannot be used to pay the \$3 per month Commuter Spending Account administrative fee. Staff recommend no change to the administrative fee.

TexFlex

Enrollment and Contributions



	Enrollment (#s)			Contribution Elections** (\$)		
	FY20	FY21	Change %	FY20	FY21	Change %
Health Care Reimbursement Plan	46,820	45,096	-3.7%	\$59,197,049	\$59,913,762	-2.3%
Dependent Care Reimbursement Plan	3,631	3,544	-2.4%	\$13,768,603	\$13,790,006	-3.3%
Total Participation*	48,107	46,392	-3.6%	\$72,965,652	\$73,703,768	-2.5%

**Total unique participant enrollment is not equal to the sum of health care and dependent care enrollment because some members are enrolled in both plans.*

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

TexFlex Program

Commuter spending account (CSA)



- Enrollment into the program began January 1, 2016 with a benefit start date of March 1, 2016.
- The account is available to those who utilize mass transit and/or incur parking expenses as part of their daily commute to and from work.
- Participants can enroll and dis-enroll on a monthly basis without waiting for summer enrollment or a Qualified Life Event (QLE).

TexFlex Program

Commuter spending account (CSA)



- The cost per person is \$3 per month or \$36 annually. This cost is paid entirely by the participant.
- Currently, 34 participants elected to participate in the parking benefit and 149 participants elected to participate in the transit benefit.

Questions?
Action Item