



Benefits & Risk Management
Human Resources Division



Focus on TRS-ActiveCare #9 – 11/4/2009

A) Flexible Spending Accounts

Since this month's enrollment period is for a short year (January through August only), it is extremely important for you to make adjustments to the amount of money you select for your Flexible Spending Account.

When you calculate the amount of money for your Flex Account enrollment, consider only services that will occur between January 1 and August 31, 2010. The Flex Account you select now will only cover those dates.

As explained last week, the next enrollment period will occur in April-May, and your selections at that time will take effect on September 1, 2010. During that April-May enrollment period, the Flex Account you select would cover the following 12 months (September 2010 through August 2011). This change was made so your Flex Account selections will match the same "year" that is used for the TRS-ActiveCare medical plans.

Note: One basic rule of all Flex Accounts is that the service must occur during the coverage period. For example, if you have a doctor's appointment in December 2009, but you actually pay the doctor's bill in January 2010, that payment would only be eligible under your 2009 Flex Account. In addition, the flex card always applies to the current year's Flex Account. So if you use the flex card in January 2010 to pay for a doctor's appointment that occurred in December 2009, you will experience problems when asked for proof to validate that charge under your 2010 Flex Account. For these types of charges that cross over plan years, it is best to file paper claims.

B) Flex Account vs. Health Savings Account

Medical Flex Accounts and Health Savings Accounts will reimburse the same types of medical expenses. Flex Account funds do not carry-over from year to year, but the funds in a Health Savings Account will carry-over.

One of the rules regarding Health Savings Accounts is that you must be enrolled in a qualifying high-deductible health plan. Enrollment in TRS-ActiveCare 1-HD for the employee and/or family members, and enrollment in TRS-ActiveCare 1 for the employee only, would qualify you for a Health Savings Account, but you are not required to have a Health Savings Account.

If you choose to enroll in both a Medical Flex Account and a Health Savings Account, tax penalties may result if you improperly coordinate those accounts.

If you plan to contribute to a Health Savings Account, you may not participate in the regular “General Purpose” medical flex account. Instead, you may participate in the new “Limited Purpose” medical flex account.

A “Limited Purpose” medical flex account will not reimburse any medical expenses that apply towards the deductible of your medical plan, because those expenses are eligible under the Health Savings Account.

If you plan to enroll in a Medical Flex Account, be sure to select the correct option – either “Limited Purpose” if you will also have a Health Savings Account, or “General Purpose” if you will not have a Health Savings Account.

For more information, please contact:

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