

**Guide to Open Enrollment
Benefit Account Communications**

For groups offering a healthcare FSA

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# How to Use This Guide

Are you confident your employees understand their benefit account options? Do they grasp how pre-tax accounts can help them save money and gain control over their healthcare and financial future? Consumer research indicates they don’t, but all hope is not lost!

Use this communication guide to help educate your employees during the time leading up to your open enrollment period. We purposefully built this guide to be flexible so you can plug in some, or all, of the messaging and materials into your own communication channels. Pick and choose the parts you need and leave out the components you don’t.

# Graduation capCommunication Best Practices

As you build your communication plan, keep these tips in mind:

1. **Focus on keeping it simple.** Use jargon-free language for clear communication.
2. **Keep it short and digestible.** Employees lose interest quickly in the complex world of making sense of their benefit options.

**76% of consumers say they are focused on getting the best value for their healthcare dollars, but they need more support**

Research shows they are asking for education, tools and support to better understand tax-advantaged accounts.

40% of consumers want to take a more active role in their healthcare finances, but 33% ranked lack of knowledge as a barrier to doing so.

1. **Use real-world examples.** Help employees understand their benefit accounts in a way that resonates with their situation. Tools and quizzes can help employees evaluate their personal needs.
2. **Use various types of media.** Interactive tools, videos and graphics can help your message get across to different types of learners.

Providing educational resources that touch on these important topics can help your employees feel more prepared for making important decisions during open enrollment.

* General education on account features and benefits
* Eligibility and spending – what they can spend account funds on
* Contribution planning to help them determine how much they need to save

# Healthcare FSA

## Benefits Overview Materials

**Overview:**

* Include the following sample messaging in your benefits overview materials.
* Content found within brackets is meant to be customized.
* Be sure to link out to additional digital resources using the resource library table included in this guide.
* Don’t bury account information in a separate section of your benefit materials. Pair the healthcare account information alongside the health plan details so your employees understand the connection.

**Sample Messaging:**

### Healthcare Flexible Spending Account (FSA)

You can use your FSA for qualifying medical, dental and vision expenses. The full election amount will be available to you at the start of the plan year, and deductions will be taken from your paycheck on a per-pay-period basis. The 2023 annual contribution limit for the Healthcare FSA is $3,050. At the end of the plan year, a maximum of $610.00 can be carried over from one play year to the next. Any unused funds over this amount are forfeit.

**Check out the resources, on page six of this guide, to learn more about how an FSA can save you money and how to determine how much you should contribute.**

## Sample Carryover and Grace Period Information

If have implemented and carryover or grace period on your plan, below you will find some sample language to help employees understand what happens to funds after the end of the plan year.

###  Carryover

After the plan year has ended, up to $610 of your available balance will be carried over to use for next year’s expenses. If you have more than $610 available, $610 will carryover to next year and any remaining balance will expire.

###  Grace Period

After the plan year has ended, you have an additional two and half months to spend down any remaining funds. You can use your available balance either on the previous year or current year expenses during the grace period. At the end of the grace period, any remaining balance will expire.

## Employee Intranet or Newsletter

**Overview:**

* Include the following sample messaging on your employee intranet or newsletter.
* The link to an educational video is built in – just make sure it stays linked once you cut and paste the content.

**Sample Messaging**

Save an average of 30% on every healthcare dollar you spend out of pocket.

During open enrollment, you’ll have the option to enroll in healthcare flexible spending account (FSA) to help save you money on healthcare.

An FSA allows you to set aside pre-tax dollars for eligible healthcare expenses not covered by your insurance plan. You can use the money in your FSA to help cover your out-of-pocket healthcare costs for both you and your dependents, whether they're on your plan or not. **Keep an eye out for some upcoming emails** that will help you better understand your options and how you can benefit from an FSA, so you’re prepared to make an informed enrollment decision during open enrollment.

[Watch a short video about managing your healthcare finances.](https://learn.myhealthyfinances.com/managing-finances?name=blank)

## Employee Emails

**Overview:**

* Use the sample emails below to send communications to your employees in advance of open enrollment.
* The links to each of the additional resources are built in – just make sure they stay linked once you paste the content into your email distribution tool.
* These are basic educational emails that can be sent in advance of your specific plan design decisions being nailed down.
* Try sending one email per week in the weeks leading up to open enrollment.

**Sample Emails**

### Employee Email #1

**Don’t overpay for healthcare next year.**

It's almost that time of year again – open enrollment is approaching and it's time to make important decisions for you and your family regarding healthcare benefits. No matter what health plan option you choose, chances are you will incur out-of-pocket costs this plan year.

Tax-advantaged benefit accounts – such as flexible spending accounts (FSAs) – allow you to use pre-tax dollars to pay for expenses not covered by your health plan.

This means if you plan to spend even a dollar out of pocket on healthcare expenses, an FSA will help you save up to 30% on medical expenses.

Want to learn more?

* [Watch a video to get tips on managing your healthcare finances](https://learn.myhealthyfinances.com/managing-finances?name=blank)
* [Watch a video to learn what an FSA is all about](https://learn.myhealthyfinances.com/what-is-an-fsa?name=blank)

### Employee Email #2

**Determining the right amount to save.**

If you are considering enrolling in a flexible spending account (FSA) for the first time, you're probably thinking, "How much should I contribute to the account?" You're not alone! Planning for healthcare costs is not an easy task. We are here to help.

* [Watch a video for tips on determining how much to save for healthcare](https://learn.myhealthyfinances.com/savings-strategy?name=blank)
* [Use a calculator to estimate your out-of-pocket healthcare costs for next year](https://learn.myhealthyfinances.com/healthcare-expenses?name=davidkyoung)
* [View an infographic to figure out how much to contribute to your FSA](https://learn.myhealthyfinances.com/FSA-contribution-infographic?name=blank)

## Digital Resource Library

Embed the URLs into your open enrollment communications to help educate your employees about managing their finances and the benefits of tax-advantaged accounts.

**Calculators**

* [Estimate your out-of-pocket healthcare costs for next year](https://dkyoung.wealthcareportal.com/Page/FsaTaxSavings)

**Infographics**

* [7 tips to help you decide how much to contribute to your FSA](https://learn.myhealthyfinances.com/FSA-contribution-infographic?name=blank)


 **Videos**

* [Understand the basics of managing your healthcare finances](https://learn.myhealthyfinances.com/managing-finances?name=blank)
* [Tips for determining the right savings strategy for both short and long-term healthcare costs](https://learn.myhealthyfinances.com/savings-strategy?name=blank)
* [Understand the basics of what an FSA is all about](https://learn.myhealthyfinances.com/what-is-an-fsa?name=blank)

 **Quizzes**

* ****[Determine whether you're a healthcare spender or saver](https://learn.myhealthyfinances.com/spender-or-saver?name=dkyoung)

**Find out how much you can save with an FSA!**

If you’re considering a flexible spending account (FSA), be sure to take this five-minute Digital Open Enrollment survey first. Plus, enter to win free prizes!

[**Take the Quiz**](https://fsastore.com/digital-open-enrollment.html?AFID=489890&GroupName=TPA&CID=437559&utm_source=David+K.+Young+Consulting%2c+LLC&utm_medium=TPA+Link+OE+Quiz&utm_campaign=TPA+Partner)

# Other Accounts

## Limited Purpose FSA

**Overview**

* Use the following sample messaging to promote your LPFSA.
* The link to an educational video is built in – just make sure it stays linked once you cut and paste the content.

**Sample Messaging**

**Extend your HSA tax savings for dental & vision with a Limited Purpose Flexible Spending Account (LPFSA)**

**What is it?**

An LPFSA is a tax-advantaged account that can be combined with an HSA and allows you to save specifically for vision & dental expenses.

**What you need to know:**

* Pre-tax contributions lower your taxable income, making each dollar stretch 30% further.
* Your full election amount is available on the first day of the plan year – like a tax-free, interest-free loan.
* Election changes require a qualifying event, like your health plan.
* Unused funds at the end of the plan year will be forfeited.

[**Click here**](https://learn.myhealthyfinances.com/LPFSA?name=dkyoung) **to check out this short video about how an LPFSA can save you money.**

## Dependent Care Account

**Overview**

* Use the following sample messaging to promote your DCA.
* The link to an educational video is built in – just make sure it stays linked once you cut and paste the content.

**Sample Messaging**

**Put money back into your pocket with a Dependent Care FSA**

**What is a dependent care FSA?**

A dependent care FSA lets you set aside pre-tax dollars to pay for qualified dependent care expenses to enable you to work.

**What is a qualified dependent care expense?**

Employment-related expenses for:

* Preschool
* Summer day camp
* Before or after school programs
* Child daycare
* Elder daycare

If you use these types of services for your eligible dependents, so you can go to work or look for work, you can save money by using a dependent care FSA.

**How does it work?**

Pre-tax dollars are deducted from your paycheck and placed in your account. That means you don’t have to pay taxes on your contributions, which means more money in your pocket! You then use those funds to reimburse yourself for money spent on qualified expenses.

[**Click here**](https://learn.myhealthyfinances.com/dca?name=dkyoung) **to check out this short video about how a dependent care FSA can save you money.**

## Health Reimbursement Arrangement

**Overview**

* Use the following sample messaging to promote your HRA.
* The link to an educational video is built in – just make sure it stays linked once you cut and paste the content.
* HRAs are highly customizable to the employer. Use the sample language below as a starting point but review carefully to ensure it aligns with your specific HRA plan design.

**Sample Messaging**

**Save on healthcare with an employer-funded health reimbursement arrangement (HRA)**

**How does an HRA work?**

A Health Reimbursement Arrangement (HRA) is a reimbursement account set up and funded by your employer that helps you pay for qualified medical expenses incurred throughout the plan year.

**How will I benefit from an HRA?**

An HRA is offered in conjunction with your health insurance plan and is designed to help offset out-of-pocket financial responsibilities associated with your healthcare. The funds in the account can be used to pay for typical medical expenses not covered by your insurance plan such as doctor office visits, copays, prescription drugs and hospital services. The money your employer contributes to the account is not included in your salary and is not considered taxable income.

**What you need to know:**

* Your employer puts money into your HRA and defines what medical expenses are eligible.
* Contributions made by your employer are excluded from your gross income and not taxable.
* The funds in the account are available on the first day of the plan year.
* Funds that remain in your HRA at the end of the plan year may be carried over to the next year.

[**Click here**](https://learn.myhealthyfinances.com/what-is-an-HRA?name=dkyoung) **to check out this short video to learn more about how an HRA works.**

## Commuter Benefit Account

**Overview**

* Use the following sample messaging to promote your commuter benefit account.
* The link to an educational video is built in – just make sure it stays linked once you cut and paste the content.

**Sample Messaging**

**Participating in a commuter account is like receiving a 30% discount on mass transit and parking expenses.**

**How does a commuter account work?**

A commuter account allows you to set aside pre-tax dollars for mass transit and parking expenses associated with your daily commute to work.

There are two types of commuter accounts: mass transit and parking. You have the option to enroll in one or both accounts. You choose a monthly election amount, up to $300 for mass transit expenses and $300 for parking expenses. The money is placed in your account via payroll deduction and then used to pay for eligible commuting expenses.

**Why should I enroll in a commuter account?**

If you take public transportation to work or pay for parking, you’ll want to take advantage of the savings these plans offer. Money contributed to a commuter account is free from federal and state taxes and remains tax-free when it is spent on eligible expenses. On average, participants enjoy a 30% tax savings on their annual contribution.

**What you need to know**

* You must have funds in your commuter account before you can spend them.
* You can change your election amount or terminate plan participation at any time.
* Any unused funds that remain in your account at the end of the year will be carried over into the next plan year, if you continue to participate in the plan.

[**Click here**](https://learn.myhealthyfinances.com/commuter-benefit-account?name=dkyoung) **to check out this short video to learn more about how a commuter benefit account works.**