

Program Overview

HSA, Section 125/ERA, and Commuter Fringe Benefit Programs

Item 10A – Group Insurance Board

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Office of Strategic Health Policy



Agenda

For informational purposes only. No action is required.

1. Request for Proposals Overview
2. Program Overview
3. Program Enrollment
4. Implementation Timeline

Request for Proposals Overview

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Background

- TASC has administered these programs since 2015
- The Board approved a one-year extension of the administrative services contract with TASC for the 2019 plan year
- Third and final contract amendment with TASC

Request for Proposals Overview

- In February 2018, the Board approved the development and release of three Requests for Proposals (RFP) to select an administrator(s) for the following programs:
 - Health Savings Account (HSA)
 - Section 125 Cafeteria Plan and Employee Reimbursement Account (ERA)
 - Commuter Fringe Benefit
- To start effective for the 2020 plan year

Key Considerations

Cost

Marketing
Materials

Educational
Materials

Non-
Discrimination
Testing

Payroll Center
and Benefit
Staff Support

Key Considerations

Project
Management

Performance
Standards and
Guarantees

Standard
Business
Practices

Debit Card
Functionality

Section 125
Plan
Documentation

Section 125
Tax Benefit
Guidance

Program Overview

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HSA

- Dual-enrollment with the State-Sponsored High Deductible Health Plan (HDHP)
- Individually-owned, tax-advantaged account
- Eligible State employees can use an HSA to:
 - Pay for current or future health care expenses
 - Build savings for retirement through self-directed investment options



Section 125 Cafeteria Plan

- An employee benefits program designed to take advantage of Section 125 of the Internal Revenue Code
- Allows employees to pay for certain qualified expenses on a pre-tax basis
 - Reduces total taxable income and increases spending/take-home income
 - Employers experience tax savings from reduced FICA



ERA Programs



Health Care FSA

Set aside tax-free dollars each year for eligible health care expenses not covered by insurance.



Limited Purpose FSA

If an employee is enrolled in a HDHP and participates in an HSA, they can set aside additional money tax-free for certain dental, vision and post-deductible medical expenses.



Dependent Day Care FSA

Pre-tax dollars may be used for day care or elder care expenses for eligible dependents allowing the employee (or their spouse) to work, look for work or attend school full time.

Commuter Fringe Benefits



Parking Account

Allows an employee to pay for eligible work-related parking expenses with pre-tax dollars.



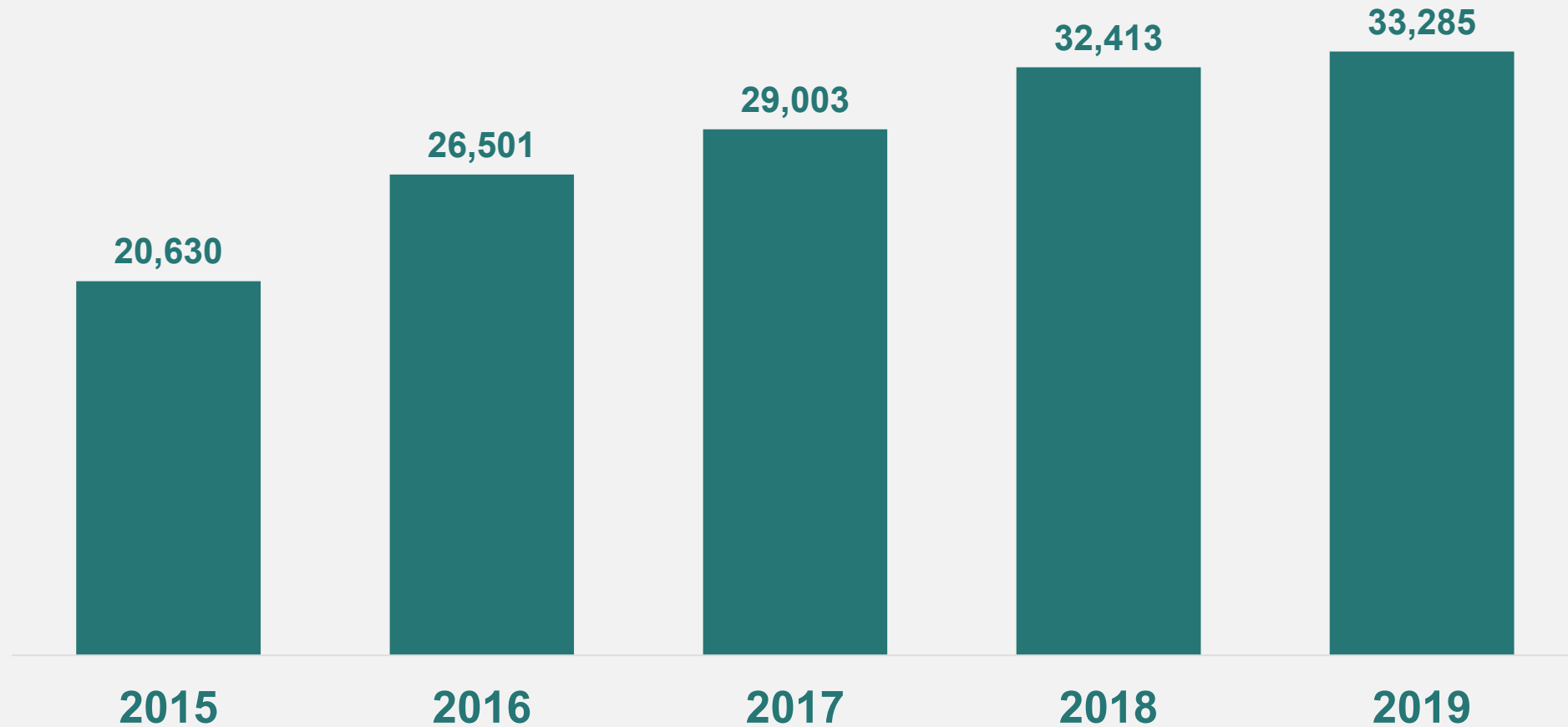
Transit Account

Pre-tax dollars can be used to pay for eligible transit expenses related to an employee's commute to work.

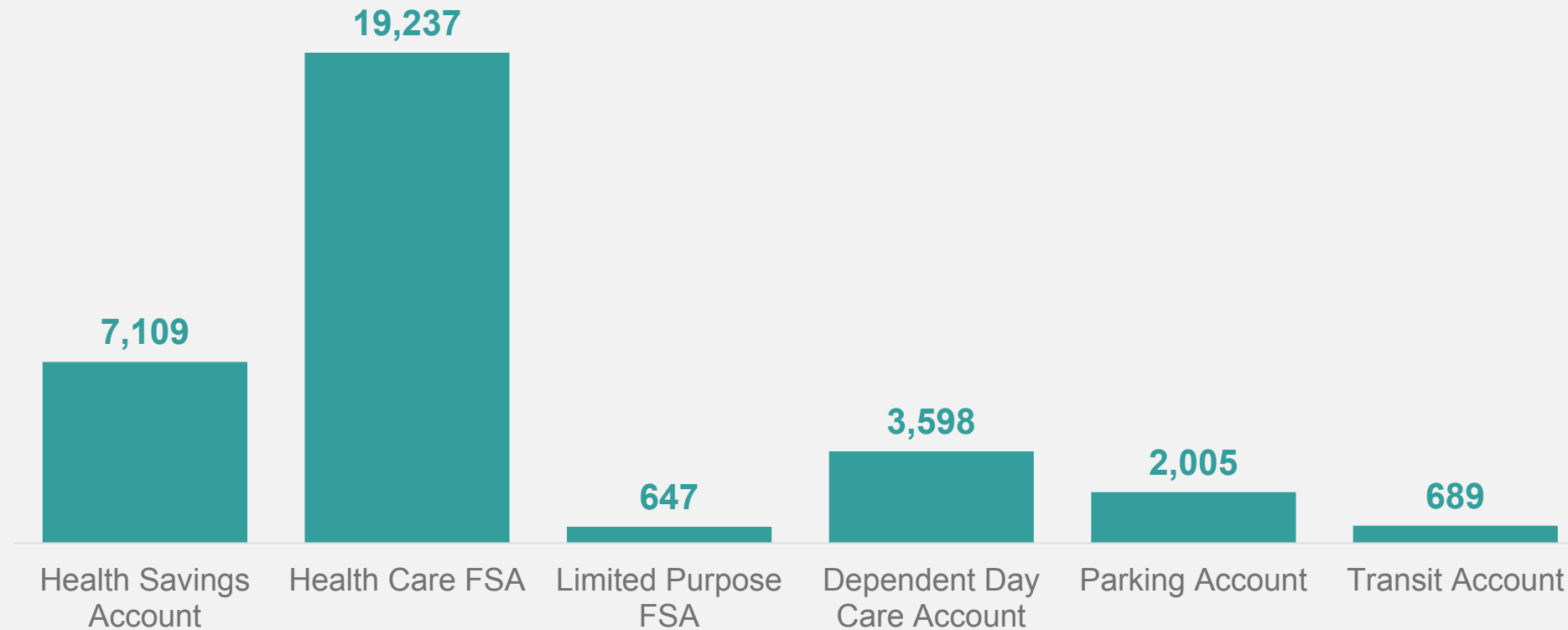
Program Enrollment

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Total Participant Enrollment



2019 Participant Enrollment

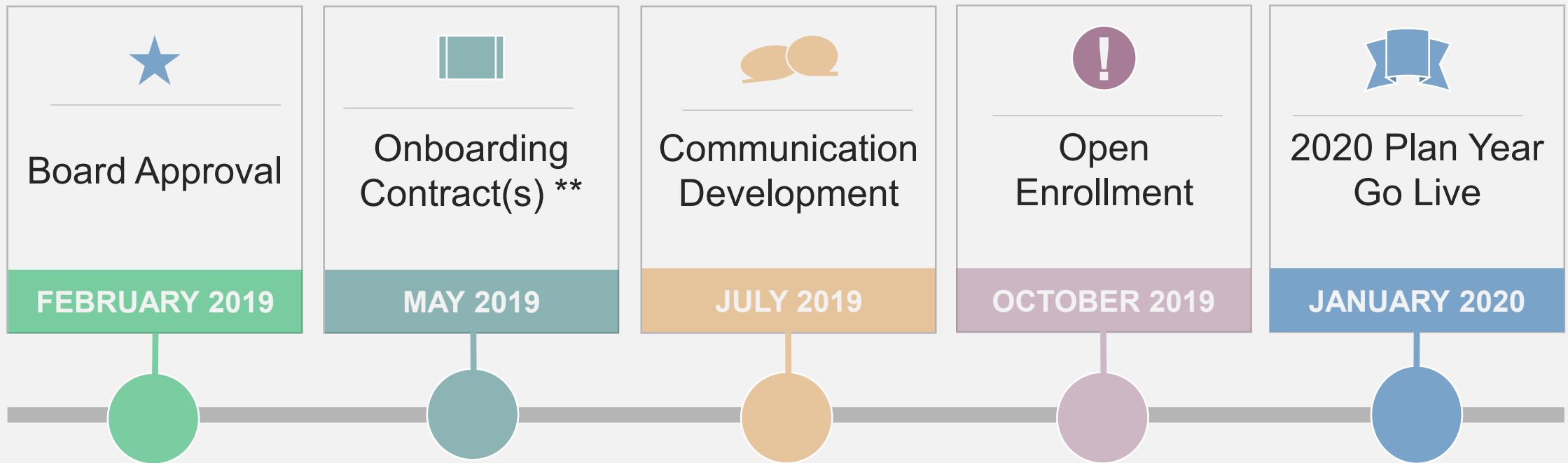


Total
Participants:
33,285

Implementation Timeline

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Implementation Timeline



**** if applicable**

Communication and Reporting

- ETF staff is ready to communicate any changes to the programs
- OSHP staff will continue to provide regular updates to the Board

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Questions?

Thank you



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