



Dear State of Maryland employee,

Your Open Enrollment will be here soon and this year we want to remind you of the savings opportunities available to you when you participate in a Flexible Spending Account (FSA). Below are helpful reminders to guide you as you consider enrolling in the plan.

Happy Savings!








P&A Group, your FSA provider

WHAT IS AN FSA & HOW DOES IT SAVE ME MONEY?

An FSA is a pre-tax account where you can contribute money before taxes are taken out each pay period. Your contributions are put into an FSA, where you can use pre-tax dollars to purchase eligible expenses. Because the account is “pre-tax,” you can save up to 30% on eligible items!

TAX SAVINGS EXAMPLE

Here’s how you can save annually with an FSA.

WITHOUT AN FSA	WITH AN FSA
<p>Meet State of MD employee, Sam.</p> 	<p>Sam signs up for a Healthcare FSA and sets aside \$600 into his account.</p> 
<p>Sam has \$50 of out-of-pocket medical expenses every month.</p> 	<p>Sam has \$50 of out-of-pocket medical expenses every month.</p> 
<p>He pays a total of \$600 every year on these expenses because they are crucial to him, and he knows he has to have them no matter what.</p> 	<p>Since Sam uses his FSA to fund his annual medical expenses, he saves approximately \$180 a year because of the savings an FSA offers.</p> 
<p>Sam hears about a way to save 30% on every dollar with an FSA, so he investigates to see if he can save money on these necessary expenses.</p> 	<p>An FSA provides significant savings on predictable medical, dental, vision, and daycare expenses. See back page for more info!</p>

How an FSA Works



1

Calculate your anticipated eligible medical, dental, vision or daycare expenses over the coming year (January 1, 2022 - December 31, 2022). This helps you determine your annual election amount.

2

Sign up during Open Enrollment (flip page for enrollment details).

3

Your annual election is divided up by your number of pay periods throughout the year, and that dollar amount is deducted pre-tax and put into your FSA.

There are two different types of FSAs you can enroll in: a Healthcare FSA and a Dependent Daycare FSA.

Healthcare FSA

Use this account to pay for health, dental and vision expenses for you and your eligible dependents. When you enroll in a Healthcare FSA, the total amount you elect is available for use beginning on the first day of your plan year, January 1, 2022. This unique plan rule only applies to the Healthcare FSA.

Employees who enroll in the Healthcare FSA will receive a Benefits Card that can be used for eligible expenses at the point-of-service. Benefits Cards are valid for three years, so if you are re-enrolling in the account, you may use your existing card. If your card is going to expire, you will automatically receive a new one in the mail.

Healthcare FSA maximum annual election amount: \$2,750

Dependent Daycare FSA

Use this account to pay for your dependent child(ren)'s or dependent parent's day care expenses. Your child must be under age 13 in order to qualify for reimbursement.

Dependent Daycare FSA maximum annual election amount: \$5,000

REMINDER: the Dependent Daycare FSA is for daycare expenses; it does not reimburse health expenses for your dependents.

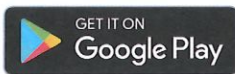
SAMPLE ELIGIBLE EXPENSES

HEALTHCARE FSA	DEPENDENT DAYCARE FSA
Braces, orthodontia	Before and after-school care
Co-pays, deductibles Dental work	Day camp (i.e., soccer camp); Overnight camp is NOT eligible.
Dental work	Daycare centers
Eyeglasses, prescription sunglasses	Eldercare
Over-the-counter (OTC) medications	Nursery school

For a complete list of eligible expenses, please visit md.padmin.com.

HELPFUL TOOLS & RESOURCES

- Please visit md.padmin.com to view the 2022 FAQs about your plan.
- Calculate your predictable expenses and help determine your annual election with P&A's FSA calculator. Visit md.padmin.com under Participant Information.
- Log into your account at md.padmin.com to check your account balance, submit a claim, sign up for direct deposit and more!
- Download P&A's mobile app so you can manage your plan and get account notifications directly through your phone. Search "P&A" in the App Store or Google Play.



How to Enroll



ENROLL ONLINE

You must enroll during the state's Open Enrollment period, October 18 - November 12, online at stateofmaryland.onelogin.com.

You can only sign up during your annual Open Enrollment, unless you experience a qualifying event, like marriage or the birth of a child. If you want to take advantage of this savings vehicle, now is the time to sign up!

FSA Plan Dates

PLAN YEAR

January 1, 2022 - December 31, 2022

HEALTHCARE FSA GRACE PERIOD

A grace period is an additional period of time you have to incur eligible expenses. Your Healthcare FSA grace period is March 15. This means you have from January 1, 2022 - March 15, 2023 to incur eligible Healthcare expenses. Your grace period only applies to your Healthcare FSA.

RUN-OUT PERIOD

The run-out period is the time during which you can submit a claim for expenses incurred during the plan year and grace period. Your run-out period for the 2022 plan year is April 30, 2023.