

Dear Albemarle Employee,

The purpose of this communication is to inform you of changes coming to the renewal dates (plan year start date) for the certain Albemarle County employee benefits. **This change will impact the medical, dental and FSA (Flexible Spending Account) plan years. Effective January 1, 2019, renewals for these benefits renewals will be transitioning to a calendar year renewal.** **The following is a guide for employees who may currently have an FSA and/or plan to enroll in a new FSA next year.**

In order to offer employees' access to Flexible Spending Accounts during the transition to a calendar-based plan year, Albemarle County is going to implement a *Short Plan Year* for all FSAs and Limited Purpose FSAs. **If you wish to participate in the *Short Plan Year*, you will need to make your elections during the Open Enrollment period (August 1 – August 17th).** Once the *Short Plan Year* has ended, we will begin the new calendar-based plan year (effective January 1, 2019 through December 31, 2019). **Elections for the 2019 calendar-based plan year will be made during the early November Open Enrollment period (dates to be announced in October).**

Here's what you need to know about this *Short Plan Year*:

- The *Short Plan Year* dates will be September 1, 2018 – December 31, 2018
- *Short Plan Year* maximum elections will be prorated based on 4 months
 - Health Care & Limited Purpose Health Care maximum: \$883.32
 - Dependent Care (day care) maximum: \$1,666.64
- Elections should be based on anticipated expenses incurred September 1 – December 31, 2018
- Health Care balances up to \$500.00 will carryover on January 1, 2019 and be available for 2019
- Dependent Care grace period to incur services will be 2 ½ months; dependent care services may be incurred September 1, 2018 – March 15, 2019
- The run-out period to turn in claims for reimbursement will be as follows:
 - Health Care & Limited Purpose Health Care run-out period ends April 30, 2019 (120 days)
 - Dependent Care (day care) run-out period ends May 15, 2019 (45 days after grace period ends)
- For the 2019 calendar plan year, the maximum elections will be
 - Health Care & Limited Purpose Health Care maximum: \$2,650.00
 - Dependent Care (day care) maximum: \$5,000.00

If you are currently enrolled in the Health Care or Limited Purpose Health Care FSA and have a balance in your account on August 31, 2018, balances up to \$500.00 will carryover on September 1, 2018. You are not required to make an election/enroll for the short plan year if you choose not to. Unused funds will carry over again on January 1, 2019 regardless of whether you make an election/enroll for that plan year.

If you have any questions regarding the Flexible Spending Accounts, the short plan year FSA, and/or the new calendar year FSA for 2019, please contact me at (540) 437-1469 or kgroves@LDBBenefitsadmin.com

Best Regards,

Karen Groves