



Benefits Administration Letter

Number: 08-802

Date: December 16, 2008

**Subject: The Federal Flexible Spending Account Program (FSAFEDS):
2009 Administrative Fees**

Purpose

To notify agencies that the dependent-care flexible spending account (DCFSA) administrative fee will change effective January 1, 2009.

Background

Agencies pay administrative fees to SHPS, Inc. (the third-party administrator under contract with OPM) on behalf of their employees enrolled in FSAFEDS.

Dependent-Care Administrative Fee

The current DCFSA administrative fee per DCFSA participant is 1.5 percent of the annual amount the participant elected.

Effective January 1, 2009, the **new** DCFSA administrative fee will be \$3.25 per dependent-care FSA account per month.

Health-Care Administrative Fee

No change. The health-care flexible spending account (HCFSA) administrative fee remains unchanged at \$4.35 per HCFSA per month.

Reserve Account Fee

No change. The reserve fee remains unchanged at \$4.50 per HCFSA per month.

SHPS, Inc. will send out the first 2009 invoice package in February, reflecting the above fees. Thank you in advance for your prompt payment.

Sincerely,

Kathleen M. McGettigan
Deputy Associate Director
Center for Retirement and Insurance Services