



Benefits Administration Letter

Number: 20-801

Date: April 27, 2020

**Subject: The Federal Flexible Spending Account Program (FSAFEDS):
 2020 Administrative Fees**

Purpose

To notify agencies that the Federal Flexible Spending Account Program (FSAFEDS) administrative fees will change; however, the reserve account fee will remain the same for the 2020 benefit period. FSAFEDS fees are detailed in [Benefit Administration Letter 16-303](#).

Background

Administrative Fees

Agencies pay administrative fees to WageWorks, the third-party administrator under contract with the Office of Personnel Management (OPM), on behalf of their employees enrolled in FSAFEDS. To maintain market competitiveness and retain an adequate Reserve Account, OPM determines annually if administrative fees will be discounted for participating agencies.

Dependent-Care Flexible Spending Account (DCFSA) Administrative Fee

The DCFSA administrative fee is \$2.53 per DCFSA per month. For the entire 2020 benefit period, OPM will discount that fee to \$0.86 per DCFSA per month. The 2019 DCFSA administrative fee was discounted to \$1.60.

Health-Care Flexible Spending Account (HCFSA) Administrative Fee

The HCFSA administrative fee is \$2.53 per HCFSA per month. For the entire 2020 benefit period, OPM will discount that fee to \$0.86 per HCFSA per month. The 2019 HCFSA fee was discounted to \$1.60.

Limited Expense Health Care Flexible Spending Account (LEX HCFSA) Administrative Fee

The LEX HCFSA administrative fee is \$2.53 per LEX HCFSA per month. For the entire 2020 benefit period, OPM will discount that fee to \$0.86 per LEX HCFSA per month. The 2019 LEX HCFSA fee was discounted to \$1.60.

Reserve Account Fee

Agencies pay the reserve account fee to OPM on behalf of their employees enrolled in FSAFEDS. For 2020, the monthly reserve fee will remain unchanged at \$.25 per HCFSA per month.

WageWorks will send out the first of two annual invoice packages in April 2020, reflecting the above fees. There is also the possibility of a supplemental invoice in order to correct any previous billing errors. Thank you in advance for your prompt payment. Please ensure that all past due fees are also paid promptly.

Sincerely,

Laurie Bodenheimer
Acting Director
Health and Insurance