



***Benefits Administration Letter***

**Number:** 11-802

**Date:** OCTOBER 18, 2011

**Subject: The Federal Flexible Spending Account Program (FSAFEDS):  
2012 Administrative Fees**

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**Purpose**

To notify agencies that the Federal Flexible Spending Account Program (FSAFEDS) reserve account fee will change for the 2012 benefit period.

**Background**

**Administrative Fees**

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

**Dependent-Care Flexible Spending Account (DCFSA) Administrative Fee**

No change. The current DCFSA administrative fee remains unchanged at \$3.25 per DCFSA per month.

**Health-Care Flexible Spending Account (HCFSA) Administrative Fee**

No change. The current HCFSA administrative fee remains unchanged at \$4.35 per HCFSA per month.

**Reserve Account Fee**

Agencies pay the reserve account fee to OPM on behalf of their employees enrolled in FSAFEDS. For 2012, the monthly reserve fee will be reduced from \$4.50 to \$1.00 per HCFSA per month. This reduction will result in a significant savings for each participating agency's budget.

SHPS, Inc. will send out the first of two annual invoice packages in February 2012, reflecting the above fees. Thank you in advance for your prompt payment.

Sincerely,

John O'Brien  
Director  
Health and Insurance