

FLEXIBLE SPENDING ACCOUNTS (FSA)

A Flexible Spending Account (“FSA”) allows administrators to pay for eligible out-of-pocket health care and dependent care expenses with pre-tax dollars. By using pre-tax dollars to pay for health care and dependent care expenses, an FSA gives the administrator an immediate discount on these expenses equal to the taxes otherwise paid on that money. Hofstra University has selected a third-party administrator, Automatic Data Processing (“ADP”), to manage the FSAs.

Through ADP, Hofstra University offers administrators two types of FSAs:

- **The Health Care Account**, which can be used to pay for qualified medical, dental, prescription drug or hearing care costs;
- **The Dependent Care Account**, which can be used to pay for eligible dependent care expenses such as child care (if the expenses incurred are the result of the employee and spouse working).

In accordance with IRS Regulations, any unused FSA contributions must be forfeited by the end of the plan grace period (75 days immediately following the close of the plan year).

Participation in any FSA is completely voluntary. Administrators must enroll in the FSA accounts within 31 days of the date of hire or wait until the next open enrollment period.