



UNITED STATES  
OFFICE OF PERSONNEL MANAGEMENT  
WASHINGTON, DC 20415-0001

OFFICE OF THE DIRECTOR

Dear New Federal Employee:

I am delighted to tell you about an important Federal benefit called the Federal Flexible Spending Account Program, known as FSAFEDS. Flexible spending accounts (FSAs) are an excellent way to reduce your out-of-pocket medical and dependent care costs, and stretch your hard-earned dollars. The enclosed material will provide you with information on this important benefit.

Flexible spending accounts allow you to set aside pre-tax dollars to pay for eligible health care and dependent care expenses. FSAFEDS includes both a health care FSA and a dependent care FSA. You can choose to enroll in either or both accounts. By using an FSA to pay for eligible health care and dependent care expenses with untaxed money, you can save 20 percent to more than 40 percent of your out of pocket costs, depending on your contribution level and individual tax situation. Choosing to participate in an FSA will save you hundreds, even thousands of dollars each year.

FSAFEDS allows you to contribute up to \$4,000 to a health care FSA to reimburse you for medical expenses not covered by health benefits plans, including many over-the-counter medicines and products. As a new Federal employee, it is easy for you to participate in FSAFEDS. You have 60 days from your first day at work to enroll in the program. You can enroll online at the FSAFEDS website, [www.fsafeds.com](http://www.fsafeds.com), where you will also find complete program information, answers to dozens of the most frequently asked questions, an interactive calculator to help you determine how much to allot to your FSA and much more. You may also call FSAFEDS toll free at 1-877-FSAFEDS (372-3337) to enroll in the program and talk with a professional Benefits Counselor for answers to your FSAFEDS questions.

Two brochures are enclosed for your information. The summary overview highlights the program and each type of FSA. The eligible expense guide describes the many expenses that can be reimbursed through an FSA.

In impressive numbers, Federal employees have embraced FSAs as a planning tool, one that can help increase their buying power in health care and in the care of their children and dependent parents. I encourage you to learn more. I elected to participate to take advantage of this savings opportunity myself, and I hope you will decide to join, too, and help your hard-earned dollars go farther.

Sincerely,

A handwritten signature in black ink, appearing to read "Kay Coles James".

Kay Coles James  
Director

Enclosure