

Office of State Uniform Payroll
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

October 15, 2019

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2020-16

TO: LaGov HCM Paid Agency Human Resources
and Employee Administration Staff

FROM: Andrea P. Hubbard
Director

SUBJECT: Flexible Spending Account (FSA) Unsubstantiated Claims

In a [September 10, 2019 memorandum from the Office of Group Benefits \(OGB\)](#), agencies were provided a list of employees with 2018 plan year outstanding unsubstantiated FSA claims. Employees were given an extended deadline (09/30/19) to substantiate the claim. OGB will soon send out a final list of items that were not substantiated by the deadline. Once received, agencies must use the following wage type to report the unsubstantiated claim amount on the employee's 2019 Form W-2:

0160 FSA unsub claims TxNCash

This taxable, non-cash wage type must be entered on IT 0015 for all applicable employees (active, separated, and retired). Entries must be completed by November 17, 2019. The amount entered will be included in the computation of applicable federal/state/Social Security/Medicare wages and taxes and will be included in these wages/taxes on the 2019 Form W-2. Applicable taxes will be deducted from the employee's pay in the pay period the wage type 0160 amount is entered. Agencies must notify employees of this entry and the tax consequences.

In early 2020, OGB (through the FSA third party administrator, Discovery Benefits Inc.) will provide a list of 2019 plan year outstanding unsubstantiated FSA claims. The Office of State Uniform Payroll (OSUP) will issue a memorandum to LaGov HCM Paid agencies with procedures for handling these through LaGov HCM.

Please direct LaGov HCM system entry questions to the [LaGov HCM Help Desk](#). Questions related to unsubstantiated claims should be directed to OGB at FlexibleSpendingAccount@la.gov or (225) 342-9738. Additional questions should be directed to a member of the OSUP Wage and Tax Administration Unit at _DOA-OSUP-WTA@la.gov or (225):

Tiko Ary 342-1651
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APH:jw