Spending Account Coding

Definitions

Deduct code = deduct code (same as other coverages)
Plan = # of months
For 9-1 starts or annual enrollment, this would typically be 9 or 12.
However, for later start dates, it is the number of months the individual will be
deducted. For example, a 9-month employee starting in January would be
coded with a 5, for Jan – May.
Coverage amnt = goal amount or annual contribution
Deduct amount = monthly contribution amount

Change in Status

Change in deduction amount
- Deduct amount should be changed to the new monthly amount
- Plan (# of months) - should NOT be changed
- Coverage amount – should be “blanked out” and will recalculate
- Update the change date
- Recalculation of goal amount – new deduction amount multiplied by the number of months
  remaining, added to the year-to-date amount (found on 105 screen).

Drop deduction amount to zero (stop contributions)
- Change the deduct code to “N”; adjust the change date; Do NOT put in a stop date

Change from 12- to 9-month employment
Employee’s goal amount should remain the same; needs to be recalculated for fewer months
Change the deduct code from 2 to 1; Change the plan (# of months) to 9
Change the deduct amount to the recalculated amount
Coverage amount – “blank out” so the system will recalculate. This will allow you to check your new
deduction calculation
New monthly deduction calculation - goal amount minus year-to-date amount (found on 105 screen),
divided by the number of months remaining.

Mid-Year New Hire (for example, February) or change in status and enroll
Deduct code = 1 or 2;# of months = 4 or 7 (depending on deduct code)
Add Deduct Amount (Monthly deduction)
BPP system will calculate annual election

If the deduct amount multiplied by the # of months is more than $5,000 (dependent daycare account) or
$4,800 (health care account), you will have to adjust the monthly deduct amount.

Termination of employment
Change deduct code to N; adjust the change date; add a termination date