



# Waiving Medical Coverage

## Frequently Asked Questions (FAQs)



**1) Why does it matter why I am waiving medical coverage?**

Answer: The County asks you to indicate your reason for waiving medical coverage so that the system will apply your excess Flex Credits to the appropriate spending account. The IRS has specific guidelines related to which type of spending account you are eligible for, based on your medical coverage. PeopleSoft will automatically apply your excess Flex Credits to the appropriate spending account based on your reason for waiving medical coverage.

**2) I'm waiving medical coverage through the County because I am on an individual plan such as Tricare, VA insurance, Medicare, Medi-Cal, or Covered California. What happens to my Flex Credits?**

Answer: You are still eligible for Flex Credits, up to the employee-only level of coverage. The Flex Credits will first be applied to any elections you make. The IRS generally limits employer contributions into a [Health Care Flexible Spending Account](#) (HCFSA) to \$500. Annually, the County of San Diego will put up to \$500 of excess Flex Credits into an HCFSA. Any unused credits will be forfeited.

**3) I'm waiving medical coverage for unspecified reasons. What happens to my Flex Credits?**

Answer: You are still eligible for Flex Credits, up to the employee-only level of coverage. The Flex Credits will first be applied to any elections you make. The IRS generally limits employer contributions into a [Health Care Flexible Spending Account](#) (HCFSA) to \$500. Annually, the County of San Diego will put up to \$500 of excess Flex Credits into a HCFSA. Any unused credits will be forfeited.

**4) I'm waiving medical coverage through the County because I am covered under another group health plan that is NOT a High Deductible Health Plan. What happens to my Flex Credits?**

Answer: You are still eligible for Flex Credits, up to the employee-only level of coverage. The Flex Credits will first be applied to any elections you make. Annually, the County of San Diego will put up to the IRS limit of \$5,000 of excess Flex Credits into a [Health Reimbursement Account](#) (HRA). Any unused credits will be forfeited.

**5) I'm waiving medical coverage through the County because I am covered under another group health plan that IS a High Deductible Health Plan. What happens to my Flex Credits?**

Answer: You are still eligible for Flex Credits, up to the employee-only level of coverage. The Flex Credits will first be applied to any elections you make. Annually, the County of San Diego will put up to the IRS family limit of excess Flex Credits into a [Health Savings Account](#) (HSA). Any unused credits will be forfeited.

Note: If you are waiving medical coverage and because you are covered elsewhere under an HDHP, PeopleSoft will direct your excess credits to the Health Savings Account up to the family maximum. ***If you are not eligible for the family maximum, or you need to reduce your contributions, you must notify Employee Benefits at [DHRBenefits.FGG@sdcounty.ca.gov](mailto:DHRBenefits.FGG@sdcounty.ca.gov) to manually reduce your HSA.*** The following are examples of those that need to reduce their contributions:

- If you are covered under a spouse's HDHP and they are also contributing to an HSA
- If you are covered under a parent's HDHP and you are NOT a tax dependent (you are only eligible for the individual maximum)
- If you are covered under a parent's HDHP and are a tax dependent but they are also contributing to an HSA
- If you are enrolled in an HDHP elsewhere and have no dependents on that plan

**6) Can I direct my excess Flex Credits to a Dependent Care Flexible Spending Account?**

Answer: Yes. A [Dependent Care Flexible Spending Account](#) (DCFSA) can be elected by entering an annual pledge when completing your enrollment. PeopleSoft will first direct Flex Credits to any plans you elect, then the DCFSA, and then any excess Flex Credits will be directed to the appropriate Spending Account based on your waiver reason.

Note: DCFSA elections will not automatically roll over to a new plan year. If you would like to continue your DCFSA in a new plan year, you are required to actively elect the plan during the annual Open Enrollment period.

**7) It is Open Enrollment and I want to continue to waive medical coverage next year, do I need to do anything?**

Answer: Yes, you are required to actively waive coverage each year during Open Enrollment. The County cannot assume that you want to continue waiving medical coverage, so you will need to actively complete your Open Enrollment elections and indicate why you are waiving coverage.

Note: If you do not make an election in PeopleSoft to waive coverage during Open Enrollment, your medical election will automatically be defaulted to the lowest cost HMO employee-only plan. Excess Flex Credits, if any, will be deposited into a Health Reimbursement Account.