

Office of State Uniform Payroll
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

October 12, 2023

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2024-13

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

FROM: Andrea P. Hubbard
Director

SUBJECT: 2022 Flexible Spending Account Unsubstantiated Claims

In a [Sept. 13, 2023 memorandum from the Office of Group Benefits](#), OGB provided agencies with a list of employees with **2022** Flexible Spending Account unsubstantiated claims. Employees were given a final deadline (10/15/2023) to substantiate the claims. OGB will soon send agencies a final list of items that were not substantiated by the deadline.

IRS regulations require employers to report the unsubstantiated claim amount as taxable income on Form W-2. Once agencies receive the final list, use the following wage type to report the unsubstantiated claim amount on the employees' 2023 Form W-2:

0160 FSA unsub claims TxNCash

Enter this taxable, non-cash wage type on IT 0015 for all applicable employees (active, separated, and retired). **Complete all entries by Nov. 13, 2023.** The amount entered will be included in the computation of applicable federal, state, Social Security, and Medicare wages and taxes and will be included in these wages/taxes on the 2023 Form W-2. **Note: Deceased employees require further review. Contact a member of the OSUP Wage and Tax Administration Unit for special instructions.**

For **active** employees, **applicable taxes will be deducted from the employee's pay in the pay period the WT 0160 amount is entered, thus reducing net pay.** Agencies must notify employees of this entry and the tax consequences.

For **separated** employees, since there will be no pay, taxes cannot be withheld. The federal and/or state income taxes will be the responsibility of the employee when he files his 2023 income tax return. The Social Security and/or Medicare taxes that should have been withheld will be paid by the agency on behalf of the employee and a claim may be created for these funds. It is the agency's responsibility to follow the instructions in the

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semi-annual claims memorandum for collection of these funds. Agencies must send a notification of this W-2 adjustment to the separated employees.

Direct LaGov HCM system entry questions to the [LaGov HCM Help Desk](#). Direct questions related to unsubstantiated claims to OGB at FlexibleSpendingAccounts@la.gov. Direct all other questions to a member of the OSUP Wage and Tax Administration Unit at _DOA-OSUP-WTA@la.gov or (225):

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