

Health Care and Dependent Care Spending Accounts

Spending Accounts – An Overview

The annual enrollment/open change period for the 2008 Health Care Flexible Spending Account opens Monday, October 29, 2007 at 8:00 a.m. and closes at 5:00 p.m. on Friday, November 9, 2007.

Annual re-enrollment is not required.

If you are currently enrolled, your 2007 contribution will automatically be the 2008 election. You need to take action to start, stop, increase or decrease the current election.

When you enroll in the Health Care/Dependent Care Flexible Spending Accounts, Iowa State University will deduct the amount you designate from your payroll check in pre-tax dollars. Anyone whose annual budgeted salary is paid on a 9 or 10 month basis will have 10 equal contributions, otherwise you will have 12 equal contributions. These funds are reimbursed to you when you file the claim for your eligible expenses. ISU requires a minimum contribution of \$20 per month. ISU allows you to participate up to the Internal Revenue Services (IRS) maximum contribution limit of \$5,000.00 per year; per tax household. The amount you contribute to your Spending Account is tax exempt. You will not pay Federal or State Income tax or Social Security or Medicare tax on this money.

Excess benefit credits will be directed into either the health care or dependent care spending account in addition to any elected contributions. These excess credits are included in the \$5,000 maximum. Your contribution and excess credits cannot exceed \$5,000 in either account.

Mid year changes that effect excess credits could also effect participation.

CHANGING YOUR ELECTION

Once you enroll in the Health Care and/or Dependent Care spending

account, you cannot change the amount of your election except within 30 days of an event as listed on page 6 of this enrollment guide and changes must be compatible to the event. If you qualify to change your election due to an event, contact the Benefits Office at 515-294-7680 for the appropriate form.

Remember you must do this within the 30-day time frame. An event does not allow you to enroll in a health care spending account during the year.

USE IT OR LOSE IT!!

Use caution in making your annual election. If you do not incur eligible expenses for the full amount during the plan year (January 1 through December 31), federal regulations mandate that remaining funds may not be refunded to the employee. ISU uses forfeited funds to help defray the administrative costs of the plan.

You may also sign up for direct deposit. This would allow your flex reimbursement to be deposited into a designated account. Contact the Benefits Office for the Reimbursement Account Authorization form for direct deposit or visit the Benefits website.

The Health and Dependent Care Accounts are two separate accounts. If you have funds remaining in one account at the end of the plan year, those funds cannot be transferred to the other account.

Health Care Spending

These funds are reimbursed to you when you file a claim for eligible out-of-pocket medical, dental, vision or medically necessary out-of-pocket expenses for yourself and any eligible dependents

(family members on tax return for the tax year).

REIMBURSEMENT

Wellmark Blue Cross/Blue Shield of Iowa will process Iowa State University employee's claims through reimbursement. Reimbursements for the 2008 plan year will begin February 2008. Reimbursement request forms are available in the Department of Human Resource Services, Benefits Office, 3770 Beardshear Hall and on the Benefits website. If you elect to participate in the flex plan and you are the contract holder of the medical insurance coverage through Wellmark, and you or your family members are not covered by any other insurance plan, you may request **Automatic Reimbursement**. The Flex Automatic Reimbursement form is available on the Benefits website. Once your account is set up for Automatic Reimbursement, Wellmark will automatically reimburse you for out-of-pocket costs for any medical or pharmacy claim that is filed with them. Expenses which are not filed with Wellmark or Medco (such as, eyeglasses, hearing aids, dental expenses, allowed over-the-counter purchases), will be submitted by reimbursement request.

You will have until March 31, 2008 to submit a reimbursement request for 2007 eligible expenses.

All reimbursement requests must include:

1. A signed and itemized ISU Plan Flexible Benefits Request for Reimbursement Form.
2. An Explanation of Benefits, an itemized receipt, or other third party verification (originals or photocopies) of each expense claimed, indicating service(s) provided, dates of service, and charges.