

HEALTH AND DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

Enrollment Information:

Annual re-enrollment is not required. If you are currently enrolled in either flexible spending account, your 2009 contribution will automatically become the 2010 election. You are required to take action **only if** you want to start, stop, increase or decrease the employee current election.

Health Care Flexible Spending Account

- If you decide to enroll, estimate anticipated out-of-pocket medical, dental and/or vision expenses for the year.
- If you do not incur 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. Iowa State University uses forfeited funds to help defray the administrative costs of the plan.

Dependent Care Flexible Spending Account

- If you decide to enroll, estimate anticipated dependent care expenses for the year. The total must divide evenly by the number of months you are paid.
- If you do not incur 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. Iowa State University uses forfeited funds to help defray the administrative costs of the plan.

Use caution in making your annual election!

To newly enroll in the Health Care or Dependent Care Flexible Spending Account for 2010, or to increase or decrease your contribution, or to end your participation, contact the Human Resources Service Center, 3810 Beardshear Hall, for a Non-Supervisory Merit Flexible Spending enrollment form or online form, see page 4 of guide, for instructions. Complete the enrollment form and return it to the Human Resources Service Center, 3810 Beardshear Hall by November 23, 2009 at 5:00 p.m..

Reminder for persons currently enrolled in a 2009 Health Care or Dependent Care Flexible Spending Account, the deadline for filing 2009 claims will be March 31, 2010. After that date unused 2009 contributions are forfeited.

Contributions:

When you enroll in the Health Care or Dependent Care Flexible Spending Account, Iowa State University will deduct the amount you designate from your payroll check in pre-tax dollars (H-base employees will have ½ of the monthly contribution deducted from the mid-month check and the other ½ from the last check of the month). These funds are reimbursed to you when you file the claim for your eligible out-of-pocket medical, dental and/or vision 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 (\$416.66 per month = \$499.92 for a 12

month pay). 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.

Changing your election:

Once you have made your Health Care or Dependent Care Flexible Spending election for the plan year, you may not change your election except within 30 days of a “**family status change**” and changes must be compatible to the event. The Internal Revenue Service specifically defines a “family status change” as:

- Marriage
- Divorce
- Death of your spouse or dependent
- Birth or adoption of a child
- Change in child custody
- Change in you or your spouse’s employment status

A family status change, however, will not allow you to enroll in the Health Care Flexible Spending Account during the plan year, only to change the contribution election you made during the enrollment period.

However, for the Dependent Care Flexible Spending Account, a qualifying family status change does allow you to enroll in the account during the plan year. The change must be consistent with the underlying change in circumstances.

If you qualify to change your election due to an event, contact the Human Resources Service Center at 515-294-4800 or at 1-877-477-7485 and ask to speak to the Benefit Specialist or to obtain the appropriate form. Remember you must do this within the 30-day time frame.

Making 2010 calculations:

If you decide to enroll in the Health Care Flexible Spending Account, estimate anticipated out-of-pocket medical, dental and/or vision expenses for the year. If enrolling in the Dependent Care Flexible Spending Account, estimate anticipated dependent care expenses for the year. To calculate possible tax saving use the Tax Savings Calculator at:

http://www.wellmark.com/flex/member/medical_reimbursement_calculator2.htm.

The total must be divided evenly by the number of months you are paid (employees whose annual budgeted salary is paid on a 9 or 10 month basis will have 10 equal deductions). Use care in estimating expenses! If you do not incur 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. Iowa State University uses forfeited funds to help defray the administrative costs of the plan.

Reimbursement process:

Wellmark Blue Cross/Blue Shield of Iowa will process Iowa State University employee reimbursement requests. Reimbursements for the 2010 calendar year will begin the second Tuesday in February 2010 - submit 2010 claims after that date.

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.

How to submit claims:

- Health or Dependent Care Flexible Spending Accounts reimbursement
 1. Request form from Human Resource Services Benefits website, or
 2. “Request payment” online from <https://www.myflexonline.com/Login/Welcome.aspx> (see page 32 for instructions)
- Dependent Care Flexible Spending Account – all reimbursement requests must include:
 1. A signed and itemized ISU Plan Flexible Benefits Request for Reimbursement Form
 2. The care provider’s signature on the ISU Plan Flexible Benefits Request form Reimbursement Form or an itemized receipt or other verification of each expense claimed, indicating the dates of care and total charges.
- Health Care Flexible Spending Account - Automatic reimbursement

If you elect to participate in the flex plan and you are the contract holder of the medical and dental insurance coverage through ISU, and you or your family members are not covered by any other insurance plans, you may request **Automatic Reimbursement**. Once your account is set up for Automatic Reimbursement, Wellmark will automatically reimburse you for out-of-pocket costs for any medical, dental or pharmacy claim that is filed to them. Expenses which are not filed with Wellmark, Delta Dental or Medco (such as, eyeglasses, hearing aids, allowed over-the-counter purchases), must be submitted by reimbursement request.

All Health Care reimbursement requests that are not set up for the auto 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.

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.

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). If you terminate your employment with Iowa State University, your contribution into your either flexible spending accounts will terminate at the end of the month in which your employment ends. You can request reimbursement only for charges for services incurred prior to your plan termination. You must request reimbursement within 90 days of termination. Apply for COBRA option for continuation of only the Health Care Flexible Spending Account for the remainder of the year.