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STATE OF IOWA
FLEXIBLE SPENDING ACCOUNTS

SUMMARY PLAN DESCRIPTION

Administered By:

State of Iowa
Iowa Department of Administrative Services

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IOWA

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THE BASICS OF FLEXIBLE SPENDING ACCOUNTS

What are Flexible Spending Accounts?

Flexible Spending Accounts (FSA's) are a way to pay out-of-pocket (unreimbursed) medical expenses (Health Care Flexible Spending Account (Health Care FSA)) and dependent care expenses (Dependent Care Flexible Spending Account (Dependent Care FSA)) on a BEFORE-TAX basis.

What Does "Before Tax" or "Pretax" Mean?

FSA deductions from your paycheck are exempt from federal and state income tax and social security tax. These deductions reduce your **taxable** income reported on your W-2 and on your income tax returns.

Who is eligible to participate?

Permanent employees of the State, the Fair Board, and the Office of Professional Regulation who are regularly scheduled to work at least 1040 hours a year are eligible to participate in the flexible spending plans.

Why Should I Participate?

The Health Care FSA can save you up to 25% - 40% in taxes on each dollar you spend for your share of insurance deductibles, co-pays, and items not covered by insurance. The Dependent Care FSA may save you more in taxes than the day-care tax credit (filed with your federal income tax return). See your personal tax advisor if you have questions.

Whose Expenses Qualify for these Plans?

FSAs are authorized by the Internal Revenue Code. Medical expenses of a spouse, qualifying child or qualifying individual (see www.asiflex.com for definitions) qualify for the tax savings under the Health Care FSA even if they are not covered under your health or dental plan offered by the State. (There are age and custody restrictions for the Dependent Care FSA.)

TAX SAVINGS EXAMPLE

By electing to direct a portion of your salary through a FSA, you essentially bank your money in a TAX-FREE account. The money is used to pay for expenses that would otherwise be paid out of your take-home pay. **This example shows how an FSA could save an employee $511 in taxes.**

	Without ***FSA***	With ***FSA***	Savings with ***FSA***
Gross Income	$45,000	$45,000	
Expenses run through Health Care FSA = ($2,000* annual election)	0	2,000	
Taxable Income	$45,000	$43,000	
Federal Tax**	2,139	1,900	239
State Income Tax**	1,929	1,810	119
FICA	3,443	3,290	153
Income After Taxes	$37,489	$36,000	
Expenses not run through FSA	2,000	0	
Your Spendable Income	$35,489	$36,000	**$511**

This person could reduce their taxes by $511 by using the FSA!

* A qualified employee may elect up to $3,200 per year for the Health Care FSA for 2025; we used an election of $2,000 for purposes of this example.

** Based on married with two allowances.

ENROLLMENT

The Plan Year is always January 1 through December 31. Open enrollment normally begins in October, but you should check with your Human Resources Associate to confirm the actual dates. **Participants must enroll each Plan Year to be eligible to participate.**

You may enroll during the Open Enrollment period each year for the upcoming Plan Year by enrolling online in Workday. You may also enroll during the Plan Year if you experience a qualifying change in family or employment status (see "How to Make Changes" below for additional information) and your enrollment is consistent with, and on account of, that status change.

New employees must enroll within 30 days of their hire date. Participants may begin to incur eligible expenses on the effective date of participation. Participation in the Plan will be effective the 1st day of the month following enrollment. Deductions will begin from the first available paycheck issued after r your participation becomes effective.

HOW IT WORKS

1. Estimate your family's annual out-of-pocket medical and dependent care expenses for the Service Period.

The Service Period for Health Care FSA is the Plan Year for which you enroll. You can incur claims through December 31 of that Plan Year. For Dependent Care FSA, the Service Period is the Plan Year for which you enroll plus two and ½ months following the close of the Plan Year. You may incur claims through March 15th of the year following the Plan Year for which you enrolled.

You may include expenses for your spouse, qualifying child or qualifying individual. ***Include predictable expenses only***. Visit www.asiflex.com for further information.

For the Dependent Care FSA, you may include only those child/dependent care expenses that you incur in order for you and your spouse to be gainfully employed. Only expenses incurred for care and well-being qualify for this tax relief (education-related sports camps, summer school, private school expenses, food and transportation do not qualify). ***Child support payments are not allowable*****.** Day camp fees incurred in order for you to work are allowable but overnight camps are not. Please refer to IRS Publication 503 for further details on qualifying expenses. You may link to this publication from ASIFLEX's website www.asiflex.com.

2. Enroll

Log into Workday to enroll or make changes to your flexible spending accounts.

Deductions will be withheld from 24 (full calendar year) paychecks rather than the normal 26 received during the year. Twice a year, employees receive three paychecks during a month. The third paycheck of a month does not withhold deductions for voluntary benefits, including the FSA.

3. Receive services.

An expense is incurred when the services are provided that create the expense, not when you are billed for or pay for the service. You must receive the medical or dependent care services before you file a claim for those services. The tax identification number or Social Security number of the child/dependent care provider must be listed on your federal income tax return. Please check with your dependent care provider (**before** enrolling in this category) to be sure that you are able to obtain their tax identification number or their Social Security number. Allowable expenses must be incurred during the portion of the Plan Year that you were a participant.

Grace Period for Dependent Care FSA: You may continue to incur claims for 2 ½ months (through March 15th) after the end of the Plan Year and be reimbursed with that Plan Year's contribution. For example, if you enroll for Plan Year 2025 for an annual amount of $5,000 and incur $4,000 of claims through 12-31-2025, you may use the remaining $1,000 to fund claims incurred from 1-1-2026 – 3-15-2026. Claims are paid from the oldest year's funds first unless you request otherwise. You will forfeit all unused Dependent Care FSA funds after the claims period expires; such forfeited funds are retained by the State in accordance with federal regulations.

Carryover for the Health Care FSA: You may carry over a maximum of $640 of unused 2025 Health Care FSA funds ($610 of unused 2024 Health Care FSA funds) to the following Plan Year (this is referred to as a carryover). Any Health Care FSA unclaimed funds in excess of the carryover amount will be forfeited. For instance, if you contributed $3,200 in 2025 and only claimed $2,400, $640 will carry over into 2026 $160 will be forfeited.

You can use carryover funds in the next calendar year for claims incurred in that year. Carryover funds are in addition to any new amount for which you enroll. Carryover funds are used first in paying claims. For example, if you enroll for Plan Year 2025 and elect an annual amount of $2,000 but incur only $1,700 of claims through 12-31-2025, you may carry over $300 to use for Plan Year 2026 expenses. You do not need to enroll for Plan Year 2026 to use these funds. If you do not submit $300 in claims incurred in 2026, the unclaimed portion will be forfeited.

4. Claims Payments.

There are three ways for claims to be paid:

- Debit Card – Health FSA claims only – use ASIFLEX's debit card and ASIFLEX will send payment directly to the vendor at the point of sale. You should keep all documentation, in case you need to submit it to ASIFLEX.
- Automatic Reimbursement – Health FSA claims only - You can elect via ASIFLEX's website to have your share of claims submitted to Wellmark or Delta Dental automatically reimbursed to you. You pay the vendor at the point of sale and ASIFLEX will reimburse you for your share of expenses without the need for you to submit claims.
- Claims Submittal – Health FSA and Dependent Care FSA - You pay the vendor at the point of sale and submit a claim to ASIFLEX for reimbursement. ASIFLEX will review your claim and if approved, will reimburse you for the covered expenses. Payments are generally issued within one day of ASIFLEX's receipt of your claim. For Dependent Care FSA, if your claim exceeds your available funds, the difference will be recorded and paid to you as funds become available from payroll. Payment under the Health Care FSA is not limited to the amount in your account at the time of your claim. Your bi-weekly contributions will continue for the remainder of the Plan Year. Payments may be made by direct deposit into the bank account of your choice. By using direct deposit you will not need to wait for a check to arrive or get it deposited. A notice that a payment was made will be sent to you. This direct deposit notice is available by U.S. Mail or by e-mail over the Internet. If you prefer, a check can be mailed to you instead of payment by direct deposit.

  There are four ways to file a claim:

- Online at www.asiflex.com – complete the requested information, scan and upload your supporting documentation;
- Mobile App – download ASIFLEX's free mobile app for your Apple device from the App Store or for your Android device from the Google play store. Then simply complete the information and take a picture of your supporting documentation with your device's camera;
- Fax – fax forms and supporting documentation to 1-877-879-9038; and
- Mail – send paper forms and supporting documentation to: ASIFLEX, PO Box 6044, Columbia, MO 65205-6044.

Claims for both health care and dependent care expenses incurred for services provided during the Service Period must be filed by the following April 15th, or the next business day if April 15 falls on a weekend or holiday. The Service Period for the Health Care FSA is the Plan Year (ending December 31st). The Service Period for the Dependent Care FSA is the Plan Year plus two and ½ months (March 15th) following the Plan Year. After that, your account will be closed. Any balance in the Dependent Care FSA will be forfeited.

If you are submitting claims to ASIFLEX, copies of insurance explanations of benefits statements may be used instead of original physician bills if the date of service and itemized charges are shown. Copies of receipts of payment that do not include all the following information are not acceptable: name of the provider or merchant; name of the person(s) receiving the service or care; date or range of dates of the service or care; cost of the service or care (not just the amount paid by the employee); and a description of the service or care. Copies of personal checks are not acceptable.

Documentation or copies will not be returned. You will be provided with a supply of claim forms with your enrollment confirmation. Extra claim forms are available through your Human Resources Associate, from DAS's website, ASIFLEX's website, or by contacting ASIFLEX.

Orthodontic expenses may be reimbursed as you make payments to your provider. In order be reimbursed for these services, there are a few things to keep in mind:

1) The braces must have been placed (or the initial work provided) and must still be on the patient.

2) You must submit a copy of your treatment plan (sometimes called your contract) with your provider which lists the total amount for which you are responsible and the treatment period or a paid receipt from your provider indicating the payment was for orthodontia.

3) You must submit proof of payment with your reimbursement request. The proof of payment can be a paid receipt from your provider, a credit card receipt or your credit card statement.

If you have questions or concerns about how reimbursement for orthodontia works, please call ASIFLEX directly at (800) 659-3035.

ANNUAL MAXIMUMS

You may elect to set aside up to $3,200 worth of qualifying expenses each year beginning in 2025 (but not more than your earned income) for the Health Care FSA.

For the Dependent Care FSA, you and your spouse (if any) together may elect **up to a maximum of $5,000** per year (**$2,500** in the case of a married individual filing a separate tax return for the Plan Year) or the lesser of your (after subtracting all FSA deductions) or your spouse's earned income for the Plan Year. In the case of a spouse who is a full-time student at an educational institution or is physically or mentally incapable of caring for himself or herself, such spouse shall be deemed to have earned income of at least $250 per month if you have one dependent and at least $500 per month if you have two or more dependents. (are these amounts still correct?)

HOW TO MAKE CHANGES

In most circumstances, your annual election cannot be changed. You may make a change in your participation amount if you have a gain or loss of eligibility that is caused by a qualifying change in status. However, you might be able to make a change under the following circumstances:

1. You experience a change in status (defined below)
2. You are served with a judgment, decree or court order
3. You change your dependent care provider;
4. Your dependent care expenses change significantly; or
5. You go on a leave covered by the Family and Medical Leave Act (FMLA).

In order to request an election change, submit a benefit change election in Workday within 30 days (60 days for birth, adoption or guardianship) of the qualifying event.

Approved election changes are effective the first day of the month following the event. Any increase in the election amount designated by a participant may include only those expenses, which the participant incurs on or after the effective date of the increase.

1. You experience a change in status

Changes in status are defined as any one of the following four events:

a. **Your legal marital status changes** through marriage, divorce, death, legal separation or annulment.

b. **Your number of dependents changes** by reason of birth, adoption (or placement for adoption), or death. For example, if your child no longer qualifies for daycare because the child turned 13, you have a loss of a dependent under the Dependent Care FSA, but not under the Health Care FSA.

c. **You have a change in employment status** that affects eligibility under this Plan and the change is consistent with the change in your employment status. If you terminate or take an unpaid leave of absence, you must be gone at least 31 days for the termination or leave of absence to qualify as a change in status. If your spouse or any of your dependents have an employment status change which affects eligibility under a Plan maintained by your spouse's or any dependent's employer, then you may increase or add coverage under this Plan. Same applies when coverage is lost under the other employer's Plan, or decrease or drop coverage if coverage is gained under the other employer's Plan.

If participation terminates due to a separation of service and you return to State employment within 30 days in the same Plan Year, then your election will be reinstated as it was immediately prior to the separation of service. If you return to employment after 30 days in the same Plan Year, you may make a new election for the remainder of the Plan Year, provided you complete your new enrollment submittal within 30 days. If your contributions end for more than 30 days due to an unpaid status your participation/coverage will end. You will not be able to be reimbursed for Health Care FSA or Dependent Care FSA expenses incurred during the separation.

d. **One of your dependents satisfies or ceases to satisfy the requirements for coverage** under the Health Care FSA for unmarried dependents due to attainment of age, change in student status, or any similar circumstances.

The change in status must result in a <u>gain or loss of eligibility</u> for coverage under this Plan or a plan maintained by your spouse's employer or one of your dependent's employers and your election modification must <u>correspond</u> with that gain or loss of coverage.

For example, suppose you adopt a two-year-old child during the Plan Year. Since your number of dependents changed due to the adoption, you now have experienced a status change. Your child is eligible for coverage under the Health Care FSA and the Dependent Care FSA. You would be allowed to increase the amount you set aside in the Health Care FSA and the Dependent Care FSA, or enroll in either account if you were not already enrolled. However, you would <u>not be able to decrease or drop</u> either account because there was a gain of eligibility, not a loss of eligibility. A decrease does not correspond with the gain of eligibility.

2. You are served with a judgment, decree or court order

A judgment, decree, or order ("order") resulting from a divorce, legal separation, annulment, or change in legal custody (including a qualified medical child support order) which requires health coverage for your child allows you to make an election change to your Health Care FSA. The change is allowed in order to provide coverage for the child if the order requires coverage under your Plan; or make an election change to cancel coverage for the child if the order requires your former spouse to provide coverage.

3. You change your dependent care provider

If you change your dependent care provider, you may make an election change to reflect the cost of the new provider. Election decreases are allowed when your child is no longer receiving dependent care services or is only in an after-school care program due to entering school (this is considered a provider change).

4. Your dependent care expenses change significantly due to a provider rate change

Significant changes include both increases and decreases in expenditures. However, you may only make a change, if the provider is not your relative.

5. You go on a leave covered by the Family and Medical Leave Act (FMLA)

If you take an FMLA leave, you may revoke an existing election under the Health Care FSA or Dependent Care FSA. Upon returning from FMLA leave, you may choose to be reinstated in either account if such coverage was terminated during the FMLA. Such reinstatement will be on the same terms as prior to taking FMLA leave. You have no greater right to benefits for the remainder of the Plan Year than an employee who has been continuously working during the Plan Year.

A participant on unpaid leave under the Family and Medical Leave Act of 1993 (FMLA) leave may

- **Cancel an existing Health Care FSA or Dependent Care FSA Election** for the remainder of the Plan Year, or
- **Continue Coverage** under a Health Care FSA while on FMLA leave.

You may not continue the Dependent Care FSA while on FMLA. However, you may reinstate coverage for the Dependent Care FSA when you return to work. You may continue coverage under the Health Care FSA while you are on FMLA by paying the contributions due during your leave. These contributions may be paid in any one of the following ways:

a. Pre-pay
Under the pre-pay option, you may pay, prior to commencement of the FMLA leave period, the amounts due for the FMLA leave period. Contributions under the pre-pay option may be made on a pre-tax salary reduction basis from any taxable compensation. Contributions under the pre-pay option may also be made on an after-tax basis. Coverage under this Plan Year will be terminated if you fail to make additional contribution payments while on FMLA leave as they may become required.

b. Pay-as-you go
Under the pay-as-you-go option, you may make contribution payments on the same schedule as payments would be made if you were not on leave or under any other payment schedule permitted by COBRA, or under any other system voluntarily agreed to between you and the State. Contributions under the pay-as-you-go option may be made on a pre-tax basis to the extent the contributions are made from taxable compensation which is due to you during the leave period. If you do not receive enough compensation to pay your full contribution, you must remit payment to your employer for the missing contribution on a post-tax basis.

c. Catch-up
You may make arrangements prior to the commencement of the leave to catch up contributions after you return from the leave. Contributions under the catch-up option may be made on a pre-tax salary reduction basis when you return from FMLA leave from any available taxable compensation. Contributions under the catch-up option may also be made on an after-tax basis.

If no election to continue is made prior to the beginning of an unpaid leave and contributions end for more than 30 days, coverage will automatically be discontinued. If contributions continue due to continuing paid status, coverage will continue.

If your coverage under the Health Care FSA is terminated (due to nonpayment of contributions for more than 30 days) while on FMLA leave, you are not entitled to receive reimbursements for services incurred during the period when the coverage is terminated. However, you have the right to be reinstated when you return from leave. Election for reinstatement must be made within 30 days of returning to work. If you elect to be reinstated in the Health Care FSA upon return from leave for the remainder of the Plan Year, you may not retroactively elect Health Care FSA coverage for services incurred during the period when the coverage was terminated.

Your coverage for the remainder of the Plan Year is equal to your initial election for the 12-month period of coverage prorated for the period during your leave for which no premiums were paid, and reduced by prior reimbursements.

WHAT HAPPENS IF I GO ON NON-FMLA LEAVE?

If you go on paid leave and the absence does not affect your ability to make contributions to the Health Care FSA through payroll, then you will not lose coverage while you are absent. If you go on unpaid leave, your options follow.

Type of separation	Coverage options while on leave	Options on return to work
Non-FMLA unpaid leave of absence less than 31 days	No coverage	Mandatory reinstatement
Non-FMLA unpaid leave of absence 31 days or more	No coverage	May make a new election

WHAT HAPPENS IF I TERMINATE EMPLOYMENT?

1. For Health Care FSA: If you terminate employment, you may continue coverage under the Health Care FSA in the following ways:

If you retire from the State, you may prepay the remainder of your contributions with your final check and retain coverage for the rest of the calendar year.

If you are not eligible to prepay, or you choose not to, you or your spouse or dependent may elect to continue the coverage under the Health Care FSA even though the participant's election to receive benefits expired or was terminated under the following circumstances:

1) Your death;
2) Termination (other than for gross misconduct) or a change in employment status;
3) Your divorce or legal separation;
4) A dependent child ceases to be a dependent under the terms of this Plan.

However, continuation is only available if on the date of the above event, your remaining potential annual benefits under the Health Care FSA are greater than your remaining contributions (including the additional 2% described below).

When ASIFLEX is notified that one of the events has occurred, the right to choose **continuation coverage** will be provided to each eligible person(s) if, on the date of the qualifying event, your remaining benefits for the current Plan Year are greater than your remaining program contribution payments. The right to elect to continue ends 60 days from the date the notice of the right to continue coverage is provided by ASIFLEX. It is the responsibility of the person seeking continuation to inform ASIFLEX of the occurrence of an event under 3) or 4). It is the employer's responsibility to inform ASIFLEX of an event under 1) or 2).

The remaining program contribution payments will be charged to you, your spouse, or your dependent, as the case may be, for any period of continuation coverage equal to, but not more than 102% of the cost of providing coverage for the period to similarly situated participants, spouses or dependents and the coverage period will be no longer than the end of the current calendar year. Any program contribution payment amount in excess of 100% of the cost of providing coverage for the period to similarly situated participants, spouses or dependents, shall not be credited to the participant's account but shall be treated as an administrative charge.

If continuation is elected, coverage will be extended to the end of the current Plan Year but may terminate sooner if the premiums described above are not paid within 30 days of their due dates.

If you are rehired, your options follow:

Type of separation	Coverage options while on leave	Options on return to work
Termination & re-hire within 30 days	No coverage (possible COBRA option)	Mandatory reinstatement
Termination & re-hire after 30 days	No coverage (possible COBRA option)	May make a new election

2. **For Dependent Care FSA:**
   If you **terminate employment**, you may continue to file claims for qualifying expenses incurred during the Plan Year until you have been reimbursed the balance in your account.

QUALIFYING HEALTH EXPENSES

Only the portion of the expenses you owe after insurance payments are subtracted can be claimed. Qualifying expenses are those that are incurred by the taxpayer during the Plan Year for medical care as defined in Section 213(d) of the Internal Revenue Code, excluding all insurance premiums and long-term care expenses. Qualifying health care expenses include amounts incurred for the diagnosis, cure, mitigation, treatment, or prevention of disease, and for treatments affecting any part or function of the body. The expenses must be primarily to alleviate or prevent a physical or mental defect or illness. Refer to IRS Publication 502 for additional information (www.asiflex.com). **However, expenses qualify for the medical FSA based on when they are incurred, not when paid, and federal regulations do not allow any insurance premiums or long-term care expenses to be included under the FSA.**

Acupuncture services
Alcoholism, drug or substance abuse
Allergy Relief
Ambulance service
Artificial eye
Artificial insemination
Artificial limb/teeth
Bereavement & grief counseling
Chiropractor's fees
Christian Science Practitioners fees
Contact lenses and solutions
Co-pays
Deductibles
Dental expenses
Dentures (bonding & sealants)
Feminine hygiene products
Hearing aids including batteries
Insulin
LASIK eye surgery
Medical alert bracelet
Midwife services
Nursing services
Over-the-counter medicine and reading glasses
Oxygen
Personal protective equipment
Prescription drugs
Glasses
Prosthesis
Psychotherapy & psychoanalysis counseling
Routine physical exams
Smoking cessation
Transfer of medical records charges
Transportation expenses related to illness
Vision care expenses

NON-QUALIFYING HEALTH EXPENSES

*Cosmetic procedures; e.g. face-lifts, skin peeling, teeth whitening, veneers, hair replacement, removal of spider veins.

Sunglasses, non-prescription
Clip-on sunglasses
Toiletries
Expenses that are merely beneficial to your general health
Herbs, vitamins, and nutritional supplements (if purchased solely for general good health purposes)
Long-term care expenses

* *These do **not** generally qualify. For a medically necessary cosmetic procedure, enclose a note with the claim stating the existing medical condition and why the treatment is required.*

DEPENDENT CARE TAX CREDIT

The Dependent Care FSA is an alternative to taking a "Tax Credit" allowed with your tax filing each year. You may receive tax relief on your expenses, but you must choose whether to use the "Tax Credit" or the "FSA". The IRS will not allow you to receive tax relief twice on the same expenses.

"Tax Credit" is allowed for child/dependent care expenses. You can file for the "tax credit" on your annual tax return at the end of the year. The credit is an amount equal to your dependent care expenses multiplied by a percentage determined by your combined adjusted gross income. See IRS Publication 503, Child and Dependent Care Expenses, for a list of credits at each income level.

"Dependent Care FSA" allows tax relief of up to $5,000 per year, $2,500 if married filing separately, for any number of dependents (one, two, or more). You will experience "tax savings" throughout the year with every paycheck you receive. Employees who pay the lowest federal tax bracket of 15%, state taxes of approximately 6%, and Social Security taxes of 7.65% would save around 28% of expenses through the FSA. As their federal tax percentage rises, they would receive an even higher tax break by utilizing the FSA.

Please contact your tax advisor if you have any questions about what is best for you.

You are required to file a Schedule 2 with your IRS Form 1040A or a **Form 2441** with your IRS Form 1040 to support the amount contributed for the Plan Year. Please note that this is for informational purposes. You will not pay taxes on the redirected amount. Payments made to you under this category are not taxable, but the amount redirected will appear on your W-2 form. This will inform the IRS that you have received tax relief on that expense through the Dependent Care Flexible Spending Account.

QUALIFYING DEPENDENT CARE EXPENSES

Expenses claimed under the Dependent Care FSA must be necessary for you to be gainfully employed. Refer to IRS Publication 503 for additional information. You can access this publication from ASIFLEX's website at www.asiflex.com. Examples of expenses which would qualify are:

- Expenses paid to a dependent care center
- Expenses paid to a "babysitter"
- Expenses paid for care of a dependent under age 13

- Expenses paid for care of a dependent who is physically or mentally incapable of caring for herself or himself who lives with you at least 8 hours each day (visit www.asiflex.com for specifics on qualified dependents)

NON-QUALIFYING DEPENDENT CARE EXPENSES

Expenses claimed under the Dependent Care FSA which have been deemed to be unnecessary for you to be gainfully employed are listed below. Refer to IRS Publication 503 for additional information. You can access this publication from ASIFLEX's website at www.asiflex.com. Examples of expenses which would NOT qualify are:

- Care while you are not working (including maternity, FMLA, and workers' compensation leave) or looking for work
- Care for a child for whom you have 50% or less physical custody
- Care for a child age 13 or older who is not disabled
- Overnight camps
- Instructional or sport-specific camps; e.g. ballet camp, soccer camp, summer school
- Expenses paid to your child under age 19 or to someone you or your spouse can receive a personal exemption for as a dependent.

APPEAL PROCESS

If ASIFLEX denies your reimbursement for a claim, you may file an appeal with the Iowa Department of Administrative Services. Appeals must be in writing and must be filed within 30 days of ASIFLEX's denial.

Appeals must be sent to:

Flexible Spending Plan Administrator
Iowa Department of Administrative Services
Hoover State Office Building
1305 E Walnut, Level A
Des Moines IA 50319

Your appeal must be accompanied by ASIFLEX's written denial and any evidence you wish to submit to substantiate your claim. Upon receipt of an appeal, the Plan Administrator shall provide a written determination within 30 days of receipt. This appeal process is not a contested case proceeding as defined by Iowa Code chapter 17A.

FREQUENTLY ASKED QUESTIONS

Q. WHY SHOULD I PARTICIPATE IN THE HEALTH CARE FSA IF I ALREADY HAVE MEDICAL INSURANCE?

A. The Health Care FSA offers tax relief on medical expenses NOT reimbursed by insurance, such as non-covered expenses for office visits, co-pays, eye exams, medicine, and the portion of hospital care not covered by insurance.

Q. HOW MUCH DOES IT COST?

A. Currently, administrative costs of the Plan are paid by the State.

Q. WHEN CAN I MAKE CHANGES?

A. Generally, you will not be able to change your election during the Plan Year. Under certain circumstances however, you may be able to change your annual election. A change of election during the Plan Year due to a "change in status" must correspond with the gain or loss of eligibility caused by the change in status. For example, increasing your Health Care FSA would be consistent with the birth of a child. However, the birth of a child would not be consistent with a reduction in the Health Care FSA amount. Refer to HOW TO MAKE CHANGES on page 5.

Q. WHAT IF I AM ALREADY IN FSA. DO I HAVE TO RE-ENROLL?

A. Participation in the Dependent Care FSA terminates at the end of each Plan Year. You must re-enroll each year to continue your participation in the Dependent Care FSA. If you have no funds remaining in your Health Care FSA, then you must also enroll each year. If you have any funds remaining in your Health Care FSA, then those remaining funds up to the carryover maximum will be carried over to the following year and you will be automatically enrolled in the Health Care FSA for those carryover funds. If you wish to have additional monies withheld from your pay for the Health Care FSA, then you must enroll for those amounts.

Q. WHAT IF I DO NOT USE ALL OF THE MONEY I SET ASIDE IN ONE OF THE FSAs?

A. ASIFLEX can help you estimate your allowable expenses for the Plan Year. **Health Care FSA:** If you have funds remaining in your Health Care FSA after the claims filing deadline, you will forfeit any unclaimed portion in excess of $640 (2025 contributions) and the forfeited amounts will be retained by the State of Iowa as required by federal regulations. Any balance up to $640 will be carried over to the following year; so you will have an additional 12 months to incur expenses and claim that portion of the balance in addition to any additional amounts you elect for the new plan year. **Dependent Care FSA:** If you do have funds remaining in your dependent care account after the claims filing deadline, you will forfeit this unclaimed portion and the amount will be retained by the State of Iowa as required by federal regulations.

Q. WILL PARTICIPATION IMPACT MY SOCIAL SECURITY BENEFIT?

A. Probably, because you are not paying social security tax on that portion of your income that has been contributed, your social security benefits may be slightly reduced. However, if you invest your tax savings, in many cases you would have more money available at retirement than the benefit you would have received from the amount not paid into social security. Please contact your tax advisor if you have any questions about what is best for you.

Q. HOW QUICKLY WILL MY CLAIMS BE PAID?

A. ASIFLEX will process your claim no later than the first banking day following the receipt of your claim. Dependent care claims will be paid on the day processed up to the balance in your dependent care account. Any excess dependent care claim balances not reimbursed will be paid as contributions are received from payroll. If there is a problem with your claim, ASIFLEX will notify you on the day the claim is processed either by U.S. Mail or by e-mail.

Q. IF MY SPOUSE AND I BOTH WORK FOR THE STATE OF IOWA, CAN WE BOTH ENROLL?

A. Yes, both of you may enroll in the Plans. However, in the Health Care FSA, you can claim your spouse's medical expenses through your account. Therefore, unless your family's expenses will exceed $3,200, it might be best to have just one account. If both you and your spouse decide to enroll, each of you will have your own account and payroll deduction. Each of you will need to determine your own annual commitment up to the $3,200 maximum as of 2025. You cannot submit a claim that your spouse has already filed, so careful planning and claim monitoring is important.

Both spouses may also enroll in the Dependent Care FSA. You and your spouse together may elect up to a maximum of $5,000 per year ($2,500 in the case of a married individual filing a separate tax return for the Plan Year) or the lesser of your (after subtracting all FSA deductions) or your spouse's earned income for the Plan Year.

Q. IS DIRECT DEPOSIT AVAILABLE?

A. Yes. You may have your claims payments sent directly to your checking or savings account. ASIFLEX will send a notice of each claims payment to you. ASIFLEX can send this notice via internet *e-mail*. E-mail and direct deposit provide you with the fastest, safest payment method and the fastest notification method available.

Q. WHAT HAPPENS TO MY REMAINING HEALTH CARE FSA UNCLAIMED BALANCE IF I TERMINATE MY EMPLOYMENT OR RETIRE?

A. If the remaining amount you are eligible to claim for the year is greater than the remaining amount of continuations (including the 2% COBRA fee), you will be offered COBRA continuation coverage through the end of the Plan Year. If your COBRA contributions would be greater than the amount you would be eligible to claim, then you will not be eligible for COBRA. Unless you select COBRA, your coverage will end when you leave State employment. If you are retiring, you may also choose to prepay the remainder of your annual contributions from your last paycheck. By prepaying the remainder, your coverage will extend through the rest of the calendar year.

Q. HOW CAN I GET ANSWERS TO OTHER QUESTIONS?

A. Call ASIFLEX toll free at 1-800-659-3035. A representative is available from 7 a.m. to 7 p.m. Central Time, Monday through Friday and from 9 a.m. to 1 p.m. Central Time on Saturday. You may also e-mail ASIFLEX at asi@asiflex.com.

Q. HOW CAN I GET MY ACCOUNT BALANCE?

A. You can access your account on-line by clicking on "Online Access/Account Detail" at www.asiflex.com. You can also access your account information through InfoLine 125 by calling 1-800-366-4827 from a touch-tone phone. InfoLine 125 is an automated system available 24 hours per day. You can call ASIFLEX toll free at 1-800-659-3035. A representative is available from 7 a.m. to 7 p.m. Central Time on Monday through Friday and from 9 a.m. to 1 p.m. Central Time on Saturday or via e-mail at asi@asiflex.com.

Q. IF I REDIRECT PART OF MY PAY, WON'T I MAKE LESS MONEY?

A. Yes. Your paycheck will decrease, but your spendable income will increase by the amount of tax savings (See tax savings example on page 1). Please contact your tax advisor if you have any questions about what is best for you.