

HRA TIPS FOR FLEXIBLE SPENDING ACCOUNTS

New Hire Enrollment

- ✓ Enrollment is effective the month after the enrollment is submitted
- ✓ “Submitted” means when the employee enters the enrollment into IowaBenefits or when the employee submits a paper enrollment form to the HRA.
- ✓ Employees may change the amount if coverage has not yet become effective. Ex. EE hired 8-24. EE enrolls 8-25. EE can change dollar amount or cancel coverage if done by 8-31. No changes can be made as of 9-1 without a life event.
- ✓ Deductions are taken from **24** checks a year. You will need to enter the number of remaining checks. It is always an even number. For instance, if someone enrolls in May, coverage is effective for June, so there are 14 remaining pay periods.
- ✓ Make sure you check the effective date in IowaBenefits before you approve the enrollment. If it is wrong, contact Jenny Sandusky at 515-281-0569.

Life Events

- ✓ Employees may enroll or make changes due to qualifying life events.
- ✓ Changes must be made within 30 days of the event.
- ✓ If an employee enrolls or makes changes due to a life event, the employee may make further changes to the amount if coverage has not yet become effective. Ex. EE has a life event on 5-24. EE enrolls 5-25. EE can change dollar amount or cancel coverage if done by 5-31. No changes can be made as of 6-1 without another life event.

Direct Deposit

- ✓ Please encourage direct deposit. It saves money on administrative fees and lowers the chance of a lost or stolen check.
- ✓ Changes in HRIS do not upload to IB. If someone with flex makes a DD change in HRIS, please ask them if they want the change made in IB also.

Catastrophic Leave

- ✓ Flex contributions should not come out of catastrophic donations. If you have someone who is receiving donations, please make sure the employee has enough regular pay to cover the deductions. If not, please let me know and I will create a P1 to stop the flex deductions. HRIS is not currently programmed to catch this issue, so you have to watch it manually.

Termination of Employment – Health Flex

- ✓ Coverage ends at the end of the month in which the person makes the last deduction. Ex. EE terms 5-24, final deduction is 6-8, so coverage ends 6-30.
- ✓ Make sure you terminate flex coverage in IB as of the end of the month in which the last deduction is made (see handout for instructions).
- ✓ Employees are allowed to file claims for more than they contributed year-to-date, but not in excess of their annual election. Such employees are not required to make additional contributions after their final paycheck.

- ✓ Employees who retire have the option to prepay for the rest of the calendar year with their final check (see form). Completed forms should be sent to ASI. Please send me a copy also, so we can both watch for the P1 to ensure it is created timely and accurately. In IB, terminate health coverage as of 12-31 of that year.

Termination of Employment – Dependent Care Flex

- ✓ Coverage ends at the end of the month in which the person makes the last deduction. Ex. EE terms 5-24, final deduction is 6-8, so coverage ends 6-30.
- ✓ Make sure you terminate flex coverage in IB as of the end of the month in which the last deduction is made (see handout for instructions).
- ✓ Employees are not allowed to file claims for more than they contributed year-to-date. They can continue to file claims after termination to the extent of their contributions if they are either working elsewhere or actively looking for work.
- ✓ Employees who retire do not have the option to prepay for the rest of the calendar year.

Carryover – Health Only

- ✓ The carryover is for health flex only and allows employees to carry over up to \$500 from one plan year to the next. Ex. EE enrolls for \$2,500 for plan year 2018. EE spends \$2,100 in 2018. EE carries over \$400 into 2019.
- ✓ Carryover dollars may only be used for claims incurred in the next plan year. In the example above, if the \$400 isn't used in 2019, it will be forfeited.
- ✓ Carryover dollars are spent first.
- ✓ Employees who have only carryover dollars (didn't enroll for the current year) still have coverage, so ASI is still charging for them. Therefore, agencies are charged for these employees.
- ✓ Carryover coverage terminates at the end of the month in which the employee terminates employment. You aren't required to report this to ASI.

Grace Period – Dependent Care Only

- ✓ Employees can incur claims through March 15th of the year following the year of coverage. Ex. EE enrolls for \$5,000 in 2018. EE spends \$4,000 in 2018. EE can incur claims up to \$1,000 through 3-15-19 and be reimbursed with 2018 deductions.
- ✓ All claims must be filed by April 15th of the year after the plan year. Ex. EE has until 4-15-19 to submit claims incurred in 2018 and incurred through 3-15-19 that are to be reimbursed with 2018 dollars.