



INDIANA UNIVERSITY

HEALTHCARE & DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

FOR FULL-TIME ACADEMIC & STAFF EMPLOYEES

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FOREWORD

This booklet describes the pre-tax benefit coverage provided by Indiana University through the IU Flexible Spending Account (FSA) plan. Material in this booklet is intended for informational purposes only and is not intended to serve as a legal representation of these benefits. Although the booklet is intended to be accurate, if there is any difference between this summary and other documents and regulations, those documents and regulations will govern.

This booklet should be read in its entirety since many of the provisions are interrelated.

While Indiana University intends to continue this plan, it reserves the right to change or terminate it at any time.

Indiana University does not give tax advice to employees. Neither the plan administrator nor the employer makes any commitment or guarantee that any amounts paid to or for the benefit of the participant under this plan, or that any amounts which represent salary reduction contributions under this plan will be excludable from the participant's gross income for federal, state or local income tax purposes, or that any other special federal, state or local tax treatment will apply to or be available to any participant. It is the obligation of each participant to determine the tax consequences of participation in this plan.

FLEXIBLE SPENDING ACCOUNT (FSA) PLAN

The IU Flexible Spending Account (FSA) is a program that allows the reduction of the employee's salary to purchase certain benefits with pre-tax dollars. The plan is offered in three distinct provisions: a pre-tax Premium Conversion provision and two optional pre-tax spending accounts.

Benefits described in this booklet are effective as of May 1, 2024.

QUESTIONS?

If you have questions concerning IRS-qualified expenses, claims, and account balances, contact:

WEX

P.O. Box 2905

Fargo, ND 58108-2905

T (800) 284-8412 | **F** (888) 887-9961 | IUSupport@wexinc.com
benefit-info.com/iu

Indiana University, may be contacted at:

IU Human Resources

2709 E. 10th Street, Ste 321

Bloomington, IN 47408

T (812) 856-1234 | **F** (812) 855-3409 | askhr@iu.edu
hr.iu.edu/benefits

PLAN PROVISIONS

SUMMARY

The IU Flexible Spending Account (FSA) plan allows the reduction of your salary to purchase certain benefits with pre-tax dollars. The plan is offered in three distinct provisions: a pre-tax Premium Conversion provision and two optional pre-tax spending accounts.

Pre-Tax Premium Conversion Provision. Your contributions for IU-sponsored medical, dental, and/or Supplemental AD&D coverage are automatically taken from your salary on a pre-tax basis.

Optional Pre-Tax FSAs. Eligible employees may participate in one or both accounts, or may elect not to participate in either.

- **Healthcare FSA.** Set aside pre-tax dollars in an account to pay for IRS-qualified medical, prescription, dental, and vision expenses that are not covered by any type of insurance program. This includes health plan deductibles, coinsurance and copayments, vision exams, prescription drugs, dental expenses (including orthodontia), and other healthcare services you would normally pay out-of-pocket with after-tax income. Certain services, for example, cosmetic surgery, are not eligible expenses. *NOTE: Employees enrolled in IU's Health Savings Account (HSA) may only use Healthcare FSA funds for dental and vision expenses until the annual HDHP deductible is met.*
- **Dependent Care FSA.** Set aside pre-tax dollars in an account to pay for IRS-qualified dependent day/evening care expenses which allow you and your spouse to work.

PLAN DESIGN

This plan is a Cafeteria Benefits Plan, established by Indiana University for the exclusive benefit of eligible employees. It is intended to qualify as a Cafeteria Benefits Plan under Section 125 of the Internal Revenue Code of 1986, as amended. It is administered in accordance with the provisions of the Internal Revenue Code and associated regulations, which apply to such benefit plans.

In order to receive the preferential tax benefits afforded by IRC 125, the plan must be administered within very specific IRS regulations. For example:

- Mid-year changes in contributions are limited to those consistent with an IRS-defined qualifying life event, such as marriage, birth of a child, or change in dependent care provider rates.
- IRS regulations determine which expenses are allowable, that is, qualified for pre-tax benefits.
- Unused pre-tax spending account balances cannot be returned to the employee for any reason, nor can they be moved between accounts.
- There is a \$610 carryover provision at the end of the plan year for the Healthcare FSA.
- For the Dependent Care FSA there is a 2 1/2 month grace period at the end of the plan year.

ADMINISTRATION

Pre-tax premium conversion benefits are administered through the IU payroll system. Flexible spending accounts and associated claims are administered by WEX.

ELIGIBLE EMPLOYEES

Full-time (75% FTE or greater) appointed Academic and Staff employees (including IU Residents) are eligible to participate in the plan. Employees do not need to be enrolled in an IU-sponsored healthcare plan to participate.

HOW FSAs SAVE YOU MONEY

When you contribute money to an FSA, that contribution is not subject to federal, state, local, or FICA taxes. These tax savings really do add up. The amount of savings depends on your income, marital filing status, withholding allowances, and resulting tax rate. For example, a single employee with an annual salary of \$35,000 with no allowances and no other deductions could save almost \$600 in taxes. The following is an example only—tax savings will depend on your tax rate.

EXAMPLE:	Not using FSA	Using FSA
Annual income	\$35,000	\$35,000
Healthcare FSA annual contribution	\$0	\$2,400
Taxable income	\$35,000	\$32,600
Estimated tax withholding	\$7,897	\$7,324
Estimated annual OOP healthcare expenses	\$2,400	\$0
Net Pay	\$24,703	\$25,276
ESTIMATED TAX SAVINGS:	\$0	\$573

New employees are not eligible to enroll in the Healthcare or Dependent Care FSA during November and December; however, they may enroll for the following year during Open Enrollment with an effective date of January 1.

HOW THE SPENDING ACCOUNTS WORK

Normally, you would pay for non-covered healthcare and dependent care expenses with after-tax income. By contributing pre-tax income to FSAs, it is like getting a discount on these bills since the money contributed to these accounts is not subject to federal, state, local, or FICA taxes.

You are responsible for estimating the amount of IRS-qualified expenses that you anticipate during the plan year. Indiana University will reduce your taxable salary by the specified amount, spread out equally by the number of regular paychecks issued during the year. The pre-tax money is then transferred to an account which you can use to pay for eligible expenses. After incurring IRS-qualified expenses, you can pay for the expense out of pocket then submit receipts for reimbursement from the associated account, or in the case of the Healthcare FSA, you can use the IU Benefit Card to pay the expense at the time of service.

COMMENCEMENT OF PARTICIPATION

The effective date of participation is important because it determines when you can begin making pre-tax contributions and when incurred claims may be eligible for reimbursement under your Healthcare and/or Dependent Care FSA. Participation in the FSA begins on the following date:

- **Open Enrollment:** the first day of the next plan year if coverage is elected during Open Enrollment; or
- **Newly eligible employees:** on the date of hire, so long as coverage is elected within 30 days of becoming eligible; or
- **Other Mid-year Elections:** with respect to a mid-year IRS-qualifying life event, on the date of the event, so long as coverage is consistent with the event and coverage is elected within 30 days of the event.

MID-YEAR CHANGES IN ENROLLMENT

Once you have declined or elected participation, mid-year changes are only allowed if you experience an IRS-defined qualifying life event, such as marriage, divorce, or birth of a child. The mid-year enrollment change must be requested in writing or by submitting a life event change request online through the [Employee Center](#) at One.IU within 30 days of the event. The election change must be consistent with, and on account of, the event. IRS-defined qualifying life events are detailed on page 16 of this booklet. New FSA enrollments and election changes are not allowed during November and December.

LEAVE WITHOUT PAY

Commencement of, or return from, a leave without pay (including FMLA) is an IRS-defined qualifying life event that allows you to suspend and then resume participation in an FSA. You must submit a life event change through the [Employee Center](#) at One.IU within 30 days of the beginning or end of an unpaid leave to terminate or reinstate coverage.

If you elect to continue participation in your FSA during an unpaid leave, your existing annual election will remain in effect throughout the unpaid leave, and you may continue to incur eligible expenses. Your FSA contributions will be suspended during the leave, then resume upon your return (the system will automatically recalculate any contributions that were suspended during the leave).

If you elect to suspend your FSA at the start of an unpaid leave you will not be eligible to incur expenses for reimbursement during the leave.

If you begin and return from an unpaid leave during the same tax year, you can elect to resume participation in your FSA within 30 days of your return by either:

- Increasing your per-pay contribution so the total contribution will equal the annual election that was in place prior to the leave; or
- Reducing your annual election to continue making the same per-pay contribution as you were prior to the leave.

If you are scheduled to return from the unpaid leave after the end of the current tax year, your FSA participation will cease as of December 31 of the year your unpaid leave began. You will also not be eligible to elect enrollment in the FSAs during the annual Open Enrollment period for the following year. Once you return from unpaid leave, you can then elect to participate in the plan from that point forward. Eligible expenses may only be incurred from the date of the new election through the end of the tax year.

TERMINATION OF PARTICIPATION

If you terminate FSA coverage during the year for a reason other than termination of employment, you are not eligible to participate for the remainder of the plan year. If you terminate employment and are rehired during the same plan year, you may resume the FSA elections that were in place at the time of your termination.

The termination date of participation is important because it defines the date you can no longer make pre-tax contributions and incur eligible expenses unless you elect to continue making contributions under COBRA (you can only elect COBRA for your Healthcare FSA).

Irrevocable Election. Once participation is elected, participation is irrevocable for the remainder of the plan year except under certain IRS-defined circumstances. Participation continues to the end of the plan year unless it terminates on one of the following dates:

- The date your employment terminates or you are no longer an eligible employee (no longer employed at 75% FTE or greater), unless you elect to continue making contributions on an after-tax basis to a Healthcare FSA under COBRA; or

- The date you experience an IRS-defined qualifying life event, if termination is on account of and consistent with the event and you request the change in writing or online by submitting a life event change through the [Employee Center](#) at One.IU within 30 days of the event; or
- With respect to the FSAs, the last day of the plan year for which you have elected participation in the account (i.e., you must affirmatively elect participation each plan year); or
- With respect to the pre-tax Premium Conversion provision, on the last day of the plan year for which you elect to terminate IU-sponsored health care coverage or Supplemental AD&D during Open Enrollment; or
- The date you fail to make required contributions; or
- The date the university terminates the plan.

You are not eligible to make any further contributions as of the date your participation terminates (except as described in the *COBRA* section). However, you may continue to submit claims for payment from your FSAs if the claims were incurred while you were participating, as long as they are submitted within specified time frames.

EMPLOYEE RESPONSIBILITIES

For the FSAs, you are responsible each year for:

- Estimating the IRS-qualified expenses you anticipate during the next calendar year.
- Completing the online enrollment process through the [Employee Center](#) at One.IU prior to the beginning of the plan year or within 30 days of becoming an eligible employee.
- Having an authorization for direct deposit on file with WEX in order to be reimbursed for expenses paid out-of-pocket. All claims for reimbursement will be held until a Direct Deposit Authorization is on file. Authorization can be provided to WEX by:
 - Adding bank information online by logging on to benefit-info.com/iu; or
 - Completing a [Direct Deposit Authorization Form](#) and submitting it directly to WEX.
- Notifying the university of any mid-year qualifying life events and requesting corresponding changes to your FSA contributions and health plan enrollment in writing or online by submitting a life event change through the [Employee Center](#) at One.IU within 30 days of the event.
- Submitting IRS-qualified expenses for reimbursement during the plan year and no later than February 28 following the end of the plan year for the Healthcare FSA, and no later than April 15 following the end of the plan year for the Dependent Care FSA (or the next business day if April 15 falls on a weekend).
- Verifying payroll deductions and notifying IU Human Resources of any error within 30 days of the date of the benefit enrollment.
- In the case of disputed claims, it is your responsibility to provide proof that claims were submitted in a timely manner to the claims administrator, WEX.
- In the case of disputes as to the timely submission of an online request to make a mid-year change to IU-sponsored healthcare coverage and/or an FSA, it is your responsibility to provide proof that the required documentation was submitted in a timely manner to the plan administrator, Indiana University.

APPEALS

You may request a review of a wholly or partially denied claim in writing within 180 days of the denial. Within 60 days of receipt of the request, the plan administrator will review the claim and inform you in writing of its final and binding decision. The written decision will contain the reason for the denial and references to the section of the plan that supports the denial.

The written request for review should be directed to Indiana University Human Resources by email to askhr@iu.edu or by mail to IU Human Resources, ATTN: FSA Plan, 2709 E. 10th Street, Ste 321, Bloomington, IN 47408.

ABOUT TAXES

Federal Insurance Contributions Act (FICA) taxes are not deducted from the pre-tax contributions made under the provisions of this plan. This will slightly lower the employee's contributions to Social Security. The federal, state, and local tax advantages gained through participation may offset any possible reduction in Social Security.

PRIVACY OF PERSONAL HEALTH INFORMATION

To administer the benefits described in this plan booklet, personal health information is exchanged between plan members, their health care providers, the plan administrator, and, in some cases, the plan sponsor. The types of uses of health information are described below. Indiana University has a long-standing policy of maintaining the confidentiality of such health information. Beginning April 14, 2003, the university, as the health plan sponsor, is also required by the Health Insurance Portability and Accountability Act of 1996 (HIPAA), to protect the confidentiality of private health information. A complete description of employee rights under HIPAA can be found in the plan's Notice of Privacy Practices located in the back of this booklet, on the Indiana University Human Resources website, and from the Health Care Data Administrator.

With respect to Protected Health Information, Indiana University, as plan sponsor, will:

- not use or disclose information other than as described by the plan documents or as required by law;
- ensure that anyone who receives information in the course of operating the health plan agrees to the same conditions that apply to the plan sponsor with respect to such information;
- ensure reasonable separation between the health plan and the plan sponsor such that health information is not used for employment-related actions and decisions, nor disclosed in connection with any other employee benefit plan without authorization;
- report to the plan's designee any use of information that it becomes aware is inconsistent with permitted uses;
- make such information available to an individual for review or amendment and provide an accounting of disclosures as required by HIPAA;
- cooperate with the Secretary of the U.S. Department of Health and Human Services as needed to determine the plan's compliance with HIPAA; and
- if feasible, return or destroy all protected health information received from the health plan when no longer needed; and if not feasible, limit further uses and disclosures consistent with HIPAA.

Within the university, only employees designated as having responsibility for benefit administration functions within Human Resources offices will be given access to HIPAA Protected Health Information. These individuals may only obtain and use Protected Health Information to carry out administrative functions needed to support the benefit plan. If these persons do not comply with the university's privacy practices, the university provides a procedure for resolving issues of noncompliance, including corrective sanctions.

Under HIPAA, a health plan member has certain rights with respect to Protected Health Information, including certain rights to see and copy the information, receive an accounting of certain disclosures of the information and, under certain circumstances, amend the information. Members also have the right to file a complaint with the university or with the Secretary of the U.S. Department of Health and Human Services if there is a concern that rights have been violated.

How Your Health Information May Be Used by This Plan. Indiana University, as the plan sponsor of the Flexible Spending Account plan, engages a third party to administer these benefits on behalf of the plan. The plan uses and discloses personal health information for the purposes of carrying out plan operations. This includes such activities as processing applications for enrollment; customer service; detecting and preventing fraud or misrepresentations; internal and external audits; administration of claims; appeal and grievance review; and coordination of benefits. The health plan also uses and discloses personal health information as required by law and government oversight agencies. The FSA plan does not use personal health information for purposes other than HIPAA permitted uses without the written authorization of the member.

The FSA plan administrator provides you with electronic claim payment explanations for you and your spouse and children (adult and minor). The health plan also discloses information about the payment of claims by the plan for your covered spouse and children upon your inquiry. If your spouse or dependent children are over age 18 and do not want such information disclosed in this manner, or wish to have the plan communicate with them in a different manner, they must make a written request to the plan administrator stating where and how communication should take place. The plan administrator will make every effort to honor reasonable requests for special communications. A member who has a question about the privacy of health information or wishes to file a complaint, may contact IU Human Resources, 2709 E. 10th Street, Ste 321, Bloomington, IN 47408.

PREMIUM CONVERSION

PRE-TAX PREMIUMS

Preferential tax treatment is applied to employee contributions for IU-sponsored medical and dental plans and Supplemental AD&D. When you enroll in an IU-sponsored health plan or Supplemental AD&D insurance, you are authorizing contributions to be automatically taken from your salary on a pre-tax basis. Participation is automatic with enrollment in IU-sponsored medical, dental, and/or Supplemental AD&D coverage.

RESTRICTIONS ON MID-YEAR CHANGES

Because your medical, dental, and/or Supplemental AD&D premiums receive preferential tax treatment under this plan, IRS regulations require that your election under these plans stay in place for the entire plan year, and cannot be changed until the next Open Enrollment period, except under special circumstances defined by IRC Section 125 and by HIPAA special enrollment provisions. These special circumstances are referred to as IRS-defined qualifying life events by this plan and are detailed on page 16 of this booklet.

This plan also limits the time during which you can request changes to your medical, dental, and/or Supplemental AD&D election. You have 30 days from the date of the qualifying life event to request a change in writing or online through the [Employee Center](#) at One.IU. After 30 days, you must wait until the next Open Enrollment period to change your elections, unless you experience another qualifying life event. See page 16 for details on qualifying life events.

DUTY TO NOTIFY OF INELIGIBILITY

From time to time, changes in eligibility will occur. You are responsible for notifying the university within 30 days of any changes that affect your dependents' eligibility. A dependent ceases to be a covered dependent on the date that they no longer meet the university's eligibility criteria. Failure to provide timely notice will result in you being responsible for reimbursing the plan for any employer contributions made for the ineligible individual.

HEALTHCARE FSA

SUMMARY

Eligible employees can elect to set aside pre-tax dollars in a spending account to pay for IRS-qualified healthcare expenses. Medical, prescription, dental, and vision expenses that may be reimbursed from your Healthcare FSA are those that:

1. are allowed by the IRS;
2. are incurred by you, your spouse, or your eligible dependent(s);
3. are not covered by any type of insurance or government program;
4. are incurred during the plan year (or while participating, if participation begins or ends during the year) and submitted on or before February 28 following the plan year;
5. you are responsible for paying; and
6. you have not taken as itemized deductions against federal income taxes.

For those enrolled in the Health Savings Account (HSA), your Healthcare FSA funds can only be used for dental and vision expenses until your annual HDHP deductible is met. Once you meet your deductible, and provide proof of meeting your deductible to WEX, funds in your FSA can then be used for medical and prescription expenses incurred from that date forward.

FSA COMPARISON TO INCOME TAX CREDIT

Eligible expenses under the Healthcare FSA also qualify to be taken as itemized deductions against federal income taxes; however, both methods cannot be used for the same expenses.

Federal Itemization. The deduction is permitted only for those expenses that exceed 7.5 percent of adjusted gross income. A 1040 Long form and Schedule A must be filed. The exclusion is only on federal income tax. FICA, state, and local income taxes must still be paid. Tax benefits are received only after filing at the end of the year.

FSA Method. The plan permits exemption of the first dollar of expense up to \$3,050. This method reduces federal, FICA, state, and local income taxes. Tax benefits are received each pay period throughout the year. You must elect to participate in the FSA to obtain preferential tax treatment for eligible expenses.

CONTRIBUTIONS & AVAILABILITY OF FUNDS

You may contribute up to \$3,050 annually. There is no minimum contribution. When you elect enrollment in the Healthcare FSA during Open Enrollment, your entire annual pledge is available for claim reimbursement starting January 1. For mid-year elections (e.g. new hires, life event changes) the entire annual pledge is typically available by the second payroll cycle after the election is made; however, the timing depends on when the election is made and on payroll deadlines. In these instances, claims must be incurred between the hire date, or date of the life event change, and December 31. This means that claims can be reimbursed in advance of actual salary deductions.

ELIGIBLE EXPENSES

The IRS allows many medical, dental and vision expenses to be eligible for reimbursement. This includes healthcare expenses applied to plan deductibles, coinsurance, copayments, and other expenses that may not be covered under your health plan. To be eligible, an expense must be incurred by you, your spouse, or your eligible dependent. For the purpose of determining eligible Healthcare FSA expenses, "dependent" generally means your biological, adopted, or stepchild, or a child who you or your spouse has been legally appointed sole guardian for an indefinite period of time,

who is age 25 or under (eligibility ends at the end of the month in which the child reaches age 26).

Examples of eligible expenses are:

- Medical deductibles, copays, and coinsurance
- Certain over-the-counter medications
- Dental and vision deductibles, copays, and coinsurance
- Dental care and orthodontia
- Hearing aids and related expenses
- Menstrual care products
- Over-the-counter COVID-19 tests
- Personal protective equipment (PPE) for the primary purpose of preventing the spread of COVID-19 (e.g. face masks, hand sanitizer, and sanitizing wipes)
- Prescription drugs
- Prescription eye glasses, frames, and contacts
- Radial keratotomy and LASIK
- Routine care and physical exams
- Smoking cessation programs
- Transportation and parking required for medical services
- Weight loss programs prescribed by a physician to treat diagnosed obesity (BMI=30 or greater)

Review [WEX's Healthcare FSA Eligible Expense List](https://wexinc.com/resources/benefits-toolkit/eligible-expenses) for additional examples. A more extensive list is available at wexinc.com/resources/benefits-toolkit/eligible-expenses. The IRS modifies its definition of eligible expenses from time to time. Contact WEX or your tax advisor if you have questions about whether specific expenses are eligible.

For those enrolled in the Health Savings Account (HSA), your Healthcare FSA funds can only be used for dental and vision expenses until your annual HDHP deductible is met. Once you meet your deductible, and provide proof of meeting your deductible to WEX, funds in your FSA can then be used for medical and prescription expenses incurred from that date forward.

INELIGIBLE EXPENSES

Examples of expenses that are not allowed are:

- Any individual or group medical premium
- Cosmetic procedures
- Expenses covered by an insurance or government program
- Expenses related to long-term care (personal and custodial care)
- Retin-A (unless for a specific medical diagnosis), Rogaine, or other medicine prescribed for cosmetic purposes
- Vitamins and other dietary supplements that do not require a physician prescription, unless prescribed to treat a specific medical diagnosis

Review [WEX's Healthcare FSA Eligible Expense List](https://wexinc.com/resources/benefits-toolkit/eligible-expenses) for additional examples. A more extensive list is available at wexinc.com/resources/benefits-toolkit/eligible-expenses. The IRS modifies its definition of eligible expenses from time to time. Contact WEX or your tax advisor if you have questions about whether specific expenses are eligible.

HEALTHCARE FSA AND HSA PROVISIONS

You can enroll in both the Healthcare FSA and the Health Savings Account (HSA), however there are special rules you must follow. When you are enrolled in an HSA, your Healthcare FSA funds can only be used for dental and vision expenses until your annual HDHP deductible is met. In this situation, WEX will administer your Healthcare FSA as a limited account until you substantiate that your annual HDHP deductible has been met, after which time your FSA funds can then be used for medical and prescription expenses incurred from that date forward.

PAYING FOR ELIGIBLE EXPENSES WITH FSA FUNDS

You have two options for reimbursement of eligible healthcare expenses:

1. Pay out-of-pocket and submit claims to WEX for reimbursement, or
2. Pay using the IU Benefit Card.

SUBMITTING CLAIMS FOR OUT-OF-POCKET EXPENSES

Claims for eligible expenses paid out-of-pocket may be submitted to WEX by completing a paper [FSA Claim Form](#) or by logging on to benefit-info.com/iu or the IU HSA/FSA mobile app. Supporting documentation must be submitted with all claims. Supporting documents can be in the form of:

- a copy of a receipt for the service or purchase;
- a copy of a confirmed online bill payment; or
- a copy of health claim summaries (or "Explanation of Benefits") from an insurer.

Each supporting document must include all of the following information:

- name and address of provider;
- date of service/purchase;
- type of service/purchase;
- charge (amount) for each service/purchase;
- patient responsibility; and
- patient name.

To be reimbursed for expenses paid out-of-pocket, you must have an authorization for direct deposit on file with WEX. This information can be provided to WEX by:

- Adding bank information online by logging on to benefit-info.com/iu; or
- Submitting a paper [Direct Deposit Authorization Form](#) to WEX.

All claims for reimbursement will be held until a Direct Deposit Authorization is on file with WEX.

PAYING FOR ELIGIBLE EXPENSES WITH THE IU BENEFIT CARD

The IU Benefit Card is a debit-type Visa card that allows you to pay at the time of purchase/service from your Healthcare FSA, HSA, or both. The card does not apply to the Dependent Care FSA. While most purchases with the card do not require substantiation, you may receive a request (via email or U.S. mail) from WEX to substantiate certain purchases. You must then submit supporting documentation (see list above) with a copy of WEX's request within 30 days. If purchases are not substantiated within 30 days, your card will be deactivated until receipts are submitted.



Using the card for services and purchases. Your IU Benefit Card can be used at businesses that have registered with credit card vendors as a healthcare-related business, or that have implemented an IRS-approved inventory system for restricting card use to eligible items. Examples include hospitals, physician and dental offices, and vision providers. Always select the credit option rather than debit when using the IU Benefit Card. You can also use the card to pay for eligible expenses you are billed for, including physician office or hospital visits.

When using the IU Benefit Card at a merchant location, be sure to separate eligible items/services from ineligible items/services, and pay for those separately. If the card is inadvertently used to pay for ineligible expenses, you must repay your account. WEX makes reasonable efforts to verify the eligibility of expenses, and will notify you if they detect ineligible items on receipts; however, you are ultimately responsible to the IRS for misuse of the card. Just like a credit card, lost or stolen cards must be promptly reported by calling WEX at 800-284-8412 or by logging on to benefit-info.com/iu.

Using the card when enrolled in both the HSA and Healthcare FSA. When you have both an HSA & Healthcare FSA, your FSA funds can only be used for dental and vision expenses until you meet your annual HDHP deductible. In this situation, your IU Benefit Card is set up as a “stacked card.” This means that when the card is used at medical or pharmacy providers, the card will automatically draw from HSA funds. When the card is used at dental and vision providers, the card will automatically draw from FSA funds first, then HSA funds once your FSA funds have been exhausted.

Once you've met your annual HDHP deductible, and provided proof of meeting it to WEX, the funds in your FSA can then be used for medical and prescription expenses incurred from that date forward. The IU Benefit Card will automatically begin pulling all expenses from your FSA first, then from your HSA once your FSA funds are exhausted. You also have the option to pay for expenses out-of-pocket, then submit a claim for reimbursement to WEX.

How to obtain the card. Enrollees will automatically receive two cards per family. Additional debit cards for use by family members may be obtained by submitting the [Additional Debit Card Request Form](#) or by calling WEX at 800-284-8412. When giving cards to family members, remember that you are responsible for substantiating purchases on all cards, as requested by WEX. The IU Benefit Card is effective for three years and you may continue to use the card for that period as long as you enroll in either the Healthcare FSA or HSA each year. New cards are automatically reissued as they expire.

YEAR-END PROVISIONS

Claims must be incurred between January 1 and December 31 (or your benefit enrollment period). There is a carryover provision at the end of the plan year that allows a carryover of up to \$610 of unused Healthcare FSA funds into a new account in the following plan year.

Carryover provisions are as follows:

- Unused funds up to \$610 remaining in the Healthcare FSA on December 31 will be rolled over into a new account for the next plan year.
- Carryover funds will be available for use on January 1 of the following plan year and can be used for healthcare expenses incurred during that next plan year (regardless of whether the employee has re-enrolled in the Healthcare FSA for the new plan year.)

If you have more than \$610 remaining in your account on December 31:

- You have until February 28 of the following plan year to submit claims for reimbursement for eligible expenses incurred in the prior plan year.
- Any claims or receipts submitted for the prior plan year will first be applied against any unused balance above the \$610 carryover amount.
- Unused funds in excess of \$610 remaining in your account after February 28 are forfeited, and per IRS rules, cannot be returned to you.
- Usual usage restrictions apply if you are enrolled in both the HSA and Healthcare FSA.

COBRA CONTINUATION COVERAGE

If you terminate (including retirement) or lose eligibility during the year, participation in the FSA ends on the date of termination. Healthcare expenses incurred prior to the end of participation can be submitted for reimbursement through February 28 of the following year. Healthcare expenses incurred after participation ends are not eligible for reimbursement unless you elect to continue participation in the Healthcare FSA under COBRA and continue to make

contributions on an after-tax basis. If you elect continuation of coverage under COBRA, contributions may be subject to a two percent (2%) administrative fee. You can elect COBRA continuation coverage through WEX on a month-by-month basis through December 31 of the year your employment ends.

DEPENDENT CARE FSA

SUMMARY

Eligible employees can elect to set aside pre-tax dollars in a spending account to pay for IRS-qualified day/evening care for your dependents which allows you and your spouse to work. Allowable expenses are those that:

1. are allowed by the IRS;
2. are incurred* during the plan year;
3. are paid to a qualified individual;
4. are submitted on or before April 15 following the plan year;
5. you are responsible for paying; and
6. you have not taken as itemized deductions against federal income taxes.

* The IRS defines incurred as when the service is provided, not when the services are billed or paid. For example, prepayment of summer day care camp registration is not incurred until the child has been to camp.

FSA COMPARISON TO INCOME TAX CREDIT

Eligible expenses under the Dependent Care FSA are also qualified to be taken as itemized deductions against federal income taxes. However, both methods cannot be used for the same expenses. Therefore, you must decide which method best meets your needs.

Federal Itemization. The tax credit permits exemption only on expenses up to \$3,000 for one dependent, or \$6,000 for two or more dependents. The exclusion is only on federal income tax. FICA, state, and local income taxes must still be paid. The benefit is received only after filing tax report forms at the end of the year.

FSA Method. Tax exemption is allowed for 100% of expenses up to \$5,000 (\$2,500 each for married employees filing income taxes separately). This method reduces federal, FICA, state, and local income taxes. The tax benefits are received each paycheck throughout the year.

OF INTEREST

Visit the [Employee Center](#) in One.IU to make a life event change. Learn more on the [IU Benefits website](#).

CONTRIBUTIONS & AVAILABILITY OF FUNDS

You may contribute up to \$5,000 per household annually (\$2,500 each for married employees who file income taxes separately). The maximum allowable contribution cannot exceed the amount of earned income of the lesser-paid of you or your spouse. There is no minimum contribution. Dependent Care FSAs are funded throughout the year through equal payroll deductions and you can access the funds for reimbursement as they are deposited.

ELIGIBLE EXPENSES

Generally, expenses are eligible for the following dependents: children less than age 13; totally disabled dependents; or dependents otherwise eligible for federal income tax purposes, if all of the following conditions are met:

1. You are unmarried, or if married, both you and your spouse work (or your spouse is a full-time student or is totally

disabled); and

2. The expense is incurred within the plan year to enable you and your spouse to work; and
3. The expenses are paid to someone who is not also your dependent for federal income tax purposes and the caregiver reports the income for tax purposes; and
4. If divorced, separated, or living apart, you or your spouse is the custodial parent; and
5. The services are not provided free of charge or for a period of time when you or your spouse is providing the care, i.e., on vacation or leave; and
6. If provided by a day care facility, the facility meets all state and local regulations; and
7. If for elder care, the elder dependent lives in your home at least 8 hours per day; and
8. The charges will not be claimed as a Federal Child and Dependent Care Credit on your federal income taxes.

Examples of eligible expenses are:

- Nursery school, pre-school, or similar programs for children below the level of kindergarten;
- Expenses for before- or after-school care of a child in grade K or above;
- Summer camp (for children under age 13) during working hours;
- Household services to a household employee whose services include the care of a qualifying person; and
- Application or registration fees, deposits, and fees paid to reserve a spot in a daycare center.

Review [WEX's Dependent Care FSA Eligible Expense List](#) for additional examples. A more extensive list is available at wexinc.com/resources/benefits-toolkit/eligible-expenses. The IRS modifies its definition of eligible expenses from time to time. Contact WEX or your tax advisor if you have questions about whether specific expenses are eligible.

INELIGIBLE EXPENSES

Examples of expenses that are not allowed are:

- Kindergarten or private school tuition;
- Summer school or tutoring programs;
- Expenses for services not yet received, even if the expense has been paid;
- Expenses that are not required for you to be at work (or for both you and your spouse to be at work in the case of a married employee); and
- Expenses for care at a camp where the dependent stays overnight.

Review [WEX's Dependent Care FSA Eligible Expense List](#) for additional examples. A more extensive list is available at wexinc.com/resources/benefits-toolkit/eligible-expenses. The IRS modifies its definition of eligible expenses from time to time. Contact WEX or your tax advisor if you have questions about whether specific expenses are eligible.

PAYING FOR ELIGIBLE EXPENSES WITH FA FUNDS

Dependent Care FSA participants must pay for eligible services out-of-pocket, then submit claims to WEX for reimbursement. The IU Benefit Card is NOT available for use with this account. Reimbursements will only be made once the service has been fully rendered, even if the daycare provider requires payment in advance.

Submitting Claims for Out-of-Pocket Expenses. Claims for eligible expenses paid out-of-pocket may be submitted to WEX by completing a paper [FSA Claim Form](#) or by logging on to benefit-info.com/iu or the IU HSA/FSA mobile app. Claims must include the date(s) of service, the amount, the name and age of the dependent who received care, and information about the provider including their name, address, and Employer ID Number (EIN) or Social Security Number (SSN).

To be reimbursed for expenses paid out-of-pocket, you must have an authorization for direct deposit on file with WEX. This information can be provided to WEX by:

- Adding bank information online by logging on to benefit-info.com/iu; or
- Submitting a paper [Direct Deposit Authorization Form](#) to WEX.

All claims for reimbursement will be held until a Direct Deposit Authorization is on file with WEX.

YEAR-END PROVISIONS

There is no carryover provision for Dependent Care FSAs; however, there is a 2 1/2 month grace period at the end of the plan year which allows you to continue to incur eligible expenses for an additional period of time. Claims must be incurred between January 1 and March 15 of the following year (or your benefit enrollment period), and submitted to WEX for reimbursement no later than April 15 of the following year. Any unused Dependent Care FSA funds in the account after April 15 are forfeited, and per IRS rules, cannot be returned to you.

LIFE EVENTS

SUMMARY

IRS regulations state that your IU-sponsored healthcare, FSA, and Supplemental AD&D elections must remain in effect for the entire plan year, and cannot be changed until the annual Open Enrollment period except under special circumstances defined by IRC Section 125 and HIPAA. These special circumstances are called IRS-qualifying life events by this plan. These mid-year change(s) in elections must be consistent with the qualifying life event and be made within 30 days of the event as described in this section. After 30 days, unless another qualifying life event is experienced, you must wait until the next Open Enrollment period to make election changes. New FSA enrollments and election changes are not allowed during November and December.

Qualifying life events include:

- **Change in legal marital status** including marriage, death of spouse, divorce, legal separation, or annulment;
- **Change in number of dependents** including birth, adoption, placement for adoption, or death;
- **Change in the place of residence or worksite** of the employee or dependent, that affects eligibility for coverage;
- **Change in dependent status** including a dependent satisfying or ceasing to satisfy the requirements under the plan that qualifies or disqualifies an individual for dependent coverage;
- **Change in employment status** including termination or commencement of employment by the employee or a dependent; or a change in work schedule including a reduction or increase in hours of employment by the employee, spouse, or dependent that makes the individual eligible or ineligible for coverage, or commencement or return from an unpaid leave of absence;
- **Special enrollment in a health plan** pursuant to HIPAA;
- **Loss of coverage** under the group health plan which covers the participant's spouse or dependent child;
- **Loss of COBRA continuation coverage** under prior employment due to exhausted benefits;
- **Significant change in the scope of coverage or cost of coverage** provided under this plan or the group health plan which covers the participant's spouse or dependent child, but only with respect to Premium Conversion;
- **Change in Medicaid or Medicare status** including an individual becoming covered under Medicaid or under any part of Medicare or CHIP, or if the individual becomes ineligible for Medicare, Medicaid or CHIP; and/or
- **Qualified support or guardianship order** including adding coverage for a child if the employee is required to provide health coverage for the child under a court order, or removing coverage for a child if a court order requires

the former spouse to provide coverage and that coverage is provided by the former spouse.

Or relative to dependent day/evening care services:

- **Change in the care fee** charged by the dependent care service provider, unless an increase from a relative;
- **Change in the need for dependent care** including a change in the number of dependents needing care.

CONSISTENCY REQUIREMENT

A change in election is considered consistent with a qualifying life event only if:

1. You or your dependent gains or loses eligibility for coverage under this plan or the plan of the individual's employer; and
2. The change in election under this plan corresponds with that gain or loss of coverage.

DEFINITIONS

Cafeteria Benefits Plan—A tax program authorized under Section 125 of the Internal Revenue Code of 1986, as amended, under which an employer may set up a program that allows employees to pay certain premiums (health plans and Supplemental AD&D premiums) and to be reimbursed for other healthcare expenses and dependent care expenses with tax-exempt income.

Carryover Provision—After the end of a plan year, the Healthcare FSA allows for a carryover of up to \$610 of unused Healthcare FSA funds into a new account in the following plan year.

Coverage Period—The period during the plan year in which coverage was effective. This is typically the plan year, except in the case where a participant's initial year of eligibility begins or ends during a plan year.

Dependent—

Premium Conversion. With respect to the pre-tax Premium Conversion provision of this plan, dependent has the same meaning as in any Supplemental AD&D or health insurance policy sponsored by Indiana University and under which the participant is covered.

Healthcare FSA. With respect to Healthcare FSA benefits provided under this plan, dependent means the employee's biological, adopted, or stepchild, or a child who the employee or spouse has been legally appointed sole guardian for an indefinite period of time, who is age 25 or under (eligibility ends at the end of the month in which the child reaches age 26).

Dependent Care FSA. With respect to Dependent Care FSA benefits provided under this plan, dependent means:

- a) a dependent of the employee or the employee's spouse who is under the age of 13, and with respect to whom the employee or the employee's spouse is entitled to an exemption under Section 151(c) of the Internal Revenue Code (if divorced, separated, or living apart, and the employee or the employee's spouse is the custodial parent); or
- b) a dependent or spouse of the participant who is physically or mentally incapable of caring for themselves.

Eligible Employee—A full-time (75% FTE or greater) appointed Academic and Staff employees (including IU Residents) of Indiana University.

Grace Period—Provides an additional 2 1/2 months following the end of a plan year to incur expenses for the Dependent Care FSA.

HIPAA—Health Insurance Portability and Accountability Act of 1996.

Open Enrollment—The annual period specified by Indiana University, generally occurring in the fall, during which the employee may elect or change pre-tax benefits under this plan, effective January 1.

Plan Administrator—The plan administrator is Indiana University. Indiana University contracts with WEX to administer claim payment and customer service aspects of the FSAs.

Plan Year—The one (1) year period beginning each January 1, that is, the calendar year.

Premium Conversion—Cash compensation to the employee is converted to non-cash, untaxed benefits in the amount of the employee's IU-sponsored health care plan premium and/or Supplemental AD&D premium. Premium conversion is automatically invoked when an employee enrolls in an IU-sponsored health care plan or Supplemental AD&D.

Qualifying Life Event—Any of the events that IRC Section 125, HIPAA and this plan recognize as an allowable circumstance for an employee to make a mid-year election change.

Spending Account—An account maintained by or under the direction of Indiana University to account for the contributions and reimbursement of IRS-qualified expenses attributable to each participant in the FSAs. These accounts are for accounting purposes only and will reflect the balances available to the participant for purchase of qualified benefits under this plan.

Section 125 Plan—A Cafeteria Benefits Plan program authorized under Section 125 of the Internal Revenue Code of 1986, as amended, for which an employer may set up a program that allows employees to pay certain premiums (health plans and Supplemental AD&D premiums) and to be reimbursed for other healthcare expenses and dependent care expenses with tax-exempt income.



Indiana University Healthcare Plans Notice of Privacy Practices

This notice describes how medical information about you may be used and disclosed and how you can get access to this information. Please review it carefully.

Effective Date: April 14, 2003

Updated: March 23, 2024

As the Plan Sponsor of employee health care plans, Indiana University is required by law to maintain the privacy and security of your individually identifiable health information. We protect the privacy of that information in accordance with federal and state privacy laws, as well as the university's policy. We are required to give you notice of our legal duties and privacy practices, and to follow the terms of this notice currently in effect.

This notice applies to all employees covered under an IU-sponsored health plan, but particularly those enrolled in IU self-funded plans.

How the Plan May Use and Disclose Protected Health Information about Members

Protected Health Information (PHI) is health information that relates to an identified person's physical or mental health, provision of health care, or payment for provision of health care, whether past, present or future and regardless of the form or medium, that is received or created by the Plan in the course of providing benefits under these Plans.

The following categories describe different ways in which Indiana University uses and discloses health information. For each of the categories Indiana University has provided an explanation and an example of how the information is used. Not every use or disclosure in a category will be listed. However, all of the ways Indiana University is permitted to use and disclose information will fall within one of the categories.

Treatment

Health information may be reviewed to provide authorization of coverage for certain medical services or shared with providers involved in a member's treatment. For example, the Plan may obtain medical information from or give medical information to a hospital that asks the Plan for authorization of services on the member's behalf, or in conjunction with medical case management, disease management, or therapy management programs.

Payment

Medical information may be used and disclosed to providers so that they may bill and receive payment for a member's treatment and services. For example, a member's provider may give a medical diagnosis and procedure description on a request for payment made to the Plan's claim administrator; and the claim administrator may request clinical notes to determine if the service is covered. Similarly, a physician may submit medical information to a Business Associate for purposes of administering wellness program financial incentives. Medical information may also be shared with other covered entities for business purposes, such as determining the Plan's share of payment when a member is covered under more than one health plan.

Explanations of Payments may be mailed to the physical or email address of record for the employee, the primary insured.

Health Care Operations

Health information may be used or disclosed when needed to administer the Plan. For example, Plan administration may include activities such as quality management, administration of wellness programs and incentives, to evaluate health care provider performance, underwriting, detection and investigation of fraud, data and information system management; and coordination of health care operations between health plan Business Associates. Genetic information will not be used or disclosed for health plan underwriting purposes.

Medical information may also be used to inform members about a health-related service or program, or to notify members about potential benefits. For example, we may work with other agencies or health care providers to offer programs such as complex or chronic condition management.

Individuals Involved in Your Care or Payment of Care Unless otherwise specified, the plan may communicate health information in connection with the treatment, payment, and health care operations to the employee and/or any enrolled individual who is responsible for either the payment or care of an individual covered under the plan. Also, when a member authorizes another party in writing to be involved in their care or payment of care, the Plan may share health information with that party. For example, when an employee signs an authorization allowing a close friend to make medical decisions on their behalf, the Plan may disclose medical information to that friend.

Legal Proceedings, Government Oversight, or Disputes Health information may be used or disclosed to an entity with health oversight responsibilities authorized by law, including HHS oversight of HIPAA compliance. For example, we may share information for monitoring of government programs or compliance with civil rights laws. Health information may also be disclosed in response to a subpoena, court or administrative order, or other lawful request by someone involved in a dispute or legal proceeding.

Research

Health information may be used or shared for health research. Use of this information for research is subject to either a special approval process, or removal of information that may directly identify you.

Uses & Disclosures Requiring Your Written Authorization

In all situations, other than the categories described above, we will ask for your written authorization before using or disclosing personal information about you. The Plan will not share member information for marketing purposes, including subsidized treatment communications, or the sale of member information without written permission. Members can also opt-out of fundraising communications with each solicitation. If you have given us an authorization, you may revoke it at any time. This revocation does not apply to any uses or disclosures already made in reliance on the authorization.

Mental health information, including psychological or psychiatric treatment records, and information relating to communicable diseases are subject to special protections under Indiana law. Release of such records or information requires written authorization or an appropriate court order.

Member Rights Regarding Protected Health Information

Right to Inspect and Copy

Members have the right to inspect and obtain a copy of the Protected Health Information maintained by the Plan including medical records and billing records.

To inspect and copy PHI, members must submit in writing a request to the plan administrator. Requests to inspect and copy PHI may be denied under certain circumstances. If a member's request to inspect and copy has been denied written documentation stating the reason for the denial will be sent to the member.

Right to Amend

Members have the right to request an amendment to PHI if they feel the medical information is incorrect for as long as the information is maintained.

To request an amendment, members must submit requests, along with a reason that supports the request, in writing to the plan administrator.

The Plan may deny a member's request for an amendment if it is not in writing or does not include a reason to support the request. Additionally, the Plan may deny a member's request to amend information that:

- Is not part of the information in which the member would be permitted to inspect or copy;
- Is not part of the information maintained by the Plan
- Is accurate and complete

Right to an Accounting of Disclosures

Members have the right to an accounting of PHI disclosures during the six years prior to the date of a request.

To request an accounting of disclosures, members must submit requests in writing to the plan administrator. Requests may not include permitted PHI disclosures made to carry out treatment, payment or health care operations included in the six categories listed above. The member's written request must include a date or range of dates and may not include any dates before the April 14, 2003, compliance date.

Right to Request Restrictions

Members have the right to request restrictions on certain uses and disclosures of Protected Health Information to carry out treatment, payment or health care operations. Members also have the right to request a limit on the information the Plan discloses to someone who is involved in the payment of your care; for example: a family member covered under the plan.

The Plan is not required to agree to your request. To request restrictions, members must submit requests in writing to the Plan. Requests must include the following: (1) information the member wants to limit; (2) whether the member wants to limit our use, disclosure or both; and (3) to whom the member wants the limit to apply, for example, disclosures to a spouse.

Right to Request Confidential Communications

Members have the right to request that the Plan communicate with them about health information in a certain way or at a certain

location. For example, asking that the Plan contact a member only at work.

To request confidential communications, members must submit requests in writing to the health plan administrator and must include where and how members wish to be contacted. The Plan will accommodate all reasonable requests.

Right to Receive Breach Notification

If the Plan components or any of its Business Associates or the Business Associate's subcontractors experiences a breach of health information (as defined by HIPAA laws) that compromises the security or privacy of health information, members will be notified of the breach and any steps members should take to protect themselves from potential harm resulting from the breach.

Right to a Copy of This Notice

Members have the right to a copy of this Notice by e-mail. Members also have the right to request a paper copy of this notice. To obtain a copy, please contact the Privacy Administrator or visit hr.iu.edu/benefits/privacynotice.pdf.

Changes Made to This Notice

The Plan reserves the right to change this Notice. The Plan reserves the right to make the revised or changed notice effective for Protected Health Information the Plan already has about members as well as any information received in the future. The new notice will be available on our web site, upon request, or by mail.

Right to File a Complaint

If a member believes that their privacy rights have been violated, they may file a complaint to the Privacy Administrator with Indiana University's Health Care Plans, see contact information below.

Members may file a complaint with the U.S. Department of Health and Human Services Office for Civil Rights by sending a letter to: 200 Independence Avenue S.W., Washington, D.C., 20201; calling 1-877-696-6775, or visiting www.hhs.gov/ocr/privacy/hipaa/complaints.

Indiana University will not retaliate against any member for filing a complaint.

Contact Information

Members may contact the health plan with any requests, questions or complaints. We will respond to all inquiries within 15 days after receiving a written request. The Plan will accommodate all reasonable requests.

Privacy Administrator
2709 E. 10th Street, Ste 321
Bloomington, IN 47408
812-856-1234 | askhr@iu.edu

Personal Representatives

Members may exercise their rights through a personal representative. This person will be required to produce evidence of their authority to act on a member's behalf before being given access to PHI or allowed to take any action for a member. Proof of this authority may be one of the following forms:

- A power of attorney notarized by a notary public;
- A court order of appointment of the person as the conservator or guardian of the individual; or
- An individual who is the parent of a minor child.

IU HUMAN RESOURCES

T (812) 856 1234 | **F** (812) 855 3409
askhr@iu.edu
hr.iu.edu/benefits

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