

City of Indianapolis

Group Number: **621**

Section 125 Flexible Benefits Employee Information Packet

FlexPro

Your KEY to Savings



Get the most out of your FSA qualified account by visiting

FSAsite.com/FlexPro

Introduction

City of Indianapolis has provided you with the opportunity to enroll in a Flexible Spending Benefit Plan. The information in this packet will help you decide if the City of Indianapolis Flexible Spending Benefit Plan is right for you. All forms are now on your portal <https://FlexPro.lh1ondemand.com> .

What are the advantages of enrolling in a Flexible Spending Plan. Below are just a few:

- Increased take home pay
- Easy access to funds to help pay for Out-of-Pocket healthcare and dependent care expenses.
- Reduced federal and/or state taxes

Information you will find in this packet:

- Your Section 125 Plan Specifics
- What Is a Flexible Benefit Plan?
- How Much Can You Save?
- Type of Eligible and Non-Eligible Expenses
- Over-the-Counter Medicine Reimbursements
- Frequently Asked Questions
- Employee Experience
- Claims Procedures and the Flex Debit Card

Your Section 125 Plan Specifics

City of Indianapolis - 621

Plan Year: 01/01/2025 - 12/31/2025

Premium Plan Option	Plan Maximums	Plan Minimums
Dependent Care (DCA) FSA	\$ 5,000.00	
Plan Maximum Totals	\$ 5,000.00 Total Premiums	

Eligibility Requirements:

First of the month following 30 days of employment for all active employees eligible to participate in the city's group medical plan.

Participation in the DCA Plan Option by New Hires:

Upon Eligibility

Participation by Terminated Employees in the DCA:

Terminated employees will be allowed 30 days past termination or until the end of the plan year, whichever comes first, to continue incurring expenses and an additional 60 days to submit expenses

Premium Deductions:

Premiums will automatically be deducted as pre-tax without a signed Waiver of Participation form on file.

Claims Submission:

Claims must be received by noon EST 2 business days prior to checks being issued. Daily.

Runout Period: Dependent Care (DCA):

Claims must be submitted no later than 90 days after the end of the Plan Year.

Note: Debit cards may not be used to pay for prior year expenses during the 90 day runout period. Paper claims should be submitted during this runout time.

Notification Timeframe for Status Changes:

Status changes must be submitted within 30 days of the qualifying event.

What is a Flexible Benefit Plan?

FlexPro by KBA is the administrator for your employer-sponsored Flexible Benefit Plan. A Flexible Benefit Plan is approved under Section 125 of the Internal Revenue Code and enables you to pay for certain expenses with pre-tax dollars.

Optional Benefits:

Employee Paid Insurance Premiums

This account automatically allows you to pay for your portion of some insurance premiums with tax-free dollars. This may include premiums for medical, dental, vision, group term life, cancer coverage, etc.

Health Care Flexible Spending Account (FSA)

Certain health care costs, including medical, dental, vision and hearing expenses that are not paid by insurance and other "Out-of-Pocket" expenses may be reimbursed by participating in a Health Care FSA. These expenses must be incurred within the plan year (or within the grace period if applicable) and may include but are not limited to, expenses for medical plan co-payments, deductibles, prescription drug co-payments and charges, physician office visits, chiropractic care, vision and dental and orthodontia care.

Dependent Care Assistance Program (DCAP)

Certain dependent care costs may be reimbursed by participating in the Dependent Care Flexible Spending Account. Qualified expenses may include fees for adult and childcare centers, preschool and before/after school care. To be eligible, you and your spouse (if married) must be employed or a full-time student. Your dependent must be under age 13 or physically and/or mentally incapable of caring for themselves. As of each regular payroll deduction date established by your employer, your employer will credit an amount to your account. Eligible claims incurred during the plan year and submitted within the appropriate timeframe may be reimbursed up to the amount available in the account at the time of reimbursement. The maximum annual amount for the Dependent Care FSA is \$5,000 per family.

Dependent Care expenses may not be reimbursed while on Leave of Absence (LOA). However, there is an exception for short term, temporary absences of no more than 2 consecutive calendar weeks. A taxpayer who is gainfully employed is not required to allocate expenses during a short, term, temporary absence from work, such as a vacation or minor illness, provided that the care giving arrangement requires the taxpayer to pay for care during the absence.

Is a Flexible Spending Account Right for You?

Do any of the following Medical and Daycare expenses apply to you and your family?

If so, you can reduce the taxes you pay by participating in your Employer-Sponsored Flexible Benefits Plan and increase your take home pay!

- Medical: Copays, Deductible, Coinsurance, Other medical care expenses not covered by insurance
- Dental: Copays, Cleanings, Orthodontia, etc.
- Vision: Exams, Glasses, Contact Lenses, LASIK, etc.
- Dependent Care: expenses that allow you (and your spouse if applicable) to be gainfully employed or a full-time student
- Over-the-Counter Items: Household Medical Basics, Menstrual Products, Pain Reliever, Children's Medications – 2020 Changes - See the *Over-the-Counter Medicine Reimbursement* page for details.

How Much Can You Save?

This illustration demonstrates how **a participating employee might save \$960** in taxes during the Plan Year by paying for eligible expenses with pre-tax dollars through the Flexible Benefits Plan. Note: This example is for illustrative purposes only. Savings may vary depending on each person's eligible expenses and benefit election.

	Without Flex	With Flex
Annual Income	\$30,000	\$30,000
Eligible Out-of-Pocket Pre-Tax Expenses	\$ 0	\$ 3,200
Remaining Income to Be Taxed	\$30,000	\$26,800
Estimated Taxes (estimate 30% including FICA, Federal and State)	\$ 9,000	\$ 8,040
Out-of-Pocket After-Tax Expenses	\$ 3,200	\$ 0
Take Home Pay	\$17,800	\$18,760
Total Annual Savings	\$ 0	\$ 960

Use the below worksheet to figure how much you can save by participating in a Flexible Benefit Plan.

1. Health Care Expenses - Enter your estimated family annual medical/dental/vision expenses not covered by insurance:	
Medical Insurance Copayments, Deductibles and Coinsurance	\$
Over-the-Counter medical products	\$
Over-the-Counter medicines (prescribed by a physician)	\$
Doctor Office Visits	\$
Physical Examinations	\$
Well-baby care	\$
Chiropractic Care	\$
Dental Exam Copayments and Dental Insurance Deductibles	\$
Orthodontia Care and Other Out-of-Pocket Dental Care	\$
Vision Exams	\$
Eyeglasses AND Contact Lenses	\$
Other Out-of-Pocket eye care (LASIK or contact solutions, etc.)	\$
Hearing Care	\$
Other Out-of-Pocket medical care (not covered by insurance)	\$
Total Annual Medical, Dental and Vision Expenses	\$
2. Dependent Care Expenses - Enter your estimated weekly dependent care expenses:	
Weekly expenses x 52 weeks = Total Annual Dependent Care Expenses	
3. Total Flex Savings:	
Total annual expenses from above Health Care and Dependent Care	\$
Multiply by an estimated tax savings of 30%	x 30%
Your Estimated Annual Tax Savings	\$

More take-home money to help pay for those eligible expenses!

Frequently Asked Questions

This packet is only a brief overview of benefits that may be eligible under your plan. You should consult your Summary Plan Description for specific information about your plan.

Create your Online Account at: <https://FlexPro.lh1ondemand.com>

Who can participate in the Plan?

All employees meeting eligibility requirements established by their employer may participate in the Plan. To enroll in an FSA, you must be eligible based on the requirements in the Summary Plan Description. The IRS dictates that you must be eligible for your company's Health Insurance Plan, but you do not have to be enrolled in the Health Insurance Plan to have an FSA. Please note: This rule does not apply to Dependent Care.

How do I sign up?

Assuming eligibility has been met, Employers will provide access to enrollment prior to each Plan Year.

How do I determine how much money to allocate?

Be conservative! Consider your known expenses and not what *might* happen. For dependent care, allow for ineligible times such as vacations or when you will not be paying the dependent care provider. A list of eligible expenses and a worksheet in this packet may help you calculate expenses.

Are there limits to what you may contribute to your FSA?

Yes, the maximum annual amount for the Health Care FSA and Dependent Care FSA is printed in your Summary Plan Description provided by your Employer and Plan Specific Page included in this packet.

I went to the doctor before the plan year began, but I did not pay the expense until after the plan year started. May I include that expense?

No, date of Services determines eligibility, not the date of payment. Charges must be incurred within the plan year.

Can I change my annual allocation anytime during the Plan Year?

You may change your annual allocation under criteria for eligible status changes as defined in your Employer's Plan. Examples of qualifying changes in status are, marriage or divorce, death of a spouse or dependent, birth or adoption of a child, and change in your employment or in your spouse's employment. Status changes must be consistent with the status change event. Please consult your Summary Plan Description for complete details.

What happens if I do not use all my annual allocation?

The IRS has established a "use it or lose it rule." If you do not use all your annual allocation, you will forfeit any remaining amount. For example, if you allocate \$500 and only submit \$450 in expenses, you will lose the \$50. We recommend being conservative when you determine your annual allocation, especially at first.

What expenses are eligible under the Flex Plan?

A summary of eligible and ineligible expenses is included in this packet. New rules for Over-the-Counter Medicines are also explained. See Next topic for details. Please pay special attention to the orthodontia claim submission requirements for your Plan which are listed on the Plan Specifics page.

Are Over-the-Counter Medicines or Drugs eligible?

Over-the-Counter Medicines may not be reimbursed through an FSA, HRA, or HSA, unless the medicine is prescribed by a physician. The new bill does not apply to items that are not medicines, including equipment such as crutches, supplies such as bandages, and diagnostic devices such as blood sugar test kits. Such items may qualify as medical care if they otherwise meet the definition in Code §213(d). Code §213(d) defines "medical care" to include amounts paid "for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body."

Can I sign up for the Dependent Care Plan and still take the Dependent Care tax credit on my annual tax return?

(DCA Eligible Groups Only) The amount you pledge towards Dependent Care account reduces the amount you can claim as a tax credit, dollar for dollar. Most employees, depending on your family income, will experience a higher tax savings with the Dependent Care Plan. You should consult with your accountant to see which option works best for your situation.

What happens if I terminate my employment?

You may still submit eligible receipts for expenses incurred within the time frames established by your Employer. Also, you may be eligible to continue coverage under the Health Care FSA option, through federal COBRA regulations.

How do I submit a claim for reimbursement?

For Health Care FSA expenses:

The quickest way to receive payment is to submit claims through your online account or mobile app, registration may be required (See Employee Experience for more information).

If you choose to manually submit a claim, copies of receipts for Health Care FSA expenses must be submitted along with a signed claim form. Manual claims may be emailed, faxed or mailed or to the address listed on the claim form.

All receipts must be independent third-party receipts showing the name of the provider, date of service, type of service, amount of the service and the patient's name. If your insurance company covers the expense, please submit the receipt to the insurance company first. You may then forward a copy of the Explanation of Benefits (EOB) from the insurance company along with the signed claim form to FlexPro. Cancelled checks and credit card receipts (unless itemized) are not eligible as receipts for Health Care FSA expenses.

For Dependent Daycare FSA Expenses (For DCA Eligible Groups Only):

There are three ways to request reimbursement.

1. You may complete the Automatic Dependent Daycare Reimbursement Agreement included in this packet. Automatic DCA reimbursement allows you to fill out just one claim form for your reoccurring daycare expense and be reimbursed each week this amount automatically, or up to the amount available in your daycare account balance.
2. You may log into your account (See top of the page) and request reimbursement. Reimbursement of expenses incurred during the Plan Year shall not exceed the balance of your Plan Year Account at the time of the reimbursement.
3. If you choose to manually submit a claim, the form you must be signed and included statements or receipts that show the daycare provider's name & tax ID, the date of service, the amount of the service and the dependent's name. If you prefer, you may also complete the dependent care section of the claim form and have the provider sign and fill out their section. Reimbursement of expenses incurred during the Plan Year shall not exceed the balance of your Plan Year Account at the time of the reimbursement. Manual claims may be emailed, faxed or mailed to the address listed on the claim form.

Will I receive information throughout the year telling me where I stand on my account?

Yes, you will receive periodic reports via email showing what has been credited to your account. You may also access your personal account online at any time (See Employee Experience for more information).

Employee Experience

FlexPro Website

The Employee web access is available 24 hours a day, 7 days a week. Employees can review their accounts online for pending or ineligible transactions. Unresolved, pending, or ineligible transactions may result in the temporary deactivation of Flex Benefit cards, where applicable, until the transactions are resolved. <https://FlexPro.lh1ondemand.com>

Manage Your Account

After you create your account, you have access to additional online account management tools such as: View your Account Balances, View your Pending Claims. You can make any changes to your personal information. Making sure your current physical address and contact information is up to date will ensure that FlexPro is able to reach you quickly with important information.

FlexPro Upload Feature

Upload claims for reimbursement and receipts for pending transactions directly from a PC, tablet or your smartphone. FlexPro is mobile optimized, but carrier and phone version may interfere. You can check your claim history, find any unresolved transactions and upload directly to that transaction any required documentation. You can also download forms from your account, including a claim form.

E-Mail Alerts

Entering your preferred email address into your account allows FlexPro the ability to send you notices regarding your account submissions etc. Once logged in, you can customize the notifications you wish to receive by email. Many notices are also sent directly to the participant portal. Options for notices are for situations occurring with your account: confirmation of an email or address change and when we have received claims you have submitted. You will also be sent regular notices which are important for the plan and your account balance throughout the plan year.

Virtual Client Representative & Web Chat

Use the FlexPro customer service number to call anytime, day or night. Listen to the prompts and follow the steps. You will be provided a list of current options available. If you call during regular business hours you can opt out to speak with FlexPro staff by calling [800-558-5553](tel:800-558-5553) (8am - 5pm EST). No time for a phone call? Have Flex questions while at work? No problem! Just open the FlexPro website and look for the [FlexPro Chat](#) link. Click, then begin chatting with FlexPro staff any time during normal business hours (8am-5pm | Monday - Friday). <https://FlexPro.lh1ondemand.com>

Email or FAX FlexPro

While uploading your claim to the website is quickest, you can also email or fax your requests for reimbursement and resolutions for pending transactions. Submitting in this way will direct your claim information and substantiation documents directly to the online portal for processing. NOTE: For emails, please send anything other than text as an attachment rather than pasting to the body of the message to prevent system errors reading the data. FlexPro@KeyBenefit.com | Fax: 866-241-1488

Flexible Benefits Debit Card

The Flex Benefits Debit card is a Visa offered to enhance Flexible Spending Accounts. The Flex Card is for use at qualifying healthcare providers or merchants that accept Visa and offer eligible goods or services under your Flexible Spending Account. The card provides instant access to available FSA account funds by transferring funds for qualified expenses directly from your available Flexible Spending Account to the provider. You no longer have to pay out of pocket, file a manual claim and wait for reimbursement.

Direct Deposit

Your employer has chosen the Direct Deposit Reimbursement option. This feature allows employees who elect it to receive their Flexible Spending Account reimbursements as a direct deposit (or ACH) directly into their bank account.

Employees can either submit the Direct Deposit Authorization form (found on the portal) to FlexPro@KeyBenefit.com (see Direct Deposit form for submission details) or set up their direct deposit through <https://FlexPro.lh1ondemand.com>. Once your direct deposit is set up, any future claims

submitted for payment would be processed using this feature (it will not apply to claims prior to the date the account was set up).

You will receive an email confirmation when the reimbursement is generated and the money will be deposited directly into your bank account within 2-3 business days from the time of the email. You do not have to wait for your check to be delivered in the mail and do not have to go to the bank to deposit or cash your reimbursement.

Mobile: FlexPro by KBA

Employees can download the app from the App Store or Play Store by searching "Flexpro by KBA." Check your balance, add dependents, request new cards, update your address and more from your phone or tablet. See the Upload feature for a quick way to submit documentation for unresolved transactions and to submit new claims.



Claims Procedures and the Flex Benefit Card

You may use your Flex Benefits Card for eligible FSA expenses such as co-pays, deductibles, Out-of-Pocket expenses, and other expenses that are not eligible under your medical, dental or vision plan.

What is the FlexPro Benefits Card?

The Benefits Card (Flex Card) is a Visa offered to enhance your Flexible Spending Account by providing instant access to your FSA account. The card is designed for use only at qualified providers or merchants that accept Visa and offer eligible goods or services for reimbursement under your Flexible Spending Account. Rather than paying Out-of-Pocket money for qualified expenses and waiting for reimbursement, your Flex Card transfers funds for qualified expenses directly from your available funds in your Flexible Spending Account to the provider. As a Flexible Spending Account participant, a Flex Card will be mailed to your home address.



How does the FlexPro Card work?

The Flex Card is a debit card that allows you to pay for your eligible FSA expenses directly at the point-of-service. The Flex Card is treated like a credit card at a merchant or provider terminal and may require a personal identification (PIN) number before processing a transaction. There is no additional line of credit associated with the card, and no credit check will be performed.

FlexPro Card and Over-the-Counter Medicines

IRS regulations state that the cost of Over-the-Counter Medicines may not be reimbursed through a Health FSA, HRA, HSA, unless the medicine is prescribed by a physician. This does not apply to items that are not medicines, including but not limited to, equipment or supplies such as crutches, bandages and diagnostic devices such as blood sugar test kits. Some items may qualify as eligible medical care expenses if they meet the definition stated in Section Code §213(d) of the IRS Regulations. Because of these regulations, you should be aware that you may not be able to use your Flex Card for certain Over-the-Counter medications and you may be required to send a manual claim for reimbursement. See the *Over-the-Counter Medicine Reimbursement* page for more information.

Using the FlexPro Card at Retail merchants including Grocery Stores, Discount Stores, Pharmacies and Mail Order Pharmacies

An IRS ruling (2006-09 & 2007-2) requires that Grocery Stores, Discount Retail Stores, Mail Order Pharmacies and Retail Pharmacy Merchants comply with an Inventory Information Approval System (IIAS) and be certified as compliant. Implementation of this regulation allows expenses that qualify as eligible purchases outlined in the regulations to automatically be approved at the point-of-purchase. Your Flex Card complies with these regulations. Only eligible items are authorized at the point-of-sale against your available flexible spending account balance. Purchases that are automatically approved at the point-of-sale through this process may require substantiation after your purchase. You should also keep copies of all receipts in your records in case you are required to show them to the IRS.

Ineligible items will be denied at the point-of-sale. An alternate method of payment will be required for the purchase of an ineligible item. Purchases made with an alternate method of payment may be made at a Non-Certified IIAS Retail Merchant and may be reimbursed by submitting a completed claim form (see substantiation requirements).

Alternately, eligible purchases at certain Pharmacies and Mail Order Pharmacies will be approved at the point-of-sale if the merchant is registered each year as a 90% Rule Merchant. These are merchants who can show that 90% of their gross receipts of the last tax year consisted of items that qualified as medical expenses. This permits the use of your Flex Card at these merchant locations. You may, however, be required to submit substantiation for purchases approved at the point-of-sale at a 90% Rule merchant.

Requests

Although the Flex Card provides direct access to your FSA dollars, it may not eliminate the need for FlexPro to verify the eligibility of the item(s) purchased, as requested by the IRS. In order to confirm the eligibility of all expenses charged to your Flex Card, you may be asked to provide supporting information about your purchase. FlexPro follows the IRS-defined Flexible Spending Account Flex Card audit guidelines. Please note: Cash register receipts or credit card receipts are not eligible unless the receipt includes the information outlined below.

Flex Benefit Card and Claim Procedures (contd.)

The following substantiation criteria may be required:

Name of Patient
Date of Service or Date of Purchase
Name of Provider or Merchant
Type of Service or Supply
Amount of Service or Supply
Copy of prescription as required:
(Over-the-Counter medicines, etc.)



Substantiation and Claim Form Submission

You can submit responses to substantiation requests and claims for reimbursement in several different ways: by email, fax, mail or through your online portal.

Manual Submission

If you choose to manually submit a claim, copies of receipts for Health Care FSA expenses must be submitted along with a signed claim form. Fillable claim forms can be found in the tools/resources section of your online portal. Manual claims may be emailed, faxed or mailed or to the address listed on the claim form. Please be sure to include a signed claim form along with your detailed receipts and invoices when you are submitting substantiation or requesting a reimbursement.

All receipts must be independent third-party receipts showing the name of the provider, date of service, type of service, amount of the service and the patient's name. If your insurance company covers the expense, please submit the receipt to the insurance company first. You may then forward a copy of the Explanation of Benefits (EOB) from the insurance company along with the signed claim form to FlexPro. Cancelled checks and credit card receipts (unless itemized) are not eligible as receipts for Health Care FSA expenses. ***Handwritten verification is not eligible unless signed by the service provider.**

On-Line Submission

If applicable, substantiation information and requests for reimbursement may be uploaded directly to your personal account. Please see below for more information on setting up and using your online account.

Note: PDF and JPG format of the receipts is preferred. Links and Encrypted documents may not pass through security software.

Copies of receipts for Health Care FSA expenses must be uploaded with your request for reimbursement. In this reimbursement method, you will be asked to agree to the conditions for reimbursement therefore, eliminating the need for you to complete a claim form.

Ineligible Expenses

Should your transaction detail show that your Flex Card purchase was for an ineligible expense, or if the required documentation for a 'pending' service was not provided to FlexPro in a timely manner, the transaction will be considered denied or ineligible. IRS rules require reimbursement to FlexPro for the amount charged to the Flex Card for ineligible expense(s); or you may submit other eligible medical expenses paid Out-of-Pocket (not with the Flex Card) to FlexPro for consideration as 'offsetting claims' to reduce the amount owed back to the account. Once a transaction has been deemed ineligible, however, the Flex Card will be temporarily deactivated until repayment or offsetting, eligible claims are received.

Please Submit All Forms to:

Update your contact information online! Go to <https://FlexPro.lh1ondemand.com>

Toll-Free FAX: 866.241.1488

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