

## IU Tax Saver Benefit Plan Highlights

Plan Type/Provisions	Eligibility	Participation
<p>The plan is established under Section 125 of the Internal Revenue Code.</p> <p>Eligible employees can elect to reduce a portion of their salary to purchase certain benefits with pre-tax dollars. The plan is voluntary and there are no fees to participate. Under the plan, certain medical, dental, vision expenses, and dependent care expenses that allow the employee to work are exempted from federal, state, local and FICA taxes.</p> <p>Three distinct plan provisions:</p> <ul style="list-style-type: none"> <li>• Premium Conversion</li> <li>• Health Care Expense Reimbursement</li> <li>• Dependent Care Expense Reimbursement</li> </ul>	<p>All full-time Academic and Staff employees are eligible to participate in the TSB Plan. Employees do not need to be enrolled in an IU-sponsored medical or dental plan to participate in a health or dependent care reimbursement account.</p> <p>Individuals eligible to incur claims for reimbursement under TSB are defined in the corresponding sections of this booklet.</p> <p>An employee who terminates or loses eligibility during the year is generally not eligible to participate during the remainder of the plan year. Exceptions are:</p> <ul style="list-style-type: none"> <li>• Rehired employees are eligible to resume elections in effect at the time of termination.</li> <li>• Health care expense reimbursement may be continued under the terms of COBRA.</li> </ul>	<p>Pre-tax premium contributions are automatic for an IU-sponsored medical or dental care plan and/or Personal Accident Insurance.</p> <p>Eligible employees may elect to participate in one, both, or neither of the expense reimbursement accounts each year.</p> <p>Participation in either reimbursement account is initiated by submitting a Benefit Program Enrollment Form. Enrollment must be renewed each year prior to the beginning of the calendar year during Open Enrollment with an effective date of January 1.</p> <p>IRC Section 125 regulations limit mid-year changes in plan elections to certain IRC-defined Change in Status.</p>
Contributions	Administration	Time Restrictions
<p>Employee contributions to IU-sponsored medical or dental plans are automatically deducted from paychecks on a pre-tax basis.</p> <p>The employee submits a Benefit Program Enrollment Form for contributions to cover qualified health and dependent care expenses anticipated during the plan year. The pre-tax "salary reduction" is then transferred to an account for use by the employee for eligible expenses.</p> <p>There are maximum annual limits on the amount the employee may contribute to expense accounts.</p> <p>Unused pre-tax expense reimbursement account balances cannot be returned to the employee for any reason, nor can they be moved between accounts*.</p> <p><small>*A one-time rollover to an IU-sponsored HSA may be available under IRS regulations.</small></p>	<p>Pre-tax premium contribution benefits are administered through the IU payroll system.</p> <p>Claims for health expenses and dependent care expenses are administered on behalf of Indiana University by The Nyhart Company. Claims eligible for reimbursement under expense accounts are explicitly defined by the IRS. In addition, they must be incurred during defined time periods and submitted within allowed time restrictions.</p> <p>The entire amount of the plan year salary reduction is available for reimbursement beginning January 1. Claims can be reimbursed in advance of actual salary reductions, but reimbursement cannot be made until the service is provided.</p> <p>TSB participants also enrolled in an HSA may have additional IRS restrictions on eligible expenses.</p>	<p>The plan is governed by several time restrictions:</p> <ul style="list-style-type: none"> <li>• For new employees, eligibility begins on the date of hire so long as the employee enrolls within 30 days of the date of hire (new enrollment is not allowed during November and December of the current year);</li> <li>• There are specific time periods during which claims can be incurred;</li> <li>• Eligible claims incurred during the plan year (or the following two-month grace period, if applicable) must be submitted by April 15 of the following year;</li> <li>• Mid-year changes must be made within 30 days of a Change in Status, for example, within 30 days of birth for adding a newborn or within 30 days of a dependent child's marriage to drop the child and initiate a premium reduction.</li> </ul>

This sheet is designed to summarize the Tax Saver Benefit plan being offered by Indiana University to eligible employees and is not intended to provide a detailed description of the coverage. Detailed information, including the plan booklet, is available at:

[www.hr.iu.edu/benefits/tsb.html](http://www.hr.iu.edu/benefits/tsb.html)

You may contact the University Human Resource Services office at [enews@indiana.edu](mailto:enews@indiana.edu) for a copy of the plan booklet.