



State of Illinois Fiscal Year 2025 (FY25) Flexible Spending Account Reference Guide

Paying for health care is now easier and less expensive with a Flexible Spending Account (FSA) from Optum Financial

Optum Financial®

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What is an FSA?

An FSA is a tax-advantaged account that allows you to use pre-tax dollars to pay for out-of-pocket eligible Medical Care (MCAP) or Dependent Care (DCAP) expenses. You choose how much money you want to contribute to an FSA at the beginning of each plan year and can access these dollars throughout the year. This contribution is subject to certain legal limits.

When enrolling in an FSA, employees designate the amount they wish to have deducted from each paycheck. The designated amount is deposited into the employee's MCAP and/or DCAP account before any state, federal or social security taxes are withheld, resulting in reduced taxes and greater disposable income.



Learn more about FSAs

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FSA rules and regulations

- The IRS requires that all FSA purchases be verified as eligible expenses. Sometimes, purchases are automatically verified when you use your card. Other times, we will request itemized receipts or an explanation of benefits. **Always save your itemized receipts.**
- **Your unused MCAP dollars may roll over.** Unused MCAP dollars – up to \$640 – can roll over to the next plan year after the run-out period ends on September 30. Employees must re-enroll in MCAP for the new plan year to qualify for the rollover benefit.
- **FY25 MCAP contributions are limited by the IRS to \$3,200.** The limit is per person; a husband and wife may each contribute up to the \$3,200 limit.
- The IRS also requires that employers make the full annual MCAP election available to employees when an eligible expense occurs, regardless of whether you have deposited enough to cover the full amount at that point in time.

For example, you may designate \$1,200 per year, equal to a payroll deduction of \$100 a month. You are eligible for reimbursement up to the full \$1,200 in the first month, even though you have only deposited \$100 in your account. Remaining deductions will be taken from your pay during the rest of the plan year.

Participation eligibility

In order to be eligible to participate in an FSA, employees must:

- Work full time or part time not less than 50%
- Be eligible to participate in one of the state's health plans
- Receive a paycheck from which deductions can be taken

In addition to the eligibility requirements that apply to all FSA enrollments (indicated above), a DCAP participant and their spouse must be unavailable to care for the qualifying individual (child or adult). Therefore, the following eligibility rule also applies to all DCAP enrollments.

The employee's spouse must either be:

1. Gainfully employed
2. A full-time student
3. Disabled and incapable of self-care
4. Seeking employment and have income for the year

Temporary, intermittent and contractual employees, as well as retirees, are not eligible to participate in the FSA program. Additionally, only the expenses of eligible dependents may be reimbursed. Dependents must qualify under the Internal Revenue Code in order to be eligible.

Medical Care Assistance Plan (MCAP)

- **Multiple uses.** There are hundreds of eligible expenses for your MCAP dollars, including prescriptions, some over-the-counter items, doctor office copays, health insurance deductibles and coinsurance. MCAP dollars may be used for eligible expenses for your spouse or federal tax dependents. See the list of Eligible Expenses pages in this guide for more details.
- **Easy to access.** Dollars in the account are easily accessed with the payment card. Your account balance is available at any time online.
- **Tax advantages.** Since your contributions are not taxed, you can reduce your taxable income by the amount you contribute to your MCAP. You can then use those pretax dollars to pay for eligible health care expenses that would have otherwise been paid with after-tax dollars.
- **Rapid reimbursements.** Paying for health care expenses is easy when you use your payment card. If you do not use your card, you can quickly and easily create your claim online. Once you submit your receipts, we will reimburse you via check or direct deposit.

Dependent Care Assistance Plan (DCAP)

You may also choose to enroll in the DCAP, which is an alternative to the Dependent Care Tax Credit and covers dependent and certain elder care expenses while you are at work (special requirements apply). If you work and have children, a disabled spouse or qualifying dependent parents, you know how important it is to have reliable and affordable care for them while you are at work.

A DCAP account allows you to pay for child and elder care expenses and get a tax break at the same time. Expenses must be for qualifying dependents. See IRS Publication 503 Child and Dependent Care Expenses. Typical expenses under this account include charges for day care, nursery school, and certain elder care (unless it is for medical care) for your legal dependents. See the list of Eligible Expenses on page 10 for more details.

Eligibility requirements

To be reimbursed through your DCAP account for child and dependent care expenses, you must meet the following conditions:

- You must have incurred the expenses for you and your spouse, if married, to work or look for work, unless your spouse was either a full-time student or was physically or mentally incapable of self-care.
- You cannot have made the care payments to someone you can claim as your dependent on your federal tax return or to your child who is under age 19.
- Your filing status must be single, qualifying widow(er) with a dependent child, married filing jointly or married filing separately.
- You and your spouse must maintain a home that you live in for more than half the year with the qualifying child or dependent.
- Only the custodial parent of divorced or legally separated parents can participate in DCAP. The custodial parent is defined by the IRS as the person who has the child for most nights during the calendar year. See IRS Publication 503 for more information.



DCAP rules and regulations

- Unlike the MCAP account, you must use all your DCAP dollars by the end of your plan year, or remaining dollars will be forfeited, according to IRS regulations
- The FSA calculator in this guide helps you estimate your dependent care expenses, so that you contribute the right amount
- According to the IRS, you may contribute up to \$5,000 per year if you are married and filing a joint return, or if you are a single parent. If you are married and filing separately, you may contribute up to \$2,500 per year per parent.
- Unlike the MCAP account, you may only receive reimbursement from your DCAP account equal to the amount you have deposited.

Using your FSA

We make it easy to access and use your account dollars. There are two ways to pay for health care.

1

Use your payment card (MCAP only)

This is the simplest way to purchase health care.

Pay using your payment card and keep your itemized receipt (showing service description, patient name, service date, provider name and amount charged) or explanation of benefits (EOB) from the insurance vendor as documentation, since you may be required to substantiate the expense. Then, log on to your online account or the Optum Financial mobile app to see if documentation is needed. If so, use the convenient mobile app to snap a picture of your documentation and use the website to scan a picture of your documentation. **Note:** Only services rendered during the current plan year should be charged to the health care payment card.

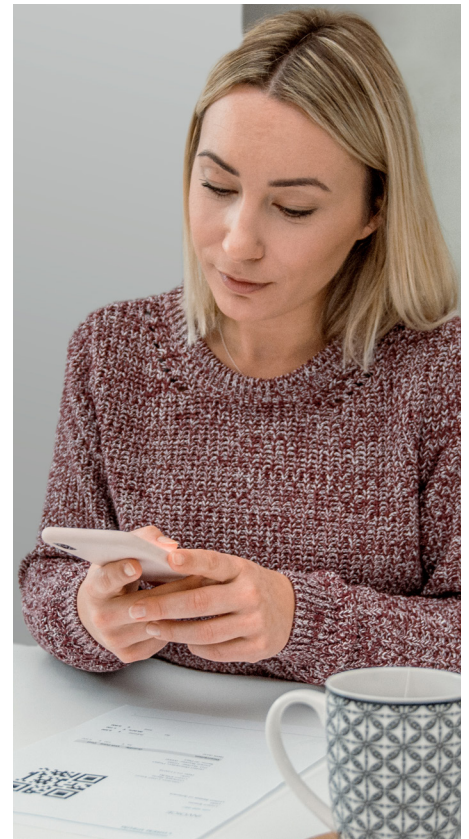
2

Pay with personal dollars and request reimbursement

Pay using your own personal credit card, cash or check and keep your itemized receipt as documentation. Then, log on to your online account or Optum Financial mobile app to file for reimbursement and upload documentation. Use the convenient Optum Financial Mobile app to snap a picture of your documentation and use the website to scan a picture of your documentation. You can receive reimbursement dollars via check or direct deposit.

How to pay

- **The doctor, dentist, eye doctor or hospital.** When you pay for health care at the doctor, dentist, eye doctor or hospital, be sure to always present your health insurance ID card first to ensure proper processing of your charges.
- **Copays.** If you are asked to pay a copay, you may pay with your payment card, or you may pay using personal dollars and request reimbursement. State of Illinois copays and deductibles are automatically adjudicated when you use the payment card, limiting the need for you to submit documentation, but it is always a good idea to save your itemized receipt and EOB as documentation.
- **Additional charges.** If you're asked to pay additional charges, if possible, do not pay your provider until the claim is processed by your health plan and you receive your EOB in the mail. This helps avoid overpayment. Compare your EOB with the provider bill to verify the amount being charged by your provider is the same as the patient balance on the EOB. Then, pay using your payment card, or pay using personal dollars and request reimbursement and submit your EOB or itemized provider bill as documentation online, using the mobile app, fax or postal mail.
- **Dependent day care locations.** If you have a DCAP account you will need to pay for your qualified dependent day care expenses using personal dollars and request the reimbursement from your DCAP account. You will need to submit your itemized receipt as documentation. Remember, whether submitting a receipt or a DCAP claim form, documentation must include the dependent's name, provider name, service period, payment amount and the type of care being provided (i.e. daycare, pre-school, before- and after- school care).





Using your payment card

We provide a convenient payment card to access account dollars. You will receive this card in the mail.

Below are 4 tips to make using your payment card simple and easy.

- 1. Pay for qualified expenses with your card.** Pay for qualified products and services directly at approved merchants (see sidebar). The money comes right out of your health care account. Provide your card to a qualified merchant or provider, and they will swipe your card like any other credit or debit card to pay for your purchase. If asked, select credit, to use it without a personal identification number (PIN), or debit to use a PIN. There is a preset PIN associated with your card, which is the last 4 digits of your card number. To select a different PIN, call the number on the back of your card.
- 2. Get your balance.** By frequently checking your account balance online or on the mobile app, you will have a good idea of the amount of dollars available in your account. When you swipe your payment card, the system ensures your MCAP account is active and has sufficient dollars in your account for the full amount. If not, the transaction will be denied. You can swipe the card for the amount left in your account and pay the difference with another form of payment.
- 3. Know what's eligible.** Familiarize yourself with what expenses are eligible using the list of eligible expenses in this guide, your online account, or your employer's plan documents. Examples of eligible expenses are doctors' visits, prescription drugs and many over-the-counter medications (with a prescription). If you use the card for ineligible expenses, you may be asked to write a personal check to refund the plan.
- 4. Save your itemized receipts.** Although your payment card eliminates the need to file paper claims, the IRS requires that your charges be verified. Always save your itemized receipts in case they are required to confirm a purchase or for tax purposes.



Use your card at approved merchants

Your card has been programmed to work only at merchant locations that are designated as health care merchants based on their merchant category code.

Examples of qualified merchants include doctor's offices and hospitals. The card should only be used to pay for eligible medical expenses, and you should always save your receipts showing the member responsibility after insurance has paid or an insurance explanation of benefits EOB.

You will not be able to use your payment card at locations that are not approved health care merchants. Visit optumfinancial.com for a list of approved merchants.

For qualified purchases at locations that are not approved health care merchants, you can pay with other means, then submit a request for reimbursement through your online account.

Using your account

Online account features

Our online participant portal puts account information and health education tools at your fingertips.

- Get account balance
- View payment card charges
- Enter a request for reimbursement
- View reimbursement requests
- Read important messages
- View reimbursement schedule
- Use helpful tools
- Find answers to frequently asked questions

Optum Financial mobile app

We offer a secure, interactive mobile application for Android and iOS devices.

- View account balance, account alerts and transaction history
- View all claims, claims requiring action and claims details
- Submit a new claim
- Receive important account alerts
- Tap to call customer service
- Upload claim documentation – quick and easy way to submit receipts using your device's camera



Email and text alerts

Set up email and text alerts that notify you of important details, including transaction activity and when action is required on your account.

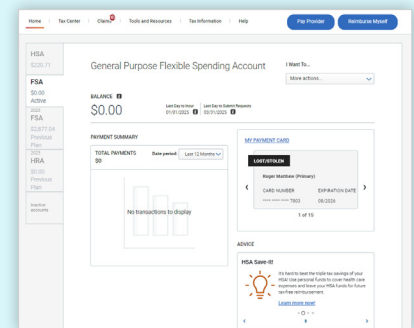
Mobile browser

We also offer a streamlined version of your online account that allows you to access your most important account information including account balances, transaction history, claim summaries, claim details and FAQs, all on your smartphone without having to download our mobile app.



Where to begin

- Go to optumfinancial.com
- Select the sign in link from the upper right-hand corner
- Sign in with your user name and password under Optum Financial.
- If it is your first time visiting the site, choose New User Registration to select your name and password



Enter a New Claim

If you pay for an expense using a personal card (not your payment card), you will need to enter a claim for reimbursement. Entering a new claim is easy.

- Sign into your online account or mobile app.
- Click to add a new request for payment or reimbursement.
- Enter the required information about your expense.
- Follow the instructions to submit your documentation.

Flexible spending account calculator

While there's no such thing as free money, an FSA can help your money go a lot further. Use this worksheet to see how much you can save.

Step 1: Estimate health care expenses

Your MCAP can cover medical, dental, or vision expenses that you would otherwise pay using personal dollars. Enter the annual amounts you spend on each expense to see how much you should contribute.

Medical, dental, vision expenses	Amount you spend
Office visit copays	
Chiropractic services	
Psychiatric services	
Medical supplies and equipment	
Laboratory or X-ray charges	
Surgical or outpatient procedures	
Hospitalization expenses	
Prescription drugs	
Eligible over-the-counter items	
Other medical expenses	
Dental deductible	
Dental Preventive visits	
Orthodontia expenses	
Other dental expenses	
Vision exam	
Glasses, contact lenses, supplies	
Other vision expenses	
Other health care expenses	
Annual MCAP election*	

Step 2: Estimate dependent care expenses

A dependent care account can cover costs for the care of your eligible dependents while you work. Enter the amounts you spend on each expense to see how much you should contribute to your dependent care account.

Dependent care expenses	Amount you spend
Day care center	
Au pair or in home care	
Nursery school	
Before-school care	
After-school care	
Elder care (if qualifying)	
Other dependent care expenses	
Annual dependent care election*	

Step 3: Calculate tax savings

Enter your total election amount and multiply it by your tax rate to estimate your tax savings.

Annual elections (MCAP+ dependent care)	
x tax rate (from table below)	
= Annual tax savings (Annual elections x tax rate)	

Annual household income	Estimated tax rate
Less than \$30,000	25%
\$30,000 – \$39,999	29%
\$40,000 – \$69,999	31%
\$70,000 or greater	33%

*Not to exceed IRS limits.

Try our online calculators

cdn.optum.com/fsa/



Eligible MCAP expense examples

There are hundreds of eligible expenses for your MCAP dollars, including prescriptions, some over-the-counter items, health insurance deductibles and coinsurance. MCAP dollars may even be used for eligible expenses for your spouse or tax dependents.

- Acupuncture
- Alcoholism treatment
- Ambulance
- Artificial limb
- Automobile modifications for a physically handicapped person
- Birth control pills
- Blood pressure monitoring device
- Braille books and magazines (above the cost of regular printed material)
- Chiropractic care
- Contact lenses and related materials
- Crutches
- Dental treatment
- Dentures
- Diagnostic services
- Drug addiction treatment
- Eye examination
- Eye glasses and related materials
- Fertility treatment
- Flu shot
- Guide dog or other animal aide
- Hearing aids
- Hospital services
- Immunization
- Insulin
- Laboratory fees
- Laser eye surgery
- Medical testing device
- Nursing services
- Obstetrical expenses
- Organ transplant
- Orthodontia (not for cosmetic reasons)
- Oxygen
- Physical exam
- Physical therapy
- Prescription drugs
- Psychiatric care
- Smoking cessation program
- Surgery
- Transportation for medical care
- Weight loss program necessary to treat a specific medical condition
- Wheelchair



Important: Only eligible medical expenses **not** covered under any other health, dental or vision plan are eligible to be paid or reimbursed from your MCAP.

Ineligible expense examples

These items are never eligible for tax-free purchase with MCAP dollars.

- Cobra premiums
- Concierge service fees (billed for future services; no treatment actually provided)
- Cosmetic surgery
- Exercise equipment
- Fitness programs
- Hair transplants
- Household help
- Illegal operations and treatments
- Insurance premiums
- Long-term care premiums
- Maternity clothes
- Retiree medical insurance premiums
- Teeth whitening

Eligible over-the-counter MCAP expense examples

Many over-the-counter (OTC) items are eligible for purchase with your account dollars.

Eligible without a prescription

Insulin, testing and other nonmedicinal health items are available without a prescription, letter of medical necessity or doctor's directive. Examples include:

- Band aids
- Birth control devices
- Braces and supports
- Catheters
- Contact lens supplies and solutions
- Denture adhesives
- Diagnostic tests and monitors
- First aid supplies
- Insulin and diabetic supplies
- Ostomy products
- Reading glasses
- Sunscreen and sun block (SPF 15+, broad spectrum)
- Wheelchairs, walkers, canes

Dual purpose items

Items that can be used for a medical purpose or for general health and well-being are considered dual purpose and are eligible only with a prescription, doctor's directive or letter of medical necessity. Examples include:

- Dietary and weight loss supplements
- Fiber supplements
- Orthopedic shoes and inserts
- Snoring cessation aid
- Vitamins and herbal supplements

Eligible with a prescription*

OTC items that contain a drug or medication require a prescription in order to be reimbursed.

Examples include:

- Acid controllers
- Allergy and sinus medicine
- Antibiotics
- Antidiarrheas
- Antigas products
- Anti-itch and insect bite
- Antiparasitic treatments
- Baby rash ointments/creams
- Cold sore remedies
- Cough, cold and flu treatments
- Digestive aids
- Feminine antifungal/anti-itch
- Hemorrhoidal preps
- Laxatives
- Motion sickness
- Pain relievers
- Respiratory treatments
- Sleep aids and sedatives
- Stomach remedies

Expenses that are not eligible

OTC items merely beneficial to general health or for cosmetic reasons are not eligible. Examples include:

- Cosmetics
- Denture supplies
- Deodorant
- Moisturizers and wrinkle creams
- Toothpaste, toothbrushes and mouthwash
- Tooth whitening products

*A "prescription" means a written or electronic order for a medicine or drug that meets the legal requirements of a prescription in the state in which the medical expense is incurred and that is issued by an individual who is legally authorized to issue a prescription in that state.

Eligible dependent care account expense examples

Dependent care account dollars cover care costs for your eligible dependents to enable you to work.

- Before-school or after-school care (other than tuition)
- Qualifying custodial care for dependent adults
- Licensed day care centers
- Nursery schools or preschools
- Placement fees for a dependent care provider, such as an au pair
- Child care at a day camp, nursery school or by a private sitter
- Late pick-up fees
- Summer or holiday day camps

Ineligible dependent care account expense examples

These items are not eligible for tax-free purchase with dependent care account dollars.

- Expenses for nondisabled children 13 and older
- Educational expenses including kindergarten or private school tuition fees
- Amounts paid for food, clothing, sports lessons, field trips and entertainment
- Overnight camp expenses
- Registration fees
- Transportation expenses
- Late payment fees
- Payment for services not yet provided (payment in advance)
- Medical care

Online and mobile tools to help you maximize your savings

Once you've opened an FSA, you have access to a number of tools and resources at optumfinancial.com, making it easy to manage your account online and use your FSA today.

Visit our website or use our mobile app

Sign in to your online account anywhere, anytime on optumfinancial.com or on the mobile app to:

- Check balances
- Track payments
- Reimburse yourself
- Upload and store receipts
- Check monthly statements
- Learn what documentation you need before submitting a claim
- Use the mobile app to access your FSA on the go and sign in using fingerprint or facial recognition.

See qualified medical expenses easily

Use the searchable list at optumfinancial.com/QualifiedExpenses to easily see what you can buy.

Manage your FSA

Find out your maximum contribution limit and calculate your yearly tax savings.

Estimate your FSA expenses

Use our FSA savings calculator to estimate your annual expenses and see how much you can save on eligible health and dependent care FSA expenses.

Frequently asked questions

How much can I contribute to my accounts?

For FY25, the IRS limits MCAP contributions to \$3,200 each year. The limit is per person; a husband and wife may each contribute up to the \$3,200 limit. The limit may be increased periodically by the IRS.

The IRS limits DCAP contributions to \$5,000 per year if you are married and filing a joint return, or if you are a single parent. If you are married and filing separately, you may contribute up to \$2,500 per year per parent.

How can I find out my account balance and review transactions?

- Visit optumfinancial.com to sign into your online account. If it is your first time visiting the site, click on the Register button to select your username and password.
- Use the Optum Financial mobile app
- Customer service is available 24 hours a day, 7 days a week at **1-866-234-8913**.

How will I be able to access my MCAP dollars?

You will receive a payment card to access your MCAP dollars. You can also pay for eligible expenses with any other form of payment and request a withdrawal from your account.

When can I request reimbursement from my MCAP?

You will have access to the dollars in your account on the first day of your plan effective date.

How will I receive my reimbursements?

You are eligible to receive reimbursements by check or direct deposit. For quicker reimbursements, sign up for direct deposit in your account at optumfinancial.com.

How much can I roll over to the next fiscal year for my MCAP account?

Employees must re-enroll in MCAP for the new plan year to qualify for the rollover benefit on October 1, 2024. Employees can roll over up to \$610 of your FY24 MCAP account to your FY25 MCAP account and still enroll up to the maximum withholding of \$3,200. At the conclusion of FY25 you will be able to roll over up to \$640 to the next fiscal year and still be able to enroll up to the maximum amount. The rollover amount will be added to your FY26 election on or after October 1, 2025.

Can I use my MCAP card for FY24 expenses after June 30?

No, only FY25 amounts are available on the payment card during July, August and September of 2024. You may submit manual receipts during July, August and September 2024, for eligible FY24 expenses incurred from July 1, 2023, through June 30, 2024.

Who do I contact if I am not sure if a product or service will be covered under MCAP or DCAP?

Use our online medical expense eligibility tool (optumfinancial.com/QualifiedExpenses) to search for products and services that are, or are not, covered under an FSA. Contact Optum Financial customer service at **1-866-234-8913** for more assistance.

What happens if I have \$700 in my FY24 MCAP on June 30?

You may turn in FY24 receipts during the run-out period of July 1 through September 30, 2024. After September 30, and if you have enrolled for FY25, up to \$610 of the FY24 money left will be rolled over and the card will be funded with this amount on or after October 1, 2024. Any remaining amounts over \$610 will be forfeited. If you did not re-enroll for FY25, any dollars remaining after September 30, 2024, will be forfeited.

What happens if I use my account for a noneligible expense?

If you file a manual request for reimbursement, the request will be denied. If you used your payment card and the expense is deemed ineligible, you will be required to reimburse your account for that transaction.

How will I know if I need to submit an itemized receipt?

You can review if your claim requires receipts online by logging into your account. You need to submit receipts if you see a notice. If a receipt or EOB is needed, you will also be notified by email or letter within a week of your payment card swipe. You should always save your receipts and EOBs even if you have not received such a notice.

What if I don't submit an itemized receipt?

You must provide an itemized receipt or EOB within the time requested, or the transaction will be deemed ineligible and you will be required to repay your account. If you fail to submit required documentation within 60 days, your payment card will be suspended. The card will remain suspended until the money is paid back or until another claim of equal or greater value is substituted (substitute claims with sufficient documentation must be submitted online or by using the mobile app).

Where can I use my MCAP payment card?

Your payment card can be used nationwide at qualified merchants, including pharmacies, doctors' offices, vision centers and hospitals. You can also shop eligible expenses online at store.optum.com. Your card should only be used to pay for medical expenses eligible under your plan, and you should always save your receipts and EOBs.

Do I need to keep my receipts when I use my MCAP card?

Yes. We may request documentation any time you use your payment card, so always hold on to your itemized receipts or your EOB. Receipts must contain the date of service, name and address of service provider, description of the service provided, amount charged, and name of person receiving the service. Nonitemized cash register tapes, credit card receipts and cancelled checks alone do not provide proper substantiation.



For more information visit [optumfinancial.com](https://www.optumfinancial.com).

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Flexible spending accounts (FSAs), dependent care assistance programs (DCAPs), health reimbursement arrangements (HRAs), Commuter and Parking Benefits, Tuition Assistance Plans, Adoption Assistance Plans, Surrogacy Assistance Plans, Wellness Benefits, and Lifestyle Accounts (collectively, "Employer-Sponsored Plans") are administered on behalf of your plan sponsor by Optum Financial, Inc. or ConnectYourCare, LLC and are subject to eligibility and restrictions. Employer-Sponsored Plans are not individually owned and amounts available under the Employer-Sponsored Plan are not FDIC insured.

This communication is not intended as tax or legal advice. Consult a legal or tax professional for advice on eligibility, tax treatment and restrictions. Please contact your plan administrator with questions about enrollment or plan restrictions.

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