MEMORANDUM

TO: All Eligible Full-Time Employees

FROM: H. Naomi Poole, Human Resources Director, Human Resources Department

DATE: November 2, 2026

RE: 2027 ASI Flexible Spending Open Enrollment

Open Enrollment for Health and Dependent Care Flexible Spending will occur on November 9th, 2026, for the plan year beginning January 1, 2026.

For employees currently enrolled, you MUST enroll online each calendar year. If you do not enroll during Open Enrollment, your current contributions will not continue into 2027.

What is a Flexible Spending Account?

A flexible Spending Account (FSA) is a tax-free account that allows you to pay for essential health care expenses that are not covered, or are partially covered, by your medical, dental, and vision insurance plans; or to pay for child/dependent care expenses. By contributing a portion of your paycheck into an FSA on a pre-tax basis, you can save from 25% - 40% on the cost of eligible expenses you are already incurring. You save money to pay for your out-of-pocket health care expenses, including prescription drug costs, medical, dental, vision, and hearing expenses, and/or your child or dependent care expenses, including daycare, babysitting, in-home care for older dependents and before and after school care expenses.

When you enroll in an FSA plan, you decide how much to contribute to the account for the entire plan year. The money is deducted from your paycheck, pre-tax (before Federal and State income taxes and FICA taxes are deducted) in equal amounts over the plan year (26 paychecks). After you incur expenses that qualify for reimbursement you submit a claim (reimbursement requests) to ASIFlex to request tax-free withdrawals from your FSA to reimburse yourself for these expenses. A debit card is also available. When you enroll in FSA, you will have 2 ½ months to incur and submit expenses with the remaining funds after the plan year ends on December 31st. If you do not use all of your funds before the end of the grace period, they will be **forfeited**.

Using the FSA to pay for expenses will reduce your out-of-pocket cost significantly. Your personal tax rate may vary, and your savings will vary, according to your net tax rate. Use

the Savings Calculator found at www.asiflex.com to estimate your savings. For additional information, please visit ASI's website at www.asiflex.com.

For the plan year beginning January 1, 2027, the maximum you can contribute to a Healthcare Flexible Spending Account (FSA) will be the minimum allowed by the IRS, which is $3,400.

For the plan year beginning January 1, 2027, you can contribute the maximum to a Dependent Care Flexible Spending account (DCFSA) $5,000 or $3,750 if married and filing a separate tax return.

Attached you will find additional information regarding flexible spending including an enrollment form that needs to be completed and returned to HR, and online enrollment instructions. You must enroll both ways. Please contact Human Resources if you have any questions regarding Healthcare and Dependent Care Flexible Spending.

Online enrollment instructions are also available.

ONLINE ENROLLMENT MUST BE COMPLETED BY 11:59 PM ON FRIDAY, NOVEMBER 20, 2025