



Mailing Address:
Des Moines, IA 50392-0002

Principal Life
Insurance Company

Debit Card Memo / IIAS

Important Debit Card Information – Changes Effective January 1, 2008

As we have been communicating, there are changes in the rules regarding the use of debit cards for Flexible Spending Account transactions. IRS Notice 2006-69 and IRS Notice 2007-2 simplify the use of the debit cards at discount stores, grocery stores and department stores that have in place an Information Inventory Approval System (IIAS) by 1/1/2008. Pharmacies will be required to have an IIAS in place by 1/1/2009.

Our card vendor, a leader in this area, is working closely with IIAS Standards Interest Group to implement the set up of the IIAS process and industry standards. This will give us the ability to offer you a top flight debit card with fewer claims to be substantiated on the backend or time spent on the phone checking on the status of those receipts. The list of retailers committed to using this system is growing and our card vendor is sharing the information with us, so that we may pass it on to you. As of September 21, 2007, some of the merchants who are committed to implementing an IIAS are attached. It is important to note that this list is not an all inclusive listing and it is likely to grow. The implementation dates are anticipated dates, however are subject to change.

It is important to share the attached IIAS Q & A and the Merchant Listing with your plan participants. Effective January 1, 2008, the participant will no longer be able to use their card at Grocery, Discount or Department Stores that do not have an IIAS in place.

If you have any questions on this process please contact your Flexible Spending Account Administrator.