



A Division of TASC

Section 125 Cafeteria Plan Summary Plan Document (SPD)

As Adopted By Employer:
EMPLOYERS RESOURCE MANAGEMENT COMPANY

This sample form Section 125 Cafeteria Plan Summary Plan Document (SPD) is an important document which should be carefully considered in light of the Employer's particular circumstances. eflexgroup, Inc. (eflex), a division of TASC, has provided this document as a sample. You should consult with Counsel regarding your use and all required modifications to this sample to protect and fit your particular needs and interests. Neither eflex nor any of its consultants, agents, representatives, or advisors are responsible for the Plan's legal or tax aspects or implications, nor the Plan's appropriateness or fitness for a particular purpose. The Employer recognizes that eflex is not engaged in the practice of law and does not provide tax advice.

Plan Information

Plan Sponsor, Plan Administrator and Agent for Legal Process:	EMPLOYERS RESOURCE MANAGEMENT COMPANY
Claims Administrator:	TASC- Total Administrative Service Corp 2302 International Lane Madison, WI 53704 877-933-3539 www.tasconline.com
Plan Year:	01/01-12/31
Employer EIN:	54-1340867
Plan Number:	501
Plan Type:	<p>Cafeteria plan under Section 125 of the Internal Revenue Code.</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> The Health FSA is a medical expense reimbursement plan described in Section 105 of the Code. <input checked="" type="checkbox"/> The DCA is a dependent care assistance plan as described in Section 129 of the Code. <input type="checkbox"/> The Adoption Assistance Account is an adoption assistance plan as described in Section 137 of the Code. <input type="checkbox"/> PRA is for the premiums that you pay for a qualified individual insurance policy that you purchase outside of any employer plan. <input type="checkbox"/> Health Savings Account (HSA) Benefits allow you to make contributions to a health savings account with pre-tax dollars.
Type of Administration:	This is a self-funded plan, administered by the Plan Administrator. The Plan also has a Claims Administrator that provides professional claims processing services.
Plan Funding:	Employees reduce their compensation in the amount necessary to pay for Benefits they elect under this Plan. The Plan Sponsor uses the reduced amount and any Employer Credits to pay Benefits from its general assets.
QMCSO Procedures:	The Plan's procedures for a Qualified Medical Child Support Order ("QMCSO") are available from the Plan Administrator.

If you have questions about the Plan, you may contact the Plan Administrator.

TABLE OF CONTENTS

Plan Information	1
Introduction	3
Benefits	3
Eligibility, Enrollment, and Participation	3
Leaves of Absence	5
Premium Benefits	6
Health Flexible Spending Account Benefits	7
Dependent Care Reimbursement Account Benefits	13
Adoption Assistance Account Benefits	16
Premium Reimbursement Arrangement Benefits	19
Health Savings Account Benefits	20
Paid Time Off Purchase Benefits	20
Paid Time Off Conversion Benefits	21
Appendix A: Additional Plan Information	22

Introduction

This Summary Plan Description ("Summary") explains the main provisions of the Plan. **Please read it carefully.** It is important to understand the Plan requirements and the Benefits it can provide for you and your family. If you have any questions after reading the Summary, please contact the Plan Administrator. The Plan is a complex legal document. This Summary is intended to serve as an easy-to-read explanation of the Plan. Although every effort has been made to make this Summary as accurate as possible, the Summary is not a substitute for the Plan document. The detailed provisions of the Plan, not this Summary, govern the actual rights and benefits to which you are or may be or become entitled.

Benefits

1. What is the purpose of this Plan?

The purpose of this Plan is to allow you to choose Benefits offered through the Plan and to pay for these Benefits using pre-tax dollars.

2. What Benefits are offered through this Plan?

This Plan offers the types of Benefits listed in Appendix A below.

Eligibility, Enrollment, and Participation

1. Who is eligible to participate in the Plan?

You are eligible to participate in the Plan if you meet the requirements for participation described in Appendix A below.

2. When am I eligible to participate in the Plan?

You can participate in the Plan as of the dates specified in Appendix A below.

3. How do I elect to participate in the Plan?

You elect to participate in the Plan by filling out an Enrollment Form in which you specify which Benefits you would like and how much of your Compensation you would like withheld for your Benefits. If you select more than one Benefit, you must indicate how much of the "Reduction Amount" should be used to pay for each Benefit.

4. What is my Reduction Amount?

Your Reduction Amount is the amount of future Compensation you agree to exchange for Benefits on your Enrollment Form.

5. When can I enroll in the Plan?

You can enroll during the following Enrollment Periods:

- **Initial Enrollment Period:** The first time you may enroll for benefits is the Initial Enrollment Period designated by the Employer following your initial eligibility for participation in the Plan as outlined in Appendix A below.
- **Open Enrollment Period:** The Open Enrollment Period is the period designated by the Employer each year in which you can elect to change and/or continue your elections for the next Plan Year.

6. What happens if I don't return my Enrollment Form?

If you fail to return your Enrollment Form, you will be deemed to have made the elections specified in Appendix A below.

7. How long does my Enrollment apply?

Your Enrollment will be binding for the Plan Year. If you begin participating in the Plan after the beginning of the Plan Year, your Enrollment will be binding for the remainder of the Plan Year. If you terminate participation, your Enrollment will terminate as of the date your participation terminates.

8. When do I have to complete a new Enrollment?

You should complete an Enrollment Form during the Open Enrollment Period prior to each Plan Year. If you fail to return your Enrollment Form, you will be deemed to have made the elections specified in Appendix A below.

9. Can I change my election during the Plan Year?

Generally, you cannot change your elections during the Plan Year. However, some Benefits may permit you to change your elections if specific circumstances occur. The circumstances which would permit you to change your election during the Plan Year are described for each Benefit below.

10. What happens if I am rehired after terminating employment?

If you are rehired within 30 days, you must either continue the same elections when you return or decline to participate in the Plan, unless one of the events permitting a change in election during the Plan Year has occurred.

If you are rehired at a later date, you must complete a new Enrollment Form if you wish to participate in the Plan.

11. When does my Participation in the Plan end?

Your participation will end if:

- You elect not to participate;
- You no longer satisfy the eligibility requirements for the Plan;
- You fail to pay contributions required by the Plan;
- You terminate employment with the Employer (there are special rules for terminating employees); or
- The Plan is terminated or amended to exclude you from eligibility.

Leaves of Absence

1. What happens if I take an unpaid leave that is covered under the Family Medical Leave Act ("FMLA leave") (if applicable)?

If you go on a qualifying unpaid FMLA leave you may revoke your health coverage or continue your health coverage by making required payments. The Employer may continue health coverage by paying the Employer's and Employee's share of the contributions. Your Employer's policy for non-FMLA leaves will apply to non-health Benefits.

2. If I continue my health coverage during FMLA leave how much am I required to pay (if applicable)?

You pay the same amount that you would pay if you were working. If you are receiving payments during the FMLA leave, such as vacation pay, your payments for this Plan will be deducted on a pre-tax basis from those payments. If your leave is unpaid, the Plan Administrator will tell which of the following options you can use to make your payments:

- Prepayment Option. Under this option you make your contributions for your Benefits prior to your leave. These payments may be made on a pre-tax basis if pre-leave Compensation is available.
- Pay-As-You-Go-Option. Under this option you make after-tax contributions for your Benefits on the same schedule as Participants who are not on leave.
- Catch-Up Option. Under this option you pay for your Benefits when you return from FMLA leave. Payments may be made on a pre-tax basis if you have Compensation available.

3. Do I have to continue all Benefits during FMLA leave (if applicable)?

No. You may choose which Benefits you want to continue during your FMLA leave, or drop coverage for all Benefits.

4. What happens if I drop coverage for Benefits during my FMLA leave (if applicable)?

You may start your Benefits again when you return to work. You may also choose to discontinue Benefits for the remainder of the Plan Year. However, you cannot otherwise change your Enrollment during or upon returning from FMLA leave unless you experience an event allowing an election change.

5. What happens if I take personal leave which is not an FMLA leave?

The answer depends on whether you are taking a paid leave or an unpaid leave:

- If you are taking a paid leave, your payments for this Plan will continue to be deducted on a pre-tax basis.
- If you are taking an unpaid leave that does not affect your eligibility you will continue to participate and will need to pay your contributions by pre-payment before going on leave, by after-tax contributions while on leave, or with catch-up contributions after the leave ends as may be determined by the Plan Administrator.
- If you are taking an unpaid leave that affects your eligibility, the rules that apply to your change of elections during the Plan Year will apply.

6. What are my rights to coverage under the Plan while I am on military service leave?

Your right to continue participation in the Plan for health Benefits during a leave of absence for active military duty is protected by the Uniformed Services Employment and Reemployment Rights Act ("USERRA"). To continue health Benefits, you will be responsible for continuing payments. You may continue coverage for the lesser of 24 months or until one day after the date you apply for or return to employment in accordance with USERRA.

For a leave of 30 or fewer days, you will be charged the normal Employee share of the health premium. For a leave of 31 days or longer, you may be required to pay the full health premium (plus administrative charges) for coverage in the same manner as COBRA coverage.

When you return to employment within the time periods specified in USERRA, you may have health Benefits reinstated if you did not maintain coverage during your leave.

You may also continue or reinstate non-health Benefits as allowed by the Employer for other types of leaves.

Premium Benefits

1. What are Premium Benefits?

If you are eligible, you can elect to make pre-tax contributions for your coverage under an eligible Employer provided plan.

2. Can I change my election for Premium Benefits during the Plan Year?

There are a number of events which may allow you to change your Enrollment mid-year:

- You may change your Enrollment if there is a "Change in Status" and the change you make complies with the "Consistency Rule."
- You may change your Enrollment if there is a "Cost Change" or "Coverage Change."
- You may change your Enrollment for "Other Events," which are generally based on legal requirements.

Any change in election must also be permitted by the Underlying Plan.

3. What is a Change in Status?

A Change In Status Event allows a Participant to revoke or change their pre-tax election during the Plan Year, and outside of the scheduled open enrollment period. The Employer allows all of the Change In Status Events published by the IRS for this type of Plan under 26 CFR 1.123-4, as amended. A Participant who becomes eligible under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") for coverage under an accident or health benefit offered by the Employer will be allowed to make a consistent election, or election change under this Plan.

Health Flexible Spending Account Benefits

1. What are Health Flexible Spending Account Benefits?

The Plan allows you to reduce your taxable income and use that amount to pay for uninsured Medical Expenses for you and your Eligible Dependents. Uninsured Medical Expenses are expenses that are not covered by insurance or other group benefits. You must be the only source of payment for the Medical Expenses. The eligible Medical Expenses and Eligible Dependents for the Plan are specified in Appendix A below.

2. During what period are Medical Expenses I incur reimbursable?

You may seek reimbursement for Medical Expenses incurred during the Plan Year and during any Grace Period specified in Appendix A below.

3. When is a Medical Expense "incurred"?

A Medical Expense is incurred when the medical care is provided, not when you are formally billed, charged or pay the expense. You cannot receive reimbursement for future or projected expenses.

4. How does participation in a high deductible Health Plan impact my ability to receive benefits under the Health Flexible Spending Account?

If you are covered by a qualifying high deductible health plan ("HDHP"), you can receive reimbursement for Medical Expenses that do not fall within the annual deductible minimum of the HDHP. There are some exceptions to this "limited" Health Flexible Spending Account such as for certain preventative care. You can contact the Claims Administrator with questions about the expenses that are eligible for reimbursement.

5. What Benefit limits apply?

Your Reduction Amount for Health Flexible Spending Account Benefits is limited to the maximum listed in Appendix A below.

6. What are my COBRA rights (if applicable)?

The Consolidated Omnibus Budget Reconciliation Act of 1986 ("COBRA") is a federal law which allows you or your Dependents to continue coverage under a group health care plan after a "qualifying event" occurs:

- A qualifying event is an event which would cause you or your Dependent to lose health care coverage under the terms of the Plan.
- Qualifying events may include your death, your termination of employment or reduction of hours, your divorce or legal separation, your entitlement to Medicare, or a Dependent child's loss of Dependent status.

You must notify the Employer of a divorce, legal separation or a child losing Dependent status under the Plan within 60 days of the event or the date coverage is lost, whichever is later. For a divorce or legal separation, you must include a copy of the divorce decree or court order. To substantiate a child's loss of Dependent status, you must include proof of age or loss of full-time student status or other applicable

documentation. You have 60 days from the date you would lose coverage for one of the reasons listed above or the date you are sent a notice of your right to elect continuation coverage, whichever is later, to inform the Plan Administrator that you wish to continue coverage.

Additional detail for continuation of the Qualified Benefits offered under this Plan are addressed in the Plan Document, SPD, or Evidence of Coverage for each component Plan.

7. How does COBRA apply to Health Flexible Spending Account Benefits (if applicable)?

Health Flexible Spending Account Benefits are considered a separate group health plan and special COBRA rules apply. COBRA is limited to the qualifying events of 'termination of employment' and 'reduction on hours'. Under the COBRA regulations, COBRA will apply for the remainder of the Plan Year if you have "underspent" your Health Flexible Spending Account when the qualifying event occurs. Continuation of coverage under COBRA is not available to you if you did not underspend your Account. The Plan Administrator will tell you how long you may continue coverage under COBRA and will provide you a COBRA Election Form. You may elect COBRA coverage as provided on the Form.

8. What does "underspent" mean (if applicable)?

"Underspent" means that when the qualifying event occurs, your unused Health Flexible Spending Account Benefits are greater than the COBRA amounts that you will be required to pay for Health Flexible Spending Account Benefits for the remainder of the Plan Year.

9. How much am I required to pay for COBRA coverage (if applicable)?

The cost is the cost of your coverage plus a 2% administrative charge.

10. Can I change my election for Health Flexible Spending Account Benefits during the Plan Year?

- You may change your Enrollment if there is a "Change in Status" and the change you make complies with the "Consistency Rule."
- You **cannot** change your Enrollment if there is a "Cost Change" or "Coverage Change."

11. What is a Change in Status?

A Change In Status Event allows a Participant to revoke or change their pre-tax election during the Plan Year, and outside of the scheduled open enrollment period. The Employer allows all of the Change In Status Events published by the IRS for this type of Plan under 26 CFR 1.123-4, as amended.

12. Can I "carry over" unspent funds?

Under the "use-or-lose-it" rule that applies to Cafeteria plans, salary reduction amounts made in one Plan Year cannot be used in a subsequent Plan Year except for any Grace Period or any permitted Health Flexible Spending Account Carryover described in Appendix A.

13. Can I receive qualified reservist distributions?

If there is ability to receive qualified reservist distributions under the Plan, details are specified in Appendix A.

14. How do I submit a claim for reimbursement?

You will be reimbursed for your eligible uninsured Medical Expenses by submitting your completed claim form to the Claims Administrator. Your claim for Benefits must include:

- The amount and date of each expense;
- The name of the person, organization or company to which the expense was paid;
- The name of the person for whom the expense was incurred and, if that person is not the Participant in the Plan, the relationship of the person to the Participant;
- The amount recovered or expected to be recovered for that expense under any insurance arrangement or other plan;
- A statement that the expense (or the portion of the expense for which reimbursement is sought under the Plan) has not been reimbursed and is not reimbursable under any other health plan coverage. If the expense is insurable, the Participant must provide an explanation of benefits ("EOB");
- Any bills, invoices, receipts, canceled checks or other statements showing the amount of the expense; and
- Any other information required by the Claims Administrator.

If you have additional questions, contact the Claims Administrator, or see Internal Revenue Service Publication 502, *Medical and Dental Expenses* understanding that is a tax publication and some rules may differ from your plan.

15. What rules apply if I submit claims for reimbursement through a debit card?

If you use a debit or stored card for payment of Medical Expenses, you must comply with the rules for the card established by the Claims Administrator, including the following rules:

- You must enter into a written agreement to certify:
 - that your card will only be used for Medical Expenses that have been incurred;
 - that any Medical Expense you pay with the card will not have been already reimbursed by any other plan covering health benefits;
 - that you will not seek reimbursement from any other plan covering health benefits; and
 - that you will obtain and maintain sufficient documentation for Medical Expenses you pay with the card.
- A card will only be issued to you upon your participation in the Health Flexible Spending Account Benefits. The card will be automatically cancelled upon your death or termination of employment, if you are no longer enrolled in the Health Flexible Spending Account Benefits or you withdraw due to a change in status, or if you use the card for impermissible expenses.
- The dollar amount of coverage available on the card is the amount you elected for the Plan Year.

- Use of the card is limited to medical care providers and certain stores allowed under IRS guidance for card payments of Medical Expenses.
- **Your use of the card for Medical Expenses is subject to substantiation to the Claims Administrator, usually by submission of an itemized statement from a medical provider or certain stores describing the product or service, the date and the amount. All charges are conditional pending confirmation and substantiation. Submission of receipts for card payments is not required for Medical Expenses that are substantiated copayment matches, certain recurring Medical Expenses, real-time substantiation of Medical Expenses at the time of sale and Medical Expenses substantiated through an inventory information approval system, if the IRS requirements for these types of substantiations are satisfied.**
- If you fail to provide the Claims Administrator with requested substantiation for a Medical Expense or if your card purchase is later determined by the Claims Administrator to not qualify as a Medical Expense, the Claims Administrator and/or Employer, in its discretion, will use one or more of the following correction methods to make the Plan whole:
 - deactivate the card until the amount of the improper payment is recovered;
 - require you to repay the improper amount;
 - if you fail to repay the improper amount, withhold the improper payment from your wages or other Compensation to the extent permitted by applicable federal or state law;
 - if the amount remains unpaid, offset future claims until the amount is repaid; and
 - if the amount continues to remain unpaid, treat the improper payment as a debt you owe to the Employer.

16. What is the deadline for submitting claims for reimbursement?

You must submit all claims for reimbursement within the timeframe specified in Appendix A. No claims submitted after that time will be reimbursed.

17. When will I find out if my claim for Health Flexible Spending Account Benefits has been approved or denied?

The Plan Administrator will notify you within 30 days from the date your claim was received if it has been approved, denied, or if additional information is required. The 30-day period can be extended to 45 days under certain circumstances.

If the Plan Administrator requests more information, you will be given at least 45 days from the date of notice to provide the specific information. If you submit the additional information within the 45-day (or longer) period, the Plan Administrator will notify you of the claims determination within 15 days from the date the Plan Administrator received the additional information.

18. What happens if my claim for Health Flexible Spending Account Benefits is denied?

If your claim is denied, in whole or in part, you will be provided with a written notice containing the following information:

- The reason(s) why the claim or a portion of it was denied;
- Reference to Plan provisions on which the denial was based;

- If the denial was based on any internal rules, guidelines or protocols, a statement that you may request a copy of the rule, guideline or protocol. The information will be provided free of charge;
- What additional information, if any, is required to perfect the claim and why the information is necessary; and
- What steps you may take if you wish to appeal the decision, and a statement that after you follow the Plan's internal review process for your appeal, you may file an action in federal court under Section 502 of ERISA, if you disagree with the Plan's decision on the appeal.

19. How do I appeal a denial of Benefits?

If you dispute a denial of benefits, you may file an appeal within 180 days of receipt of the denial notice. This appeal must be in writing and must contain the following information:

- Your name and address;
- Your reasons for making the appeal; and
- The facts supporting your appeal.

The appeal will be answered in writing within 60 days, stating whether it has been granted or denied. The claim review will be subject to the following rules:

- The claim will be reviewed by an appropriate named fiduciary of the Plan, who is neither the individual who made the initial denial nor a subordinate of that individual.
- The review will be conducted without giving deference to the initial denial.

20. What happens if my appeal is denied?

If the appeal has been either partially or completely denied, you will be provided with a written notice containing the following information:

- The specific reasons for the appeal denial.
- Reference to the specific Plan provisions on which the denial is based.
- A statement that you may request reasonable access to and copies of all documents, records and other information relevant to your appealed claim for benefits. The information will be provided to you without charge.
- If the appeal denial was based in whole or in part on any internal guidelines or protocols, a statement that you may request a copy of the guideline or protocol. The information will be provided to you without charge.
- A statement regarding your right to bring an action under Section 502(a) of ERISA.

You may not begin any legal action, including proceedings before administrative agencies, until you have followed these procedures and exhausted the opportunities described under these claims procedures. If any of the claims procedures outlined above are not followed, you will be deemed to have exhausted the opportunities described under these procedures and may pursue legal action at any time. You may, at your own expense, have legal representation at any stage of these review procedures. These review procedures shall be the exclusive mechanism through which determinations

of eligibility and benefits may be appealed. If, after following the review process outlined here, you are not satisfied with the result, then you must file any legal action within 180 days of receiving the final review notice under these procedures.

21. What are my rights under ERISA?

Plan Participants who have Health Flexible Spending Account Benefits are entitled to certain rights and protections pursuant to the Employee Retirement Income Security Act of 1974 ("ERISA"). The Employer and Plan Administrator intend to comply fully with ERISA. If you have a question about the Plan, how it is run and how it affects you, you should contact the Plan Administrator.

Receive Information About Your Plan and Benefits

ERISA provides that all Plan Participants shall be entitled to:

- Examine without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts, and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan is required by law to furnish each Participant with a copy of this summary annual report.
- Continue health care coverage for yourself, spouse or Dependents if there is a loss of coverage under the Plan as a result of a qualifying event. You or your Dependents may have to pay for such coverage. Review this Summary Plan Description and the documents governing the Plan on the rules governing your COBRA continuation coverage rights.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries. No one, including your Employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the

materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision concerning the qualified status of a medical child support order, you may file suit in Federal Court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance With Your Questions

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

Dependent Care Reimbursement Account Benefits

1. What are Dependent Care Reimbursement Account Benefits?

The Plan allows you to reduce your taxable income and use that amount to pay all or part of your Dependent Care Expenses. Dependent Care Expenses are the expenses you incur for the care of a Dependent so that you or your spouse can be employed.

2. What are Dependent Care Expenses?

- Dependent Care Expenses include amounts paid to persons who provide care for Dependents. Expenses most likely to qualify are day care centers, nurseries, babysitters and companions for Dependents who are incapable of caring for themselves.
- Education or the transportation costs for a Dependent are not eligible Dependent Care Expenses. The purchase of tangible goods also does not qualify as an eligible Dependent Care Expense.
- Please note that you cannot receive reimbursement for Dependent Care Expenses under this Plan and receive a tax credit for federal taxes for the same expenses. Also, the reimbursement of Dependent Care Expenses under this Plan reduces the amount of Dependent Care Expense eligible for the tax credit. Please consult a tax advisor to determine which option would be best for you.

3. Who are Dependents?

Dependent Care Expenses will be covered for the care of the following Dependents:

- A child under the age of 13 whom you claim as a Dependent for federal income tax purposes;
- Your Dependent for federal income tax purposes who is physically or mentally unable to care for herself or himself; or

- Your spouse if the spouse is physically or mentally unable to care for herself or himself.

If you were divorced, legally separated, or lived apart from your spouse during the last 6 months of a calendar year, you may be able to claim reimbursement for Dependent Care Expenses under the Plan even if you do not claim the child as a Dependent for federal income tax purposes.

If you have additional questions, contact the Claims Administrator or see Internal Revenue Service Publication 503, *Child and Dependent Care Expenses*.

4. Does my spouse have to be employed?

For expenses to be treated as Dependent Care Expenses, your spouse (if you are married) generally must be employed. However, if your spouse is incapacitated or is a full-time student, the expenses to care for your Dependents may be considered eligible Dependent Care Expenses.

5. Who can provide dependent care?

Generally, any individual or dependent care center may provide dependent care services which qualify as Dependent Care Expenses. However, dependent care may not be provided by:

- A Dependent of the Participant;
- The Participant's spouse; or
- A child of the Participant under age 19 at the end of the year in which expenses are incurred.

Dependent care can be provided in or outside of your home. However, the dependent care provided outside your home is limited to a Dependent who is:

- A child under the age of 13 whom you claim as a Dependent for federal income tax purposes; or
- Any individual who is defined as a Dependent by this Plan and who spends at least eight hours a day in your home.

In addition, if you send a Dependent to a day care center that cares for more than six individuals, that day care center must comply with all applicable state and local laws.

6. What Benefit limits apply?

You are limited to the Reduction Amount which you elect in your Enrollment election for Dependent Care Reimbursement Account Benefits. The Reduction Amount cannot exceed the lesser of either your or your spouse's yearly earnings. Also, the total Dependent Care Reimbursement Account Benefits provided under this Plan during the Plan Year or calendar year to a participant cannot exceed \$5,000. (A married participant filing separately is limited to a benefit of \$2,500.)

If you are eligible for Dependent Care Reimbursement Account Benefits because your spouse is a full-time student or is incapacitated, there are additional limits. In those cases, Benefits are limited to:

- \$250 a month if there is only one Dependent; or

- \$500 a month if there is more than one Dependent.

7. During what period are Dependent Care Expenses reimbursable?

Dependent Care Expenses are incurred when the services are provided and not when you are billed, charged or pay for the Dependent Care Expenses. You may seek reimbursement for Dependent Care Expenses incurred during the Plan Year and during any Grace Period following the Plan Year specified in Appendix A below.

8. How do I submit a claim?

You will be reimbursed for your Dependent Care Expenses by submitting to the Claims Administrator the following information:

- The amount and date of the expense;
- The name and Social Security number or other taxpayer identification number of the person, organization or company to which the expense was paid; and
- Any bills, invoices, receipts or statements showing the amount of the expense.
- Any other information requested by the Claims Administrator.

Claims should be submitted on the proper form provided by the Claims Administrator.

9. What is the deadline for submitting claims for reimbursement?

You must submit all claims for reimbursement within the timeframe specified in Appendix A. No claims submitted after that time will be reimbursed.

10. Can I change my election for Dependent Care Reimbursement Account Benefits during the Plan Year?

There are a number of events which may allow you to change your Enrollment mid-year:

- You may change your Enrollment if there is a "Change in Status" and the change you make complies with the "Consistency Rule."
- You may change your Enrollment if there is a "Cost Change" or "Coverage Change."
- You may change your Enrollment for "Other Events," which are generally based on legal requirements.

11. What is a Change in Status?

A Change In Status Event allows a Participant to revoke or change their pre-tax election during the Plan Year, and outside of the scheduled open enrollment period. The Employer allows all of the Change In Status Events published by the IRS for this type of Plan under 26 CFR 1.123-4, as amended.

12. What options are available in the event of a Coverage Change?

You can change your election if your need for Dependent Care Reimbursement Account Benefits changes.

13. Can I "carry over" unspent funds?

No. Under the "use-or-lose-it" rule that applies to Cafeteria plans, salary Reduction Amounts contributions made in one Plan Year cannot be used in a subsequent Plan Year except for any Grace Period specified in Appendix A below.

14. What if I terminate my employment during the Plan Year?

You cannot receive reimbursements for more than you have contributed to your Dependent Care Reimbursement Account at any time. If you have amounts in your Dependent Care Reimbursement Account that are unused as of termination of employment, you can request reimbursements up to that amount for eligible Dependent Care Expenses incurred during the remainder of the Plan Year.

Adoption Assistance Account Benefits

1. What are Adoption Assistance Account Benefits?

The Adoption Assistance Account Benefits allow you to reduce your Compensation and use pre-tax funds to pay for your Eligible Adoption Expenses.

2. What kinds of adoptions qualify?

Three kinds of adoptions are eligible for tax-favored reimbursement through the Adoption Assistance Plan. These are:

- **Domestic Adoptions.** In a domestic adoption, an eligible child is any individual who, at the time the expenses are paid or incurred, is under the age of 18 or is physically or mentally incapable of caring for himself or herself. Amounts are reimbursable the year in which the Adoption Expenses are paid. A domestic adoption does not have to be finalized in order to qualify for Adoption Assistance reimbursements.
- **Foreign Adoptions.** Reimbursement for Adoption Expenses for an international adoption is available only when the adoption is considered "final." A final adoption occurs when a foreign-born child receives one of four different types of "Immediate Relative" (IR) visas from the Immigration and Naturalization Service (INS). In general, depending on the IR category, the adoption is final in the tax year in which either the country of origin entered the adoption decree or when the adoptive parents' home state recognizes the adoption decree. Any expenses incurred before the year the adoption is finalized are treated as being paid in the year the adoption is finalized.
- **Special Needs Children.** To qualify as a child with special needs, the state must have determined that: (a) the child cannot or should not be returned to the parents; and (b) due to special factors, the child cannot be placed without adoption assistance. In addition, the child must be a citizen or resident of the United States. Examples of such special factors include a child's ethnic background, age, membership in a minority or sibling group, medical condition or disability.
- The full dollar cap (\$13,570 for 2017) is available to adoptive parents who adopt a child with special needs, even if the adoptive parents do not incur any expenses. However, these "deemed expenses" are not treated as having been incurred until the year the adoption is finalized.

3. What are "qualified" Adoption Expenses?

Qualified Adoption Expenses include, but are not limited to, reasonable and necessary adoption fees, court costs, attorney fees, traveling expenses (including amounts spent for meals and lodging) while

away from home and other expenses directly related to, and whose principal purpose is for, the legal adoption of an eligible child.

4. What kinds of expenses are not qualified?

Qualified Adoption Expenses do not include those that:

- violate state or federal law;
- are for a surrogate parenting arrangement;
- are for adopting a stepchild;
- are paid using funds received from a local, state or federal program or other source; or
- are allowed as a credit or deduction under another federal income tax rule.

5. When are reimbursements for Adoption Expenses excluded from an adoptive parent's gross income?

Reimbursements for qualified Adoption Expenses that are reasonable and necessary expenses directly related to a legal adoption can be excluded from gross income. There are two limitations on the amount of any excludible reimbursement, a dollar cap and an income limitation. In addition, for Adoption Assistance Benefits to be excludable, the benefits must meet the Section 137 plan qualification requirements and IRS nondiscrimination requirements.

Any unsubstantiated expenses or excess reimbursements are treated as taxable income.

6. How does the dollar cap work?

Under Code Section 137, Adoption Expenses may be reimbursed on a tax-favorable basis up to a specified cap (\$13,570 for 2017) which is adjusted annually for inflation. This cap applies to each eligible adoption, regardless of how many years it takes to adopt the child. It is not an annual limit. If a child is adopted after other unsuccessful adoption attempts, the other unsuccessful attempts are counted toward the cap for the successful adoption.

The same cap applies regardless of whether a married couple, an unmarried couple or a single individual adopts a child. This means that an unmarried couple that adopts a child must apply the dollar cap to their combined expenses.

7. How does the income limitation work?

There are specified limitations which are indexed for inflation for favorable tax treatment for individuals over specified gross income amounts. (For 2017, benefits are limited for individuals with adjusted gross income in excess of \$203,540 and completely phased out for individuals with adjusted gross income in excess of \$243,540.)

8. During what period are Adoption Assistance Expenses reimbursable?

You may seek reimbursement for Adoption Assistance Expenses incurred during the Plan Year and during any Grace Period following the Plan Year specified in Appendix A below.

9. How do I submit a claim for reimbursement?

To be reimbursed for your eligible Adoption Assistance Expenses submit your completed claim form to the Claims Administrator. Your claim for Benefits must include:

- The amount and date of the expense;
- The name of the person, organization or company to which the expense was paid; and
- Any bills, invoices, receipts or statements showing the amount of the expense.
- Any other information requested by the Claims Administrator.

10. What is the deadline for submitting claims for reimbursement?

You must submit all claims for reimbursement within the timeframe specified in Appendix A. No claims submitted after that time will be reimbursed.

11. Can I change my election for Adoption Assistance Benefits during the Plan Year?

There are a number of events which may allow you to change your Enrollment mid-year:

- You may change your Enrollment if there is a "Change in Status" and the change you make complies with the "Consistency Rule."
- You may change your Enrollment if there is a "Cost Change" or "Coverage Change."

12. What is a Change in Status?

A Change In Status Event allows a Participant to revoke or change their pre-tax election during the Plan Year, and outside of the scheduled open enrollment period. The Employer allows all of the Change In Status Events published by the IRS for this type of Plan under 26 CFR 1.123-4, as amended. A Participant who becomes eligible under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") for coverage under an accident or health benefit offered by the Employer will be allowed to make a consistent election, or election change under this Plan.

13. Can I change my election if the cost changes?

Yes. You may change your election if you experience a change in cost.

14. Can I "carry over" unspent funds?

No. Under the "use-or-lose-it" rule that applies to Cafeteria plans, Benefits from a Plan Year cannot be used in a subsequent Plan Year except for any Grace Period specified in Appendix A below. For the adoption of a foreign child or a child with special needs, the deemed qualified Adoption Assistance Expenses are treated as having been incurred in the year the adoption is finalized, so special care must be taken to ensure that the Reduction Amounts and the finalization of the adoption occur in the same year.

Premium Reimbursement Arrangement Benefits

1. What are Premium Reimbursement Arrangement Benefits?

You can elect to allocate pre-tax contributions for reimbursement of Premium Reimbursement Expenses.

2. What are Premium Reimbursement Expenses?

Premium Reimbursement Expenses are the premiums that you pay for an individual insurance policy that you purchase. Employer provided insurance plans do not qualify. Coverage offered through the Marketplace, (a state or federal plan under the Affordable Care Act), does not qualify. The individual insurance policy must be determined by the Administrator to be a "Qualified Benefit" before the beginning of the Plan Year, or, if you are a new Participant, before the effective date of your participation in the Plan. Premiums eligible for reimbursement are for a period in which you were a covered Participant under this Plan. The following individual plans can be covered under the Premium Reimbursement Arrangement Benefit:

- Health insurance or HMO coverage for health expenses
- Dental insurance
- Eye care insurance
- Medicare premium
- Medigap or Medicare Supplemental premium
- Tricare premium
- Accidental death and dismemberment insurance
- Long-term or short-term disability insurance

You can contact the Claims Administrator with any questions about Qualified Benefits.

3. How do I receive reimbursement?

If you elect to participate, you will have to take certain steps to be reimbursed for eligible premiums. You will need to complete a claim form and submit to the Claims Administrator a statement from the insurance carrier indicating that you have paid the Qualified Premium Reimbursement Expenses for which you are requesting reimbursement. If the Employer is forwarding your premium directly to the carrier you must submit a statement or invoice from the carrier indicating the amount of the premium and the period of coverage. You are responsible for any coverage that you lose for failure to pay a premium if your Reduction Amount election is insufficient to cover the premium amount.

The amount of your reimbursement cannot exceed your Reduction Amount to date, reduced by prior reimbursements. If the amount available in your Premium Reimbursement Arrangement Account is less than your claim amount, the excess part of the claim will be carried over into the following pay cycles to be paid as your balance can cover it (provided you are still eligible for the Plan).

4. During what period are Premium Reimbursement Expenses reimbursable?

You may seek reimbursement for Qualified Premium Reimbursement Expenses during the Plan Year and any Grace Period specified in Appendix A below.

5. What is the deadline for submitting claims for reimbursement?

You must submit all claims for reimbursement within the timeframe specified in Appendix A. No claims submitted after that time will be reimbursed.

6. Can I change my election for Premium Reimbursement Arrangement Benefits during the Plan Year?

There are a number of events which may allow you to change your Enrollment mid-year:

- You may change your Enrollment if there is a "Change in Status" and the change you make complies with the "Consistency Rule."
- You may change your Enrollment if there is a "Cost Change" or "Coverage Change."

7. What is a Change in Status?

A Change In Status Event allows a Participant to revoke or change their pre-tax election during the Plan Year, and outside of the scheduled open enrollment period. The Employer allows all of the Change In Status Events published by the IRS for this type of Plan under 26 CFR 1.123-4, as amended. A Participant who becomes eligible under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") for coverage under an accident or health benefit offered by the Employer will be allowed to make a consistent election, or election change under this Plan.

8. Can I "carry over" unspent funds?

No. Under the "use-or-lose-it" rule that applies to Cafeteria plans, Benefits from a Plan Year cannot be used in a subsequent Plan Year except for any Grace Period specified in Appendix A below.

Health Savings Account Benefits

1. What are Health Savings Account Benefits?

The Plan lets you elect to make contributions on a pre-tax basis, from your regular pay, to a Health Savings Account for payment of certain medical expenses. Your Health Savings Account, if you elect to have one established, is maintained by a separate financial institution. The Employer's involvement will be limited to transmitting your contributions.

2. Can I change my election for Health Savings Account Benefits during the Plan Year?

Yes. You are permitted to change your election for Health Savings Account Benefits at any time and for any reason as long as the change is made prospectively and takes effect no sooner than the beginning of the month following the election change. Any change that meets these requirements can be made including increasing, decreasing, beginning or eliminating contributions.

Paid Time Off Purchase Benefits

1. What are Paid Time Off Purchase Benefits?

You may elect to receive additional paid time off in addition to your regular paid time off days by reducing your Compensation. You may elect to purchase paid time off of the types permitted by the Employer up to the maximum established by the Employer.

2. When must Paid Time Off Purchases be made?

You must elect to purchase additional time off at the time and in the manner determined by the Plan Administrator. No purchases will be permitted during the Plan Year even in the event of an Election Change Event.

3. When can I use my purchased Paid Time Off?

Actual use and scheduling of purchased paid time off days is subject to staffing requirements and approval of the Employer and any other applicable Employer policies. Any paid time off days purchased will be considered only after you have completely used your regular paid time off days.

4. What if I do not use my Paid Time Off Purchase Benefits during the Plan Year?

You may be permitted to elect to receive payment for your unused purchased off days, provided that you receive payment for unused paid Time off prior to the end of the Plan Year in which you purchased the additional paid time off. Any amounts not used or cashed out by the end of the Plan Year are forfeited.

Paid Time Off Conversion Benefits

1. What are Paid Time Off Conversion Benefits?

You may elect to increase your Benefits under this Plan by electing fewer paid time off days as permitted in the Employer's paid time off policies.

2. When does the Conversion occur?

Paid time off conversion is credited when the converted paid time off is accrued under the Employer's paid time off policies. Once a paid time off day is converted, it cannot be bought back.

3. Can I change my election for Paid Time Off Conversion during the Plan Year?

No. An election to convert your paid time off cannot be changed during the Plan Year.

Appendix A: Additional Plan Information

1. Benefits offered in this Plan.

This Plan offers the following types of Benefits:

- POP Benefits allow you to pay your contributions to eligible plans provided by the Employer with pre-tax dollars.
- Health FSA Benefits allow you to pay uninsured medical expenses with pre-tax dollars.
- DCA Benefits allow you to pay dependent care expenses with pre-tax dollars.
- Adoption Assistance Account Benefits allow you to pay adoption expenses with pre-tax dollars.
- PRA Benefits allow you to pay for premiums for qualified insurance policies you own with pre-tax dollars.
- Health Savings Account Benefits allow you to make contributions to a health savings account with pre-tax dollars.
- Paid Time Off Purchase Benefits allow you to receive paid time off days by reducing your Compensation.
- Paid Time Off Conversion Benefits allow you to increase the Benefits under this Plan by electing fewer paid time off days.

2. Eligibility requirements for participation in the Plan.

Eligibility for participation in this Plan is limited to the following classes of Employees:

Varies by your Employer. Please contact your Human Resources for Eligibility requirements

3. Deemed elections for Employees who fail to return an Enrollment Form.

Employees who fail to return a validly completed Enrollment Form, either during an Initial Enrollment Period or during an Open Enrollment Period, will be deemed to have made the following elections:

- It will be assumed that the Employee wants to participate in the POP Benefits to pay for contributions for eligible Employer-provided plans on a pre-tax basis. A renewal of Enrollment will be adjusted for any increase or decrease in the contribution amounts.
- It will be assumed that the Employee does not want to participate in any other Benefits.

4. Time period for submitting claims.

Participants who terminate mid-year have:

- 90 days from the date of termination to submit eligible services incurred prior to date of termination.
- ___ days from the date of termination to submit eligible services incurred prior to date of termination.

Otherwise, you have 90 days from the end of the plan year to submit claims for Benefits incurred within the Plan Year.

5. Grace Period.

- Unused benefits or contributions of employees can be paid or reimbursed to plan participants for qualified benefit expenses incurred through: 12/31 .

Does not apply.

6. Eligible Dependents for Health FSA Benefits.

You may receive reimbursement for Medical Expenses under the Health Flexible Spending Account Benefits for anyone who qualifies as an eligible Dependent under IRS regulations. This includes but is not limited to your lawful spouse and child, legally adopted child, child placed for adoption, step-child, and a child who is an alternate recipient under a qualified medical child support order. This coverage generally continues up to the end of the year in which a child attains age 26 and may continue beyond the date for a child who is physically or mentally disabled. You can contact the Claims Administrator with specific questions about Dependent eligibility.

Other:

7. Eligible Medical Expenses for Health Flexible Spending Account Benefits.

Eligible Medical Expenses are amounts that you, your spouse or your eligible Dependents incur for items listed in Code Section 213(d) that are not covered by insurance or other group benefits and are not claimed as a tax deduction. These are expenses for:

- The diagnosis, cure, medication, treatment or prevention of disease, affecting any structure or function of the body;
- Transportation primarily for and essential to that medical care; or
- Expenses incurred for a medicine or drug only if it is a prescribed drug (even if it is available without a prescription) or is insulin.

Medical Expenses do not include expenses for long-term care services or any premium paid for medical or long-term care coverage. Covered Medical Expenses do not include expenses incurred merely for the beneficial health of you or your Dependents rather than for therapeutic treatment of a medical condition. For instance, vitamins or dietary supplements that are not taken to treat a specific medical condition will not be covered by the Plan. Cosmetic surgery is not a covered Medical Expense.

Examples of Medical Expenses are:

- Physical examinations;
- Eye examinations for the purpose of prescribing, fitting or changing eyeglasses or contact lenses;
- Prescription eyeglasses and contact lenses;
- Obstetric and gynecological examination and care;
- Hospital services;
- Nursing services;
- Medical laboratory services;
- Surgery that serves a therapeutic purpose;
- Items and services in connection with the care, treatment, filling, removal or replacement of teeth;
- Orthodontia;
- Medical supplies (e.g., bandages, crutches, contact lens supplies, etc.);
- Prescription drugs;

- Over-the-counter medicine and drugs provided under a prescription by a medical provider (over-the-counter medicine and drugs, except insulin, are not reimbursable without a prescription);
- Psychiatric services;
- Artificial limbs;
- Ambulance hire; and
- Blood units

You can contact the Claims Administrator with specific questions about eligible Medical Expenses.

Restrictions apply to the Health FSA Benefits as follows:

8. Maximum Participant reductions for Health Flexible Spending Account Benefits.

The maximum benefit amount for the Health FSA is: \$2,600* Other _____

* **Health Care Reform legislation restricts FSA employee contributions to \$2,600 per individual (unless lower amount is elected by employer).**

9. Health Flexible Spending Account Carryover

- You may carryover \$500 or _____ of unused Health FSA Benefits from one Plan Year for use in the next Plan Year.
- Does not apply.

10. Qualified reservist distributions.

- None.**
- All of the following:**
- **What are qualified reservist distributions?** Qualified reservist distributions are distributions of unused benefits from the Health Flexible Spending Account portion of the Plan. These distributions are not made to reimburse Medical Expenses.
 - **Who is eligible for qualified reservist distributions?** Qualified reservist distributions are available only to a Participant who is a member of a "reserve component" as defined in section 101 of title 37 of the United States Code who, by reason of being a member of a reserve component, has been ordered or called into active duty for (i) 180 days or more or (ii) an indefinite period. This includes a member of the Army National Guard; U.S. Army, Navy, Marine Corps, Air Force, or Coast Guard Reserve; Air National Guard of the United States, or the Reserve Corps of the Public Health Service.
 - **How do I apply for qualified reservist distributions?** To request qualified reservist distributions you must complete the forms provided by the Administrator. This will include submitting a copy of your order or call to active duty. You must make your request after your call-up date and before the end of the Plan Year or Grace Period following the Plan Year.
 - **When are qualified reservist distributions to be made?** Qualified reservist distributions are made within 60 days after you submit a valid request.
 - **What limits on qualified reservist distributions apply? Qualified reservist distributions for Health FSA Benefits less the Benefits you received up to the date of the qualified reservist distribution cannot exceed:**

- the amounts contributed to your Account as of the qualified reservist distribution
- the amount elected for the Plan Year
- **What additional limitations and requirements may apply?** All qualified reservist distributions are subject to the requirements of the Heroes Earnings Assistance and Relief Tax Act of 2008 ("HEART Act"). The Administrator may impose additional requirements and limitations to comply.

11. Employer Credits

- None.**
- Employer Credits provided under the Plan can be elected to be used for [fill in specific benefits if limited] Benefits under the Plan but cannot be elected to be received in cash:
- Employer Credits provided under the Plan can be elected to be used for these benefits and can be elected to be received in cash:

Please describe any limitations on receipt in cash: