TECH FLEX PLAN LETS YOU TAKE ADVANTAGE OF A LEGAL TAX BREAK.
Welcome!
Employee Benefits Corporation is employee-owned. As owners, the priority of each of our team members is to contribute to our customers’ success. We do this by sharing a wealth of technical expertise, providing exceptional administration and exercising creative plan design.

This Summary Plan Description (SPD) will help you understand how the BESTflexSM Plan works and how it saves you money. Your full involvement plays a vital role in this process, so it is important that you read it completely.

You can e-mail us at ebconline@ebcflex.com or call us at 800 346 2126 with your feedback, suggestions or questions.

Sincerely,

The Employee Benefits Corporation Team

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<tr>
<th>My Company Plan</th>
<th>My Company Plan contains:</th>
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<tbody>
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<td>A. Company Plan Dates, including the date your Company started its BESTflex Plan (Original Plan Date) and the start and end dates of your Company’s current BESTflex Plan (My Company’s Plan Year)</td>
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The BESTflex Plan and Employee Benefits Corporation

The BESTflex Plan is an IRS-approved health care benefit plan that provides special tax-free spending accounts. Based on your health care expenses that are not covered by regular health insurance and your dependent care expenses, you choose how much of your pay to place in these accounts.

When your gross pay is taxed, the money you elected to place into the BESTflex Plan is not counted as taxable income so you pay less taxes. Each time you pay out of pocket for an eligible expense, you submit a claim and the BESTflex Plan reimburses you.

About Employee Benefits Corporation
Employee Benefits Corporation provides your Company with benefits administration services.

We are not your insurance carrier. We manage your Company’s BESTflex Plan and process your claims for certain out-of-pocket expenses.

Additional Benefits with the BESTflex Plan
Quick reimbursement turnaround time
We issue checks and direct deposit transactions daily. Your check can be mailed to you or deposited into your bank account.

Comprehensive reports
You receive 24-7 access to personal account information on our web site, www.ebcflex.com.

Participant service
Participant Service is available at 800 346 2126, Monday – Friday, 8:00 – 5:00 CST

Understanding My Company Plan

My Company Plan, the appendix to this document, describes the specific details of your Company’s BESTflex Plan. Use the information in My Company Plan to aid in completing your enrollment.

How The BESTflex Plan Saves You Money

Without the plan: Let’s say you make $3,000 a month. Taxes take 30%, leaving you $2,100 in take-home pay. If your medical expenses are $100 a month and your daycare expenses are $400, your take-home is $1,600 a month.

With the plan: You put $100 for medical expenses and $400 for daycare into the BESTflex Plan, leaving you $2,500 as your taxable monthly income. After taxes, that leaves you $1,750 in take home pay, a net gain of $150 a month or $1,800 a year.

You pay less taxes and pocket the difference.

Note: The salary and tax example below is a broad approximation of tax liability. You should consult a tax advisor for help with your own situation. Current IRS tax laws control all BESTflex Plan matters.
**How Do I Enroll In the BESTflex Plan?**

Enrollment in the BESTflex Plan lasts for one plan year, which usually consists of twelve calendar months or less.

During a specific period of time prior to the start date of the plan year, called the Enrollment Period, you complete your enrollment. To complete your enrollment, you determine your election, the amount you’d like withheld from your pay in the upcoming plan year. A deadline for enrollment is established by your employer.

Companies can choose one of many enrollment methods. Regardless of the type your employer chooses, you decide how much of your pay to place in the Flexible Spending Account(s) that applies to you.

**To enroll:**
1. Choose the FSA(s) that best fits your needs: the Health Care FSA and/or the Dependent Care FSA; you can use the worksheet in this booklet to help you estimate your expenses
2. Estimate how much money you expect to spend over the length of the plan year for expenses covered by that account, then divide the amount by the number of paychecks in your Plan Year
3. Total the amounts for each FSA to determine the amounts you’d like withheld from each of your paychecks

Note: Your annual amount will be rounded down if it isn’t evenly divisible by the number of paychecks. ($1,200 ÷ 24 = $50.00; no rounding down; $1,200 ÷ 26 = $46.15; rounded down to the nearest penny)

If you are newly hired and would like to enroll in the BESTflex Plan mid-year, please refer to My Company Plan for eligibility information.

**Using Your Plan How Am I Reimbursed For Expenses?**

When you incur a medical or daycare expense during the plan year, you send a Reimbursement Form to Employee Benefits Corporation. If you choose to participate, you can find the form in Getting Started With The BESTflex Plan.

1. Complete a Reimbursement Form
2. Sign and date the form
3. Photocopy the Reimbursement Form and its supporting invoices, receipts and Explanation of Benefits (EOB), and mail or fax them to Employee Benefits Corporation. Your documentation must include a description of the product or service to be reimbursed.

An expense is incurred at the point of sale, not when the expense is billed or paid. You may submit claims for expenses incurred within the plan year and you have up to 90 days after the end of the plan year to request reimbursement.

Expenses incurred before your plan effective date are not eligible.

Note: The IRS does not recognize personal checks or credit card statements as valid proof of an expense.

**Direct Deposit Saves You Time!**

Employee Benefits Corporation can deposit your BESTflex Plan reimbursement checks directly into your bank account, saving you from having to make a trip to the bank to deposit the checks yourself. Because you’re responsible for paying the reimbursement amount to your health care or daycare provider, direct deposit makes it easier for you to pay these bills. Once you’ve enrolled in the BESTflex Plan, you’ll receive a Direct Deposit Authorization Form. Simply fill out the form and mail or fax it to us to use this convenient service.
The BESTflex Plan

In Detail

The BESTflex Plan is made up of three parts, with each part covering different types of expenses.

1. Group Insurance Premium Payments

Your employer already withholds money from each of your pay checks to pay for your medical or other group insurance premiums. With the BESTflex Plan, this withholding becomes an automatic, pre-tax deduction unless you notify your employer otherwise.

2. Health Care Flexible Spending Account (FSA)

You use your Health Care FSA for out-of-pocket, unreimbursed medical, vision, and dental expenses incurred by you, your spouse or your eligible dependent(s). You decide how much pre-tax money to put into this account. Use the Employee Worksheet (p. 13) to help you estimate your eligible expenses for the Plan Year.

This FSA is not available if you participate in a Health Savings Account (HSA).

Your election amounts are divided by the number of paychecks in your Plan Year and your employer withholds that amount from each paycheck. When appropriate, your employer sends that withholding to Employee Benefits Corporation to be deposited into your account.

Note: Your annual amount will be rounded down if it isn’t evenly divisible by the number of paychecks. ($1200 ÷ 24 = $50.00: no rounding down; $1200 ÷ 26 = $46.15: rounded down to the nearest penny)

You can spend money from your Health Care FSA anytime during the plan year, whether the money has already been withheld from your paycheck or not. So, a large expense incurred early in the plan year can be reimbursed soon after you incur it, and the balance is then withheld from your paychecks throughout the plan year. Estimate the total amount you want withheld during the plan year. Although the IRS prohibits returning unused dollars to you, careful planning can alleviate forfeitures.

Additional important information regarding the Health Care FSA is located later in this booklet. Please refer to:

Two Important IRS Rules this page.

What happens if I don’t use all of the money in my FSAs by the end of the plan year? on p6.

Health Care FSA Grace Period on p7.

Events For Which You May Change Your Enrollment Elections on p8.

Note: Internal Revenue Code, Section 213, defines expenses for “medical care” as amounts paid for “the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body.” Employee Benefits Corporation reimburses you for all eligible expenses as defined within the parameters of the law.

3. The Dependent Care Flexible Spending Account (FSA)

You use your Dependent Care FSA for daycare expenses that are incurred for the care of your child(ren) or other eligible dependents. You (and your spouse, if you are married) must work or be a full-time student to use this account. As with the Health Care FSA, you decide how much pre-tax money to put into this account. Your employer withholds that amount from your pay and sends it to Employee Benefits Corporation, where it is deposited into your account. We reimburse you from this account.

The Dependent Care FSA differs from the Health Care FSA in that you can only be reimbursed for the amount of an incurred expense that is available in your account when you request reimbursement. Your current balance is the maximum reimbursement you can receive. If you pay for daycare expenses and send in your Reimbursement Form in advance, you are not paid until after the daycare service has been provided.

You should carefully estimate the total amount of pre-tax money you want withheld for the plan year. If any money is left over, IRS rules prohibit returning it to you.

Additional important information regarding the Dependent Care FSA is located later in this booklet. Please refer to:

Two Important IRS Rules this page.

What happens if I don’t use all of the money in my FSAs by the end of the plan year? on p6.

Note: You cannot apply the Federal Tax Credit for dependent care expenses to the amount you spend in this account.

Two Important IRS Rules

There are two very important IRS rules that you must follow to use the BESTflex Plan:

1. You cannot cancel your participation in the BESTflex Plan or change the amount of your payroll withholding during the plan year unless certain events occur

2. You must use all of the money in each of your FSAs by the end of the plan year or Grace Period. Any amount left over cannot be returned to you or carried over to the next plan year (unless a Grace Period has been added to your plan); funds remaining in your FSA must be returned to your employer. This is an IRS rule.

Using the FSAs effectively means carefully estimating your expenses. This ensures you use up the money in your accounts by your plan year’s or Grace Period’s end.
The BESTflex Plan vs. the Federal Income Tax Credit for Daycare

The BESTflex Plan vs. the federal tax credit?
A. The BESTflex Plan saves tax dollars on every paycheck, while the tax credit makes you wait until after the year ends.
B. You can turn your BESTflex Plan check over to the daycare provider and avoid an out-of-pocket payment.
C. Many participants not only save on federal taxes, but in many states save on state and local taxes as well.

Expenses that ARE NOT eligible for reimbursement in the Dependent Care FSA:
A. Schooling (Preschool is generally not schooling).
B. Overnight camps.
C. Health care expenses.
D. Services provided by a person whom you or your spouse could claim as a deduction on your tax return or any of your children who are under age 19.
E. Meals, supplies and materials.

Using IRS Form 2441
You are required to report both your federal tax credit and the BESTflex Plan dependent care pre-tax expenses, whichever applies, on IRS Form 2441. It is an attachment to your federal income tax return. Also on Form 2441, you are required to list the name, address and tax identification number of your daycare provider.

Contact Employee Benefits Corporation or your accountant if you have questions.

Note: Expenses for services from daycare centers that have more than six individuals may be reimbursed only if the center complies with all state and local rules.

Expenses that ARE eligible for reimbursement in the Dependent Care FSA:
A. Charges for daycare services outside your home for a “qualifying child” who is under the age of 13 and depends on you (and your spouse, if you are married) for at least half of his or her support, does not have his or her own dependents, and is not a “qualifying child” of any other taxpayer during the year.
B. Charges for care outside of your home for your spouse, dependent adult or child who is mentally or physically incapable of caring for himself or herself and has the same principal place of abode; the spouse or dependent must spend at least 8 hours of each day in your house.
C. You may be reimbursed for expenses to provide care in your home to the individual(s) described above if the services are, at least in part, for the care of your dependent so you (and your spouse, if you are married) may work; the expenses include wages paid to the service provider, but not expenses such as food or clothing.

Can I spend the money in my FSAs at any time during the plan year?
The IRS allows you to spend the entire annual amount you put into the Health Care FSA at any time during the plan year. You could, for example, get reimbursed for an expense equaling your entire annual contribution in the first month of the plan year, even though most of the money has not yet been withheld.

The Dependent Care FSA is different. You may use the money in this FSA only after it has been withheld from your paycheck and the expense has been incurred.

Frequently Asked Questions

How do I file for reimbursement?
After the open enrollment period ends, your employer gives participants a “Getting Started With The BESTflex Plan” booklet. This booklet contains a Reimbursement Form. Reimbursement Forms are also available for download from www.ebcflex.com.

Do I have to use all three accounts of the BESTflex Plan?
No. You can use one or all parts of the BESTflex Plan, depending upon which accounts apply to your situation.

Can I decide not to use the BESTflex Plan at all?
Yes. If you decide not to use the plan, sign and date the part of the Enrollment Form marked, “NO, I do not want to participate:” and return it to your employer.

Note: If you choose not to participate, you cannot enroll in the plan until the following plan year, unless you experience a qualifying event.

Can I cancel or change the amounts I decide to put in my FSAs or my premium contribution?
You cannot cancel or change these amounts during the plan year unless your situation changes.
Can I transfer funds between different BESTflex Plan accounts?
No. For example, unused funds that have been deposited into your Health Care FSA cannot be transferred to your Dependent Care FSA to pay for daycare expenses.

What happens if I don’t use all of the money in my FSAs by the end of the plan year?
The IRS requires that any money you do not use be returned to your employer. It cannot be returned to you or carried over to the next plan year. Your employer often uses the money to pay for the cost of administering the BESTflex Plan. If, near the end of the plan year, you have not spent all of the money in your FSAs, you should look for other eligible expenses, on which you can spend the unspent portion. For example, any money left in your Health Care FSA could be used for a pair of prescription eye glasses or contact lens solution.

Can I spend the money in my FSAs anytime during the plan year?
The rules for the Health Care FSA are different than those for the Dependent Care FSA. The IRS allows you to spend the entire annual amount that you put into the Health Care FSA at any time during the plan year. You could, for example, get reimbursed for an expense equaling your annual contribution in the first month of the plan year, even though most of the money has not yet been withheld.

The Dependent Care FSA is different. You may use the money in this FSA only after it has been withheld from your paycheck and the expense has been incurred.

What if I terminate employment or lose eligibility during the plan year?
For the Health Care FSA: If you terminate or lose eligibility, you can only submit claims for expenses incurred prior to your termination date. You have the standard 90-day runout period after your termination date.

For the Dependent Care FSA: If you terminate or lose eligibility, the contributions to your plan stop. You can continue to submit eligible expenses for daycare through the end of the plan year; however, you cannot contribute additional dollars after your termination date.

Note: The Health Care FSA grace period does not apply to participants who terminate or lose eligibility before the end of the plan year.

To receive reimbursement for expenses incurred after your termination date, you must elect Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) continuation, which may require after-tax contributions to the plan.

For mid-plan year rehires or other questions, please contact your Human Resource Department or Employee Benefits Corporation.

Note: While all expenses must be incurred during the plan year, you have a 90-day runout period after the plan year ends to request reimbursement for those expenses.

Can I transfer funds between different BESTflex Plan accounts?

No. For example, unused funds that have been deposited into your Health Care FSA cannot be transferred to your Dependent Care FSA to pay for daycare expenses.

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Note: The Health Care FSA grace period does not apply to participants who terminate or lose eligibility before the end of the plan year.

To receive reimbursement for expenses incurred after your termination date, you must elect Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) continuation, which may require after-tax contributions to the plan.

For mid-plan year rehires or other questions, please contact your Human Resource Department or Employee Benefits Corporation.

Note: While all expenses must be incurred during the plan year, you have a 90-day runout period after the plan year ends to request reimbursement for those expenses.
Use-it-or-Lose-it rule still applies, but not until the end of the grace period. This gives you a total of 14-1/2 months (the 12-month plan year plus the 2-1/2 month grace period) to use the amounts in your Health Care FSA. The grace period will always end on the 15th day of the month.

You don’t need to do anything to gain the benefit of the 2-1/2 month grace period. If you incur expenses and submit timely claims for them during the grace period, the claims will first be reimbursed from any amount that remains in your current Health Care FSA. Once that account is exhausted or the grace period ends, you will be reimbursed for health care expenses from the amount that you elected to place in your Health Care FSA for the following year.

Caution: This Health Care FSA grace period does not change the 90-day runout period for submitting claims for reimbursement. You still have only 90 days after the end of the plan year to be reimbursed for health care expenses incurred during that plan year, including the related 2-1/2 month grace period. This change does not affect the Dependent Care FSA.

Dependent Care FSA amounts not used during the 12-month plan year will be forfeited. But the 90-day runout period for submitting claims still applies.

Please refer to your copy of My Company Plan to see if this amendment applies to you.

Note: The Health Care FSA Grace period does not apply to participants who terminate or lose eligibility before the end of the plan year.

Dependent Definitions

A “dependent,” someone who can have tax-favorable coverage under a health plan (including a Health Care FSA), is defined as either a “qualifying child” or a “qualifying relative” as described below.

A “qualifying child” is someone who:

A. Is a child, stepchild, brother, sister, stepbrother, stepsister, a grandchild, an adopted child or an eligible foster child of the taxpayer;
B. Is not yet 19 or is a student who is not yet 24 by the end of that year or is permanently and totally disabled at any time during the year;
C. Has the same principal place of abode as the taxpayer; and
D. Has not provided more than half of his/her own support in that year;

Note: a student for this purpose must be a full-time student for at least 5 calendar months during the year.

A “qualifying relative” is someone who:

A. Is a child, stepchild, brother, sister, stepbrother, stepsister, a grandchild, an adopted child or an eligible foster child of the taxpayer;
B. Is not yet 19 or is a student who is not yet 24 by the end of that year or is permanently and totally disabled at any time during the year;
C. Has provided more than half of his/her own support in that year; and
D. Has the same principal place of abode as the taxpayer for more than half of the relevant calendar year.

Note: A child who is supported by his/her parent but lives with another relative, such as an aunt or uncle, would no longer be a dependent of the taxpayer (but could be a dependent of the relative).
Dependent Care FSA
The definition of a “qualifying individual” for purposes of a Dependent Care FSA is described below.

A “qualifying individual” is someone who:
A. Has not attained age 13 and is a “qualifying child,” as defined above, for purposes of health plans
   1. Does not have his/her own dependents
   2. Is not a “qualifying child” of any taxpayer during the year
B. Is a dependent who is physically or mentally incapable of caring for himself or herself and who has the same principal place of abode as the taxpayer for more than half the year (unless the relationship violates local law); or
C. Is the spouse, is physically or mentally incapable of caring for himself or herself and has the same principal place of abode as the taxpayer for more than half the year (unless the relationship violates local law).

Dependants in Cases of Divorce
Special rules apply to determine what parent has a dependent child in the case of divorce, legal separation or the parents living apart. In general, the custodial parent is the parent with whom the child resided for the longest period of time or the greatest number of nights during the year.

Health Care FSA
For purposes of the Health Care FSA, the custodial parent with the right to the tax exemption may claim the child as a dependent. A child may be treated as the dependent of both parents when certain requirements are met.

In the case of the Health Care FSA, it can be the non-custodial parent if three requirements are met:

The three requirements are:
1. More than half of the child’s support during the year comes from one or both parents
2. The child is in the custody of one or both parents for more than half of the year
3. The child qualifies as a “qualifying child” or “qualifying relative” of one of the parents

Dependent Care FSA
For purposes of the Dependent Care FSA, the custodial parent with whom the child resided for the greatest number of nights may use this benefit. If the child resided with both parents for the same number of nights, the parent with the highest adjusted gross income may use this benefit.

Events for Which You May Change Your Enrollment Elections
The IRS may allow you to change the amounts you set aside in your FSAs during the year, but only in the case of certain events. If one of the following events applies to you, inform Employee Benefits Corporation or your employer as soon as possible. Changes must be made within 30 days of the event and can only be made prospectively.

4. Dependent eligibility - events that cause your dependent to satisfy or cease to satisfy the requirements for coverage due to attainment of age, student status, or any similar circumstance as provided in the plan covering you
5. Residence - events that cause a change in your, your spouse’s, or your dependent’s place of residence and result in the gain or loss of eligibility under the plan; does not apply to the Health Care FSA

B. HIPAA Special Enrollment Event results in an election change corresponding with the special enrollment rights provided under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) to individuals who lose other health insurance coverage or become the spouse or dependent of an employee through birth, marriage or adoptions.
How does the BESTflex Plan affect your tax return?

When you receive your W-2 form at the end of the year, the gross amount of your income shown on the form is your gross income minus the amount withheld by your employer under the BESTflex Plan. This is the amount you use for gross income when you fill out your tax return. Your income tax is lower because it is based on a smaller gross income.

C. Court Order Event results in your election change corresponding to a court order regarding health coverage of your child. This event only applies to health, dental, and vision insurance or the Health Care FSA. You must be able to show that other coverage exists before you can drop coverage.

D. Entitlement to Medicare or Medicaid Event results in enrollment by you, your spouse, or your dependent and allows a decrease or cancellation of health coverage under the plan. Losing entitlement of Medicare or Medicaid may allow you, your spouse, or your dependent to increase or enroll in health coverage under the plan. This applies only to health plans that are subject to HIPAA.

E. Change in Cost Event results when a provider under Group Insurance Premiums or the Dependent Care FSA increases or decreases the cost of coverage. Your premium payments for insurance may automatically increase or decrease by the corresponding amount as a result. If you are enrolled in the Dependent Care FSA, you must submit a Qualifying Event Election Change Form. If the service provider changes rates but is a relative, election changes can not be made during the plan year. This event does not apply to the Health Care FSA.

F. Addition or Elimination of a Benefit Option results if the employer offers or ceases to offer a benefit package option. Participants may elect to add or revoke their election with respect to only that benefit. If there is a curtailment of coverage, a participant may elect alternative coverage but may not revoke their election. This event does not apply to the Health Care FSA.

G. Change in Coverage Under Any Employer’s Plan results when the employee’s, spouse’s, or the dependent’s employer increases coverage, decreases coverage, or ceases coverage. This event allows participants to make or revoke an election change under the plan. Changes corresponding to new or waived elections can also be made during open enrollment under the other employer’s plan. This event does not apply to the Health Care FSA.

H. COBRA Events: Participants may increase their pre-tax contributions under the employer’s plan for coverage if a COBRA event occurs with respect to the employee, the employee’s spouse, or the employee’s dependent. Plans must be covered by COBRA or similar state continuation rules for these events to apply. The individual covered by COBRA must still qualify as a tax dependent of the employee to allow for pre-tax treatment of contributions.

I. Loss of Other Coverage Under A Governmental or Educational Institution Plan: Participants may make new elections under a health plan when you, your spouse, or your dependent lose coverage under a governmental or institutional plan. This event does not apply to the Health Care FSA.

J. HSA Contributions: You may start, stop, increase or decrease your HSA contributions at any time during the plan year, as long as the election change is prospective (i.e., after the request for the change is received). All changes become effective on the first of the month.

Contributions During Unpaid Family, Medical or Military Leave

If you are on unpaid leave under the federal Family and Medical Leave Act of 1993, but you elect to continue participation in Group Insurance premiums or the Health Care FSA of the BESTflex Plan, your employer may obtain your plan contributions for the leave period by having you either:

A. Formulate, adopt, issue, and apply the BESTflex plan. This includes, but is not limited to:

   1. Formulating, adopting, issuing, and applying procedures, rules and changes
If your appeal is denied, you will receive a written receipt of the appeal. The appeal is decided no later than 60 days from the receipt of the claim. You may be relevant to the appeal of your claim. Your notice of any information and documents that Employee Benefits Corporation provides you with your claim.

If, for reasons beyond the control of Employee Benefits Corporation, the claim cannot be decided within this 30-day period, Employee Benefits Corporation has an additional 15 days to review the claim, as long as you are notified of the delay within the original 30-day window.

If your claim is denied, you will receive a written notice citing the specific reasons for the denial and the plan provisions on which it is based. You are also provided with a description of any additional documents or material you might need to complete an incomplete claim.

If your claim has been denied for any reason, you have 180 days to submit a written appeal, detailing why you feel your claim should have been paid, to Employee Benefits Corporation. You may also provide any additional documentation you feel is relevant. Your appeal is decided by someone individual, who made the initial determination of your claim.

Employee Benefits Corporation provides you with notice of any information and documents that may be relevant to the appeal of your claim. Your appeal is decided no later than 60 days from the receipt of the appeal.

If your appeal is denied, you will receive a written notification of the “adverse benefit determination on review” with the reason(s) for the denial and the plan provisions on which it is based.

**Cobra Continuation Coverage**

Cobra continuation coverage is a continuation of Health Care FSA coverage when coverage would otherwise end because of a life event known as a “qualifying event.” If the appeal denial is based on any internal rule, guideline, protocol or other criterion, this rule, guideline, etc. is provided to you, free of charge, upon your request. You may obtain from Employee Benefits Corporation any relevant information regarding your claim. You also have the right to sue in federal court under ERISA (Employee Retirement Income Security Act of 1974).

If you have any questions about your rights under ERISA, you should contact the nearest office of the Employee Benefits Security Information, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Information, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210.

**Assignment of Benefits**

You cannot assign your plan benefits to anyone else. The plan will not reimburse anyone other than you or your estate for covered expenses.

**Continuation of Coverage Pursuant to Cobra**

If your employer normally has at least 20 employees and is not a governmental entity or a church-controlled entity, COBRA may apply to your Health Care FSA. If COBRA applies and you, your spouse, or your dependent lose coverage due to a qualifying event, then you, your spouse, or your dependent may elect to continue coverage, subject to the limitations described in the section entitled “COBRA continuation coverage is a temporary continuation of coverage.”

If you are the spouse of an employee who is covered by his or her employer’s Health Care FSA, you will become a qualified beneficiary if you lose coverage under the FSA because of any of the following qualifying events and were covered the day prior to the event:

- Your hours of employment are reduced, causing you to no longer be eligible for the Health Care FSA or your premium to increase for the same plan; or
- Your employment ends for any reason other than your gross misconduct.

If you are an employee covered by your employer’s Health Care FSA, you will become a qualified beneficiary if you lose coverage under the FSA due to one of the following qualifying events and were covered the day prior to the event:

- A. Your hours of employment are reduced, causing you to no longer be eligible for the Health Care FSA or your premium to increase for the same plan; or
- B. Your employment ends for any reason other than your gross misconduct.

If an employee drops his/her spouse from coverage in anticipation of divorce or other qualifying event before it actually happens, the ex-spouse must still be provided with COBRA notification. When the divorce or other qualifying event becomes final, the employer must be notified so the notification can be sent.

Your dependent children will become qualified beneficiaries if they will lose coverage under the plan as a result of any of the following qualifying events:

- A. Your hours of employment are reduced, causing you to no longer be eligible for the Health Care FSA or your premium to increase for the same plan; or
- B. Your employment ends for any reason other than your gross misconduct.

COBRA Continuation Coverage

COBRA continuation coverage is a continuation of Health Care FSA coverage when coverage would otherwise end because of a life event known as a “qualifying event.” Specific qualifying events are listed here in this notice. COBRA continuation coverage must be offered to each person who is a “qualified beneficiary.” Qualified Beneficiaries (QBs) are individuals who have the same rights as active employees on the group health plan. QBs are generally employees, employees’ spouses and employees’ dependents, who were covered by the group health plan on the day prior to a COBRA qualifying event. QBs are also children who are born or adopted by the covered employee during the COBRA continuation period. These children must be added to the plan within 30 days of their birth or adoption. The newborn or adopted child will remain covered only for the period of time the other family members continue to be covered.
events and were covered under the plan the day prior to the event:
A. The parent-employee dies
B. The parent-employee's hours are reduced, causing the child to no longer be eligible for the same group health plan(s) or the child's premium to increase for the same group health plan(s)
C. The parent-employee's employment ends for any reason other than his/her gross misconduct
D. The parent-employee becomes enrolled in Medicare Part A, Part B or both
E. The parents become divorced or legally separated; or
F. The child stops being eligible for the coverage under the plan as a "dependent child."

**COBRA continuation coverage is a temporary continuation of coverage.**

Generally, COBRA continuation coverage under your employer's Health Care FSA will only be available, if at all, until the end of the Plan Year in which a qualifying event occurs. This is because of an exception under federal law that limits COBRA continuation coverage for most Health Care FSA.

If this exception applies and you have overspent your FSA account when a qualifying event occurs, your employer is not required to offer you COBRA continuation coverage.

You have “overspent” your Health Care FSA if the amount that remains in your FSA is less than the COBRA premium amount that your employer can charge you for your continued Health Care FSA coverage.

You will only be offered COBRA continuation coverage that lasts through the end of the Plan Year if you have not overspent your Health Care FSA on the date the qualifying event occurs.

Generally, if COBRA continuation coverage is available to you, it will only be available until the end of the Plan Year in which a qualifying event occurs.

COBRA continuation coverage rules regarding maximum continuation coverage periods of 18 months or 36 months (depending on the qualifying event) will not be applicable. COBRA continuation rules regarding second qualifying events, which can extend those coverage periods, will also generally not be applicable.

**Notification of qualifying events and paying for COBRA continuation coverage**

COBRA continuation coverage will be offered to qualified beneficiaries only after your employer has been notified that a qualifying event has occurred. When the qualifying event is the end of employment or reduction in hours of employment, the death of the employee, or enrollment of Medicare (Part A, Part B or both), your employer must notify you, your spouse, and dependent(s) of the qualifying event.

- A. Within 30 days of any of these events; or
- B. Within 30 days following the date on which coverage ends

For all other listed qualifying events, you must notify your employer within 60 days after the qualifying event occurs. Failure to notify your employer may result in Health Care FSA continuation coverage being unavailable.

Once your employer receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to the qualified beneficiaries. For each qualified beneficiary who elects COBRA continuation coverage, COBRA continuation coverage will begin:

- A. On the date of the qualifying event; or
- B. On the date the group health plan coverage would otherwise have been lost.

COBRA notices will be sent to the employee's last known address. Under the law, you have 60 days from the later of:

- A. The date you would lose coverage due to one of the above listed qualifying events; or
- B. The date the COBRA election notice is provided to notify your employer that you want to continue coverage.

Qualified beneficiaries that are incapacitated or die may have the legal representative, the estate or spouse make the election. Elections are considered received on the date that they are mailed. The postmark on the envelope will be used as verification. If you do not choose continuation coverage on a timely basis (within 60 days), you will not be able to enroll in the Health Care FSA continuation plan.

If you choose continuation coverage, your employer is required to give you coverage that, at the time it is being provided, is identical to the coverage period under the plan to similarly situated employees or family members. If your employer were to change its Health Care FSA in any way, your continuation coverage would also reflect the new changes.

Each qualified beneficiary in a family may make separate, independent elections. A separate election simply means that family members can pick and choose coverage they wish to continue. COBRA regulations do not allow multiple plans to be continued under the same coverage. An example of what is not allowed would be taking two single health policies instead of the QB & Spouse or Family health plan. The covered employee or spouse may elect for all dependents.

Under the law, you may have to pay all or part of the premium for your continuation coverage. The initial premium payment has a grace period of 45 days from the date of the COBRA continuation coverage election. Coverage will not be reinstated until payment has been made. Premiums are normally due on the first of the month and will be stated in your COBRA notification. There is a grace period of at least 30 days for payment of the regularly scheduled premium. Payment is considered made on the day it was mailed. Verification will be the postmark date on the envelope.

Under federal regulations, the employer can charge the COBRA continuation participants up to 102% of the premium to help offset the administration costs. Participants who have made separate elections during the disability extension can only be charged up to 102% of the premium.

**Keep Your Plan Informed of Changes**

In order to protect you and your family's rights, you should keep your employer informed of any changes in address, marital status, or a child's status as a dependent under the group health plan's policy.

**Statement of ERISA Rights**

As a Participant in the BESTflex Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Participants are entitled to:

A. Examine, without charge, all documents of the BESTflex Plan and copies of all documents filed by the BESTflex Plan with the U.S. Department of Labor, such as annual reports and Plan descriptions
B. Obtain copies of all documents of the BESTflex Plan and other information regarding the
BESTflex Plan upon written request; there is a reasonable charge for copies.
C. Receive a summary of the BESTflex Plan's annual financial report

In addition to creating certain rights for participants, ERISA imposes duties upon the people who are responsible for the operation of the BESTflex Plan. The people who operate your BESTflex Plan, called fiduciaries of the BESTflex Plan, have a duty to do so prudently and in the interest of you and other BESTflex Plan participants and beneficiaries. No one may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA. If your claim for a benefit under the BESTflex Plan is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have your employer review and reconsider your claim.

Under ERISA, there are steps you can take to enforce the above rights:
A. If you request materials from the BESTflex Plan and do not receive them within 30 days, you may file suit in federal court. In such case, the court may require your employer to provide the materials and pay you up to $100 a day until you receive the materials, unless the materials were not sent because of reasons beyond the employer's control
B. If you have a claim of benefits that is denied or ignored in whole or in part, you may file suit in a state or federal court
C. If you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or you may file suit in federal court. The court will decide who should pay 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 have any questions about the BESTflex Plan, you should contact your employer or Employee Benefits Corporation. If you have any questions about this Summary Plan Description or about your rights under ERISA, you should contact the nearest office of the Employee Benefits Security Information, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Information, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210.

If your plan is not subject to ERISA, the statement of ERISA Rights is not applicable.

Summary of Privacy Practices
Please refer to the complete Privacy Notice provided by your employer for a complete description of privacy practices.

What is Protected Health Information?
Whenever a health provider treats you, protected health information (PHI) is created. Health information may be written (medical billings), spoken (physicians discussing x-rays), or electronic (bills saved on computer discs).

How does Employee Benefits Corporation use PHI?
The most common use of PHI by Employee Benefits Corporation is for the payment of claims. Information received with your reimbursement request includes a third-party provider statement. The information on the statement is used to verify the date the service was provided, the type of service provided, the name of the provider, and the charges for the service. This information is used only for claims payment purposes.

Protecting your PHI is very important to Employee Benefits Corporation. As a participant in our benefit plans, you are trusting us with your private information. Be assured that this information will be kept confidential.

Questions or Concerns
Please contact your employer's privacy officer. You may also contact Employee Benefits Corporation's Director of Compliance 800 346 2126.

Termination of the BESTflex Plan
Your employer reserves the right to modify or terminate the BESTflex Plan any time. You will be advised of any such change.

The Complete Plan Document
This is a summary of the BESTflex Plan. The complete Plan Document is available from your employer. (If there is any inconsistency between this summary and the complete Plan Document, the Plan Document is the most accurate resource.)

For More Information
Contact Employee Benefits Corporation if you have any questions about your BESTflex Plan.

How to contact Employee Benefits Corporation
There are several different ways you can contact Employee Benefits Corporation:

By Phone:
Monday - Friday, 8:00 - 5:00 CST
Local: 608 831 8445
Toll Free: 800 346 2126

By Fax:
608 831 4790

By US Mail:
Employee Benefits Corporation
P.O. Box 44347
Madison, WI 53744-4347

By E-mail:
ebconline@ebcflex.com

On the web:
www.ebcflex.com

What can I do on Employee Benefits Corporation's web site?
1. Access your account balance
2. Find out when your reimbursement check was issued
3. Download forms
4. Update your personal information
5. Obtain a detailed account history

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This worksheet will help you estimate the expenses for you, your spouse, and eligible dependents. Transfer the plan year total for each section to the Enrollment Form in order to participate.

**Group Insurance Premiums**

If you participate in your employer’s insurance plan(s), your premiums are deducted from your pay pre-tax unless you notify your employer otherwise.

**My BESTflex Plan Accounts**

Your annual amount will be rounded down if it isn’t evenly divisible by the number of paychecks. ($1000 ÷ 50 = $20.00: no rounding down; $1000 ÷ 52 = $19.23: rounded down to the nearest penny)

If you establish a Health Savings Account (HSA), you may only enroll in the Limited Health Care FSA, which can only reimburse you for eligible dental, vision and preventative expenses and the Dependent Care FSA

**My Plan Dates** (Refer to “My Company Plan” Eligibility section)

<table>
<thead>
<tr>
<th>My Effective Start Date</th>
<th>My Plan Year (from mm/yyyy to mm/yyyy)</th>
<th># Payroll Deductions From My Effective Start Date to End Of Plan Year</th>
</tr>
</thead>
</table>

**Examples of eligible Health Care FSA expenses:**

**DENTAL SERVICES**

$___ Crown/Bridges
$___ Dental X-Rays
$___ Dentures
$___ Exams/Teeth Cleanings
$___ Extractions
$___ Fillings
$___ Gum Treatments
$___ Oral Surgery
$___ Orthodontia/Braces

**INSURANCE-RELATED ITEMS**

$___ Copays
$___ Coinsurance
$___ Deductibles

**LAB EXAMS / TESTS**

$___ Blood Tests
$___ Cardiograms
$___ Diagnostic Fees
$___ Laboratory Fees
$___ Spinal Fluid Tests
$___ Urine/Stool Analyses
$___ X-Rays

**MEDICATION**

$___ Insulin
$___ Prescribed Birth Control
$___ Prescribed Vitamins*
$___ Prescription Drugs (including co-pays)*

**OVER-THE-COUNTER MEDICINE**

Over-the-counter medicines, drugs, or dietary supplements to treat a specific medical condition.

$___ Allergy Medicines
$___ Antihistamines
$___ Analgesics
$___ Antacids
$___ Anti-Diarrhea Medications
$___ Anti-Itch Medications
$___ Anti-Nausea Medications
$___ Aspirin
$___ Prescribed Foot Creams and Powders
$___ Cold Sore Remedies
$___ Cough Drops
$___ Cough Syrups
$___ Decongestants
$___ Eye Drops
$___ Fever Reducers
$___ First Aid Cream (Bactine, special diaper rash ointments, calamine lotion, bug bite medication, wart remover treatments)
$___ Digestive Tract Relief Medications
$___ Flu and Cold Medications
$___ Hemorrhoidal Medications
$___ Laxatives
$___ Lice and Scabies Treatments
$___ Menstrual Cycle Products (for pain and cramp relief)
$___ Motion Sickness Pills
$___ Muscle / Joint Pain Relievers
$___ Nasal Sinus Sprays
$___ Nicotine Gum / Patches
$___ Pain Relievers
$___ Pedialyte
$___ Retin A (non-cosmetic)
$___ Rubbing Alcohol
$___ Sinus Medications
$___ Sleeping Aids
$___ Smoking Cessation Products
$___ Sore Throat Sprays
$___ Special Ointments / Cream for Sunburns
$___ Throat Lozenges
$___ Vapor Rubs
$___ Weight Loss Drugs (only to treat a specific disease)

**OTHER MEDICAL TREATMENTS/ PROCEDURES**

$___ Acupuncture
$___ Alcoholism (inpatient treatment)
$___ Chiropractor Services
$___ Drug Addiction (inpatient treatment)
$___ Hearing Exams
$___ Hospital Services
$___ Infertility
$___ In-vitro Fertilization
$___ Nonpant Insertion or Removal
$___ Pattersoning Exercises
$___ Physical Examination (not employment related)
$___ Physical Therapy
$___ Speech Therapy
$___ Sterilization
$___ Vaccinations and Immunizations
$___ Vasectomy and Vasectomy Reversals
$___ Well Baby Care
$___ Abdominal/Black Supports
$___ Ambulance Services
$___ Arches (requires doctor’s prescription)
$___ Contraceptives
$___ Counseling (except for Marriage and Family)
$___ Crutches
$___ Guide Dog (and other animal aids)
$___ Hearing Aids & Batteries
$___ Hospital Bed
$___ Insulin Supplies
$___ Learning Disability (special school/teacher)
$___ Lead Paint Removal (if not capital expense and incurred for a poisoned child)
$___ Medic Alert Bracelet or Necklace
$___ Medical Miles, Tolls, and Parking
$___ Orthopedic Shoes (cost above regular shoes)
$___ Oxygen Equipment
$___ Pregnancy Tests
$___ Pre-Natal Vitamins
$___ Prosthesis
$___ Reading Glasses
$___ Splints/Casts
$___ Support Hose (if medically necessary)
$___ Syringes
$___ Transportation Expenses
$___ Wheelchair
$___ Wigs (hair loss due to disease)

**VISON EXPENSES**

$___ Contact Lenses
$___ Contact Lens Solution
$___ Eye Examinations
$___ Eyeglasses
$___ Laser Eye Surgeries
$___ Prescription Sunglasses
$___ Radical Keratotomy/LASIK

$___ Subtotal

$___ Total Health or Limited Health FSA Election (sum of subtotals)

$___ Total Dependent Care FSA Election

$___ Total Payroll Deduction (sum of FSA Elections / # payroll deductions)

---

*Excludes drugs imported from Canada and other countries
1. **Plan Year Expenses:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Insurance Premiums</td>
<td>$</td>
</tr>
<tr>
<td>Health Care FSA</td>
<td>$</td>
</tr>
<tr>
<td>Dependent Care FSA</td>
<td>$</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$(A)</td>
</tr>
</tbody>
</table>

2. **Marginal Tax Bracket:**

   (% paid in Federal, FICA, State taxes, as applicable):

   Consult your tax advisor if unsure of the correct amounts

   $ (B)

3. **Plan Year Tax Savings Using BESTflex Plan***:

   \[ A \times B = \]$ (C)

   Electing to pay for eligible medical expenses would only cost you because you would save* by participating in the BESTflex Plan

   $ (A - C)

   $ (C)

4. **Per Paycheck Tax Savings Using the BESTflex Plan:**

   \[
   \frac{(C)}{\text{number of pay periods in Plan Year}} = $
   \]

   Let's say you make $3000 a month. Taxes take at least 30% right off the top, leaving you $2100 in take-home pay. If your medical expenses are $100 a month and your daycare expenses are $400, that leaves you $1600 a month.

   **With the BESTflex Plan, you set aside the $100 for medical expenses and $400 for daycare, leaving you $2500 as your taxable, monthly income.**

   After taxes, that leaves you with $1750 in take home pay, a net gain of $150 a month or $1800 a year.

   That's how the BESTflex Plan works.

Note: The salary and tax example shown is a broad approximation of tax liability. You should consult a tax advisor for help with your own situation. Current IRS tax laws control all BESTflex Plan matters.

*Note plan year tax savings is an illustration only.
For use with the BESTflex™ Plan and the EBC HRA®

Please Complete When Faxing:

Return Fax Number: / / 
Date (mm/dd/yyyy): / / 
No. of Pages:

To enroll in Direct Deposit, please read the Conditions of Participation below and provide the requested information in Sections A & B. Sign Section C.

Type of Transaction:
- [ ] New
- [ ] Change
- [ ] Cancel

Section A:
Please Print

First Name: ________________________
Middle Initial: _________________________
Last Name: _____________________________

Home Address: ____________________________
City: ____________________________
State: ____________________________
Zip: ____________________________

Social Security Number: ____________________________
Home Telephone Number: ____________________________
Work Telephone Number: ____________________________

Employer Name: ____________________________

Section B:
Name of Financial Institution: ____________________________
Branch: ____________________________

Account Number (from check, see illustration, right): ____________________________
Routing Number (Exactly 9 digits, from check, see illustration, right): ____________________________

Section C: Depositor Certification
I certify that I have read and understand this form. In signing this form, I authorize my BESTflex Plan reimbursements to be sent to the financial institution named above and deposited in the designated account.

Signature: ____________________________
Date (mm/dd/yyyy): / / 

Conditions of Participation:
Participants in the BESTflex Plan and EBC HRA have the option to have their authorized reimbursements deposited directly into their personal checking or savings account. It is an optional convenience called Direct Deposit. If you have any questions regarding your electronic transfers, call Participant Services at 800 346 2126 (long distance) or 608 831 8445 (local).

- If you decide to enroll in Direct Deposit, you must complete this authorization form. 
- If you are enrolled in both the BESTflex Plan and EBC HRA, both of your accounts will be updated with this Direct Deposit information.
- The agreement represented by this authorization will remain in effect from one plan year to the next. To cancel it, you must complete a new Direct Deposit Authorization Form as a cancel transaction.
- It is your responsibility to notify us immediately of any changes in your financial institution (i.e. change of account number, closure of account, etc.).
- To notify us of the change, use the Direct Deposit Authorization Form. Mark the “Change” box in the Type of Transaction entry above. We will process these changes immediately upon receipt of the form. Since changes of this type usually take four business days to complete, please plan accordingly.
- Your electronic transfer will be made directly into your account. If your financial institution cannot make this transfer within three business days of receipt, we will investigate, then issue and mail a reimbursement check to you. Until the electronic transfer problem is resolved, you will continue to receive reimbursement checks in the mail. Reinstatement of Direct Deposit will be determined on a case-by-case basis and you will be notified if it occurs.
- Your financial institution may also cancel this agreement. In such cases, you will receive reimbursement checks in the mail.

Please print.

Fill out completely and mail to:
Employee Benefits Corporation
PO Box 44347
Madison WI 53744-4347

Or Fax to: 608 831 4790