

SAINT LOUIS UNIVERSITY
FLEXIBLE SPENDING PLAN
SUMMARY PLAN DESCRIPTION

What does the University contribute?

The University pays all of the expenses of plan administration, including the services of The ConnectYourCare (or a successor claims administrator), which is responsible for benefit payments.

When can I change my benefit?

The amount of predictable expense will be relatively small (see "Benefits Payable"). Your expense is not predictable and you do not want to risk forfeiting an unused amount contributed to the plan (see "Forfeitures").

The Saint Louis University Flexible Spending Plan is intended to be a continuing part of your employee benefit program, however, the University reserves the right to amend the plan from time to time or to terminate it entirely if, in the judgment of the University, conditions warrant, permitted in keeping with Internal Revenue regulations.

ELIGIBILITY

You are eligible to enroll in the plan if you are a regular full-time member of the faculty, staff or medical resident other than a member of a collective bargaining unit (unless the collective bargaining agreement provides for coverage under the plan).

ENROLLMENT

You may enroll **within 31 days** of the date you first become eligible or within 31 days of dependent birth/adoption. You may also enroll during an annual open enrollment period. The annual open enrollment will be conducted prior to the January 1 beginning of each Plan year. ***Enrollment at any other time is not permitted except in special circumstances.*** (See "Enrolling, Changing or Discontinuing Contributions")

BENEFIT AMOUNT

In order to participate, you must complete an enrollment form (available at www.slu.edu) specifying the pre-tax amount you wish to contribute to the Flexible Spending Plan.

The annual target amount you specify will be divided by the number of pay periods in the year to determine an equal amount to be taken from each paycheck during the plan year.

The IRS maximum amount of the benefit for which you may enroll is \$2,600 each Plan Year. The minimum amount of participation is \$130 each Plan Year.

FORFEITURES

It is very important to carefully estimate eligible expenses that will not be covered by insurance in determining the amount to contribute to the plan. Tax regulations require that you forfeit any unused funds remaining in your account after reimbursement is made of all eligible expenses incurred during the plan year.

Beginning with the 2005 Plan Year, you have 14 months and 15 days to incur and submit claims for their Flexible Spending Account each plan year, beginning January 1. This means that you may incur eligible expenses and receive reimbursement until March 15 of the subsequent year. You will have up to ninety days after the end of the plan year (December 31) to claim reimbursement of eligible expenses incurred during the plan year before **remaining** balances are forfeited. All claims must be submitted no later than March 31.

BENEFITS PAYABLE

PERIOD OF COVERAGE

The period of coverage for benefits offered under the Flexible Spending plan will be for the Plan Year, beginning January 1 and ending December 31, with a 2 month and 15 day grace period (January 1 to March 15 of the subsequent year) to incur eligible expenses and receive reimbursement. In the event you become eligible after the January 1 beginning of a Plan Year, the period of coverage during such Plan Year shall be from the date of becoming a participant until the end of the first Plan Year of participation. Subsequent periods of coverage shall be for a Plan Year. A period of coverage will end on the last day of the month in which a participant dies, terminates employment, or retires.

ENROLLING, CHANGING OR DISCONTINUING CONTRIBUTIONS

Tax regulations do not permit you to enroll, change or discontinue your contribution to the Flexible Spending Plan during a Plan Year, unless there is a qualified change in your family status. In addition, any enrollment in, change in, or discontinuation of contributions must be consistent with the qualified status change.

Qualified changes in family status, which may permit enrolling, changing or discontinuing your contribution, include:

- * marriage
- * divorce
- * birth or adoption of a child
- *

CLAIMS

Participants may submit claims for reimbursement of eligible expenses for benefits as provided by the Plan at any time throughout the Plan Year and during the 2 month and 15 day grace period (January 1 to March 15 of the subsequent year).

Qualified expenses can be paid out of pocket or by using your healthcare payment card. If you pay for an expense out of pocket, enter a claim for reimbursement online at www.connectyourcare.com and also submit corresponding receipts.

If you pay for a qualified expense using your healthcare payment card, there is no need to add a new claim. You may, however, still need to submit itemized receipts for that purchase. When receipts are needed, your online account will display a notice and you will receive notification in the mail from ConnectYourCare.

For eligible expenses covered by medical insurance, attach your Explanation of Benefits (EOB). For an ineligible expense not covered by insurance or when an EOB is not available, attach an itemized bill/receipt that includes the date of service, name and address of the provider, a description of the service and the amount charges. Claims must be filed within 90 days after the Period of Coverage (end of Plan Year) which is March 31 of the following year.

ADDITIONAL INFORMATION

Plan Name: Saint Louis University Flexible Spending Plan.

Plan sponsor: Saint Louis University
3545 Lindell Blvd.
St. Louis, MO 63103

Type of Plan: Welfare benefit plan to permit pre-tax contributions to reimburse tax-deductible uninsured medical/dental expenses.

Employer Identification number: 43-0654872

Plan Number: 515

Date of End of Plan year: December 31

Agent for Service of legal process: The Plan Administrator is the agent for service of legal process with respect to all matters relating to the Saint Louis University Flexible Spending Plan. Process may be served at the address shown below.

Plan Administrator: Saint Louis University
Vice President of Human Resources
3545 Lindell Blvd.
St. Louis, MO 63103
Telephone: (314) 977-5847

The Plan Administrator has the authority to control and manage the operation and administration of the plan as outlined in the Plan Instrument.

Loss of Benefits: Benefits of this Plan will no longer be available if either of the following events should occur:

- If the participant no longer meets the previously stated eligibility requirements;
- If the entire Flexible Spending Plan terminates

Coverage will end as of the last day of the month in which either of the above events takes place.

Impact on Your Social Security Benefits: One of the purposes of this plan is to have elected contributions taken out of your pay on a pre-tax basis. That is, you do not pay federal and state income tax or FICA (Social Security

CLAIMS AND APPEAL OF DENIED CLAIMS

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of your plan. The people who operate the plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of all plan participants and beneficiaries. The plan is intended to be a continuing part of your employee benefits program. The University, however, reserves the right to amend the plan, from time to time or to terminate it entirely if, in the judgment of the University, conditions warrant.

APPENDIX

Examples of Participation Impact on Taxes

Example 1 (assumes \$1,000 of eligible medical/dental expense, \$20,000 of net taxable income, and married filing a joint tax return)

	<u>With Plan</u>	<u>Without Plan</u>
Taxable Income (after deductions)	\$20,000	\$20,000
Less Spending Plan Contribution	<u>1,000</u>	<u>0</u>
Net Taxable Income	\$19,000	\$20,000
Federal Taxes	2,850	3,000
FICA (assumes 7.65% tax all income)	1,454	1,530
State (assumes 6% tax all income)	1,140	1,200
After Tax Medical/Dental Expense	<u>0</u>	<u>1,000</u>
Remaining Disposable Income	\$13,556	\$13,270

Example 1 total change in disposable income \$286

Example 2 (assumes \$2,000 of eligible medical/dental expense, \$50,000 net taxable income, and married filing joint tax return)

	<u>With Plan</u>	<u>Without Plan</u>
Taxable Income (after deductions)	\$50,000	\$50,000
Less Spending Plan Contribution	<u>2,000</u>	<u>0</u>
Net Taxable Income	\$48,000	\$50,000
Federal Taxes	8,370	8,930
FICA (assumes 7.65% tax all income)	3,672	3,825
State (assumes 6% tax all income)	2,880	3,000
After Tax Medical/Dental Expense	<u>0</u>	<u>2,000</u>
Remaining Disposable Income	\$33,078	\$32,245

Example 2 total change in disposable income \$833