

PERALTA COMMUNITY COLLEGE DISTRICT  
EMPLOYEE FLEXIBLE BENEFIT PLAN

SUMMARY PLAN DESCRIPTION

# TABLE OF CONTENTS

## INTRODUCTION

### I PLAN IDENTIFICATION

### II ELIGIBILITY

When can I become a Participant in the Plan? .....	6
What are the eligibility requirements for the Plan? .....	6
When is my entry date? .....	6
Are there any Employees who are not eligible? .....	6
What must I do to enroll in the Plan? .....	6

### III OPERATION

How does this Plan operate?.....	6
Qualifying Medical Care Expenses .....	7

### IV CONTRIBUTIONS

How much of my pay may my Employer redirect? .....	7
How is my Compensation measured under the Plan? .....	7
What happens to contributions made to the Plan?.....	8
When must I decide which accounts I want to use?.....	8
When is the "Election Period" for the Plan? .....	8
May I change my elections during the Plan Year? .....	8
May I make new elections in future Plan Years?.....	9

V  
BENEFITS

Which Benefits are available?.....9,10

VI  
BENEFIT PAYMENTS

When will I receive payments from my accounts?..... 11  
What happens if I don't spend all of my Plan contributions?..... 11  
What happens if I terminate employment? ..... 11  
Will my social security Benefits be affected? ..... 12

VII  
HIGHLY COMPENSATED AND KEY EMPLOYEES

Do limitations apply to Highly Compensated Employees? ..... 12

VIII  
PLAN ACCOUNTING

Periodic statements ..... 13

IX  
GENERAL INFORMATION ABOUT THE PLAN

General Plan information ..... 13  
Employer information ..... 13  
Plan Administrator information ..... 13  
Service of legal process..... 13  
Type of administration..... 14  
Plan Service Provider .....14

X  
ADDITIONAL PLAN INFORMATION

Your rights under ERISA .....	14
Claims processing.....	15
Summary.....	15

## INTRODUCTION

This document is the Summary Plan Description (“SPD”) of the Peralta Community College District Flexible Benefit Plan. We have implemented this Plan in order to allow our Employees to choose to use part of their salary to pay the cost of certain Employer-sponsored Benefits with pre-tax dollars. It is intended to provide a summary of the Plan rules and Benefits offered by Peralta Community College District under IRC Section 125.

Please read this document carefully so that you fully understand the provisions of the Plan prior to enrolling as a Participant. If you do not understand any part of this document please consult your Plan Administrator and/or Plan Service Provider for additional clarification. A copy of the formal Plan Document is on file with the Plan Administrator (Peralta Community College District) and is available for your review.

One of the most important features of this Plan is that the Benefits offered are generally ones you are already paying for, but with money that has been subject to taxation. Under this Flexible Benefit Plan, these same Benefits are paid for with a portion of your pay before federal, state and social security taxes are withheld. This means you will pay fewer taxes and have more money to spend and save.

In the event there is a conflict between this Summary Plan Description and the Plan Document, the Plan Document will control. Also, if there is a conflict between an Insurance Contract and either the Plan Document or this Summary Plan Description, the Insurance Contract will control.

### I

## PLAN IDENTIFICATION

1. Plan Name: Peralta Community College District Flexible Benefit Plan
2. Type of Plan: IRC Section 125 Cafeteria Plan (Flexible Benefit Plan) including:
  - (a) Pre-tax Premium Payment
  - (b) Medical Expense Reimbursement Account
  - (c) Dependent Care Reimbursement Account
3. Plan Administrator: Peralta Community College District
4. Initial Plan Year: March 1, 2004 through December 31st
5. Subsequent Plan Years: January through December
5. Plan Service Provider: Pension Dynamics Corporation  
2300 Contra Costa Blvd., Suite 400  
Pleasant Hill, CA 94523-3955
6. Source of Contributions: Voluntary Employee Salary Re-Direction

## II ELIGIBILITY

### 1. WHEN CAN I BECOME A PARTICIPANT IN THE PLAN?

Before you become a "participant" in the Plan, there are rules you must satisfy. First, you must meet the "eligibility requirements". The next step is to join the Plan on the "entry date". You will be required to complete an application form before you can enroll in the Plan.

### 2. WHAT ARE THE ELIGIBILITY REQUIREMENTS FOR OUR PLAN?

As an active employee you will be eligible to join the Plan once you have satisfied the conditions for coverage under our group medical plan(s).

### 3. WHEN IS MY ENTRY DATE?

You can join the Plan on the same day you are eligible to join our group medical plan. However, your entry date can not be prior to the date you sign the enrollment form.

### 4. ARE THERE ANY EMPLOYEES WHO ARE NOT ELIGIBLE?

Yes. Employees who are not eligible to receive medical Benefits under our group medical Plan are not eligible to join the Flexible Benefit Plan.

### 5. WHAT MUST I DO TO ENROLL IN THE PLAN?

Before you can enroll in the Plan, you must complete an application to participate in the Plan. The application includes your choices for each Benefit offered under the Plan. We also require your authorization to redirect from your paychecks the dollar amount you have elected to fund your Flexible Spending Accounts. New hires will need to complete the application and the authorization within 30 days of becoming eligible to participate. All other Employees will need to complete the enrollment process each year during the month prior to the start of the new Plan Year. It is understood that any Employee who does not complete an enrollment form during the enrollment period does not wish to participate in the Plan for the full Plan Year and will not have an opportunity to enroll until the beginning of the following Plan Year unless they experience a change in family status which qualifies them to change their election(s).

## III OPERATION

### 1. HOW DOES THIS PLAN OPERATE?

Before the start of each Plan Year, you will be able to elect to have some of your upcoming pay contributed to the Plan. The portion of your pay that is contributed to the Plan is not subject to federal, state, or social security taxes, thereby allowing you to **use tax-free dollars** to pay for certain kinds of Benefits and expenses which you would normally pay for with out-of-pocket, taxed dollars. However, any reimbursement you receive under this Plan cannot be claimed as a tax credit or deduction on your income tax return.

## QUALIFYING MEDICAL CARE EXPENSES

Under our Plan, you will be reimbursed only for medical expenses covered by the plan. These expenses are similar to those normally deductible on your federal income tax return (without regard to the 7.5% of adjusted gross income limitation). They include, for example, expenses you have incurred for:

1. Prescription medications, birth control, and vaccines that your doctor prescribed.
2. Medical doctors, dentists, eye doctors, chiropractors, osteopaths, podiatrists, psychiatrists, psychologists, physical therapists, acupuncturists and psychoanalysts.
3. Medical examinations, X-rays, laboratory services, and insulin treatments prescribed by your doctor.
4. Hospital care, clinic costs, and lab fees.
5. Medical treatment at a center for substance abuse.
6. Medical aids such as hearing aids (and batteries), dentures, prescription eyeglasses and/or contact lenses, braces, orthopedic shoes, etc.
7. Ambulance service and other travel costs to get medical care. If you use your own car, you can claim ten cents per mile. In addition, you can claim parking and toll costs.
8. Over-the-counter drugs and medications used for the treatment of a medical condition, injury, or illness.

Please see your Flexible Benefit Plan Employee Handbook for a more comprehensive list of eligible and ineligible expenses. Please be aware that only products and services which are deemed to be *medically necessary to treat a diagnosed condition, injury, or disease* will be considered for reimbursement through the Flexible Benefit Plan.

## IV CONTRIBUTIONS

### 1. HOW MUCH OF MY PAY MAY MY EMPLOYER REDIRECT?

Each year, you may elect to redirect enough of your Compensation to pay for the Benefits that you elect under the Plan. This amount will be deducted from your pay each pay period on a pro rata basis over the course of the year. However, you may not have more than 100% of your Compensation redirected. The maximum amount you may allocate to each of the Flexible Benefit Plan Reimbursement Accounts is as follows:

Medical Expense Reimbursement Account:..... \$2500

Dependent Daycare Reimbursement Account..... \$5000

### 2. HOW IS MY COMPENSATION MEASURED UNDER OUR PLAN?

Compensation under our Plan means the total gross amount paid to you by Peralta Community College District each year (including bonuses).

### 3. WHAT HAPPENS TO CONTRIBUTIONS MADE TO THE PLAN?

Before each Plan Year begins, you will select the Benefits you want and designate the amount of contributions to go toward each Benefit. It is important that you make these choices carefully based upon the anticipated expenses you expect to incur during the Plan Year for each Benefit. Each time you are paid, your salary is reduced by the amount you elected to contribute before federal, state and social security taxes are withheld. Amounts withheld for Insurance Premiums are forwarded to the insurance carriers, amounts withheld for Flexible Spending Accounts will be held in Peralta Community College District's general assets until you submit an eligible claim for reimbursement.

### 4. WHEN MUST I DECIDE WHICH ACCOUNTS I WANT TO USE?

You are required by Federal law to decide before the Plan Year begins, during the "Election Period".

### 5. WHEN IS THE "ELECTION PERIOD" FOR OUR PLAN?

When you first meet the "eligibility requirements". Your Election Period will start on that date (referred to as your "entry date"), and continue for thirty days past your "entry date." (You should review Section I on Eligibility to better understand the terms "eligibility requirements" and "entry date.") Then for each following Plan Year, the Election Period is established by the Administrator and uniformly applied to all participants. Normally, it will be a period of approximately 30 days prior to the beginning of each Plan Year. The Administrator will inform you each year regarding the Election Period. (See Section VIII on General Information About Our Plan for the definition of Plan Year.)

### 6. MAY I CHANGE MY ELECTIONS DURING THE PLAN YEAR?

Generally, no. You cannot change the elections you have made after commencement of the Plan Year. However, there are certain limited situations when you may change your elections. Federal law considers the following examples of a qualified change in family status which may allow you to make a change to your election:

- Marriage, divorce, or legal separation
- Birth or adoption of a child
- Death of Spouse or dependent
- Event which impacts the eligibility of your dependent(s)
- Unpaid leave of absence by you or your spouse
- Significant change in your employment status/eligibility
- Significant change in Benefits directly attributable to your spouse's employment

There may be other criteria which could be considered a change in family status. However, any change in your Benefit election(s) must be consistent with the change in family status and is subject to approval based on IRS regulations. If you feel you may have a qualified change in status, please contact your Administrator for more information on your specific situation and for the required forms for changing your Benefit elections.

In addition, for health insurance premiums being contributed to the Plan, we will adjust the Salary Redirection Election you have made for the remainder of the Plan Year if there is a change in the premium expense. If the increase in premium expense is significant, we will let you either change the Salary Redirection election to accommodate the increase, or revoke your election entirely.

## 7. MAY I MAKE NEW ELECTIONS IN FUTURE PLAN YEARS?

Yes, during the Election Period for the new Plan Year, if you meet the eligibility requirements and wish to participate, you must complete a new election form. At this time, you may make new Benefit elections. If you fail to complete an enrollment form for the new Plan Year we will assume you wish your insurance premium deductions to remain as they were for the prior Plan Year. However, we will assume you do not wish to have any additional funds redirected for spending accounts. Spending Account Elections Do Not Automatically Roll Over To The New Plan Year—You Must Sign A New Enrollment Form Each Year.

## V BENEFITS

### 1. WHICH BENEFITS ARE AVAILABLE?

Under our Plan, you can choose to receive your entire Compensation in cash or use a portion to pay for the following Benefits or expenses during the year:

#### Premium Expense Account

A Premium Expense Account allows you to use tax-free dollars to pay for certain Premium Expenses under various insurance programs that we offer you. These Premium Expenses may include:

- Health care premiums under our insured group medical plan
- Dental insurance premiums under our insured group medical plan
- Vision insurance premiums under our insured group medical plan

Only insurance plans sponsored by Peralta Community College District can be run through this portion of the Plan and certain limitations of coverage may apply. Individual policies, policies through a spouse's Employer, and COBRA payments can not be processed on a pre-tax basis.

The Administrator may terminate or modify Plan Benefits at any time, subject to the provisions of any Insurance Contracts providing the Benefits described above. We will not be liable should an insurance company fail to provide any of the Benefits described above, even if the failure to provide Benefits is due to our negligence or gross neglect (for example, if we fail to enroll you or pay premiums). Also, your insurance coverage will end when you leave employment or are no longer eligible under the terms of the insurance policies.

Any Benefits to be provided by insurance coverage will be available only after you have submitted to the Administrator the necessary information to apply for insurance, and the insurance is in effect for you.

#### Medical Expense Reimbursement Account

The Medical Reimbursement Account enables you to pay for expenses that are not covered by our insured medical plan(s) with pre-tax dollars. This account allows you to be reimbursed for out-of-pocket medical, dental, and vision expenses incurred by you, your spouse, and your dependents. The expenses which qualify are those permitted by Section 213(d) of the Internal Revenue Code. A list of covered expenses is available from the Administrator and in your Flexible Benefit Plan Employee Handbook. You may not, however, be reimbursed for the cost of health care coverage maintained outside of the Plan.

In order to be reimbursed for a medical expense, you must submit a request for reimbursement form along with supporting documentation from the provider of service. Reimbursement from the Plan shall be paid at least once a month, typically within one week of your submission of a completed request. Amounts reimbursed from the Plan may not be claimed as a deduction on your personal income tax return.

### Dependent Daycare Reimbursement Account

The Dependent Daycare Reimbursement Account enables you to pay for out-of-pocket, work-related dependent daycare cost with pre-tax dollars. If you are married or a single parent, the account can be used if you and your Spouse both work or, in some situations, if you or your Spouse attends full-time school.

An eligible dependent is any member of your household for whom you can claim expenses on Federal Income Tax Form 2441 - Credit for Child and Dependent Care Expenses. Dependents must be under age thirteen or be physically or mentally unable to care for themselves. Dependent care arrangements which qualify include:

- Day Care Center, provided that if the facility cares for more than six individuals, the facility complies with applicable state and local laws.
- An Educational Institution for pre-school children. For older children, only expenses for non-school care are eligible.
- An "Individual" who provides care inside or outside your home. The "Individual" may not be anyone you claim as a dependent for federal tax purposes and must be at least nineteen years of age.

You should make sure that the dependent care expenses you are currently paying qualify under our Plan for reimbursement. The law places limits on the amount of money that can be paid to you in a calendar year from your Dependent Daycare Reimbursement Account. Also, in order to be reimbursed from this account, you must provide a statement from the service provider giving the name of the provider, the taxpayer identification number or social security number of the provider, the dates services were provided, and the amount of such expense incurred. If your dependent does not live with you for the entire year, you may only submit daycare claims for dates of service during which he/she was residing with you.

As a Participant in the Daycare Reimbursement Account you cannot use the Federal Tax credit for dependent care expenses that have been reimbursed to you through the Plan. If you are not a Participant in the Daycare Reimbursement Account, Federal tax law permits a tax credit for certain dependent care expenses. You may wish to ask your tax adviser which method would better Benefit your personal situation.

The Administrator may terminate or modify Plan Benefits at any time, subject to the provisions of any Insurance Contracts providing the Benefits described above. We will not be liable should an insurance company fail to provide any of the Benefits described above, even if the failure to provide Benefits is due to our negligence or gross neglect (for example, if we fail to enroll you or pay premiums). Also, your insurance coverage will end when you leave employment or are no longer eligible under the terms of the insurance policies.

Any Benefits to be provided by insurance coverage will be available only after you have submitted to the Administrator the necessary information to apply for insurance, and the insurance is in effect for you.

## VI BENEFIT PAYMENTS

### 1. WHEN WILL I RECEIVE PAYMENTS FROM MY ACCOUNTS?

#### Insured Benefits:

Requests for payment of insured Benefits should be made directly to the Insurer. The provisions of the insurance policies will control which Benefits will be paid and when they will be paid.

#### Medical Reimbursement Account

During the course of the Plan Year you may submit requests for reimbursement, of expenses you have incurred, as often as you wish. Expenses are considered "incurred" when the service is performed, not when it is paid for. The Administrator will provide you with the forms for submitting requests for reimbursement. If the request qualifies as a Benefit or expense that the Plan has agreed to pay for, you will receive reimbursement soon thereafter.

#### Dependent Daycare Reimbursement Account

During the course of the Plan Year you may submit requests for reimbursement of expenses you have incurred as often as you wish. The Plan can not reimburse services that have not occurred yet (i.e. if you pay for April daycare services in March, your reimbursement can not be processed until April). The dependent care account will only reimburse expenses to the extent that there are sufficient funds in the your account to cover your request.

### 2. WHAT HAPPENS IF I DON'T SPEND ALL PLAN CONTRIBUTIONS?

Any monies left in your accounts at the end of the Plan Year will be forfeited. Of course, qualifying expenses that you incur late in the Plan Year, and request reimbursement for, will be paid prior to any forfeiture. However, you must make your requests for reimbursement no later than ninety days after the end of the Plan Year and services must have been provided to you during your period of eligibility and within the Plan Year.

### 3. WHAT HAPPENS IF I TERMINATE EMPLOYMENT?

If you leave your employment during the Plan Year, your right to Benefits will be determined in the following manner:

- You will remain covered by insurance, but only for the period for which premiums have been paid prior to your termination of employment. You may elect to COBRA insurance Benefits on an after-tax basis, please see your Administrator for details.
- You may elect to continue your participation in the Medical Expense Reimbursement Plan for the remainder of the Plan Year (COBRA). If you elect to do so you must continue to make your per pay period contributions on an after-tax basis. If you elect not to continue, participation will cease and no further contributions will be made on your behalf.
- You will still be able to request reimbursement for qualifying dependent care expenses for the remainder of the Plan Year from the balance available in your dependent care account at the time of termination of employment. No further contributions will be made on your behalf after you terminate.

If your participation ceases, you will still be able to submit claims for medical expenses incurred prior to your date of termination. Any monies remaining in the account after termination and for which no eligible expense has been incurred and submitted for reimbursement from the account will be forfeited.

Under Federal law, you, may be entitled to continuation of health care coverage. The Administrator will inform you of these rights if you terminate employment.

If you would otherwise lose your health plan coverage under this Plan because of a termination of employment or reduction in hours, you may continue the health coverage provided under this Plan. However, this will not be a tax-deductible expense to you absent unusual circumstances.

It is your responsibility to notify the Plan Administrator of a divorce, legal separation or other change in marital status, change in a spouse's address, or a child losing dependent status under the Plan, within sixty (60) days of the event. It is our responsibility to notify the Plan Service Providers of your death, termination of employment, reduction in hours, or Medicare eligibility.

#### 4. WILL MY SOCIAL SECURITY BENEFITS BE AFFECTED?

Your social security Benefits may be slightly reduced because when you receive tax-free Benefits under our Plan, it reduces the amount of contributions that you make to the Federal Social Security system as well as our contribution of Social Security on your behalf.

Although the Benefits of this Plan (using tax-free dollars to pay for your expenses) often outweigh the reduction of social security Benefits, we suggest you consult your tax advisor as to the method most suited to your situation.

## VII HIGHLY COMPENSATED AND KEY EMPLOYEES

#### 1. DO LIMITATIONS APPLY TO HIGHLY COMPENSATED/KEY EMPLOYEES?

Under the Internal Revenue Code, "Highly Compensated Employees" and "Key Employees" generally are participants who are officers, shareholders, or highly paid as defined by the IRS. You will be notified by the Administrator each Plan Year whether you are a "Highly Compensated Employee" or a "Key Employee".

If you are within these categories, the amount of contributions and Benefits for you may be limited so that the Plan as a whole does not unfairly favor those who are highly paid, their spouses or their dependents. Federal tax laws state that a Plan will be considered to unfairly favor the Key Employees if they, as a group, receive more than 25% of all of the nontaxable Benefits provided for under our Plan.

Plan experience will dictate whether contribution limitations on "Highly Compensated Employees" or "Key Employees" will apply. You will be notified of these limitations if you are affected.

VIII  
PLAN ACCOUNTING

1. PERIODIC STATEMENTS

Periodically during the Plan Year, the Administrator will provide you with a statement showing your account balance(s). Please read these statements carefully and make a note of the remaining balance(s). Remember, you will want to spend all the money you have designated for a particular Benefit by the end of the Plan Year to avoid forfeiture.

IX  
GENERAL INFORMATION ABOUT OUR PLAN

This Section contains general information that you may need to know about the Plan.

1. GENERAL PLAN INFORMATION:

Peralta Community College District Employee Flexible Benefit Plan is the name of our Plan. We have assigned Number 502 to the Plan. The provisions of our Plan become effective on March 1, 2004. Our Plan's records are maintained on a twelve-month period that is known as the Plan Year. The initial Plan Year begins March 1, 2004 and ends December 31st . Each subsequent Plan Year begins on January 1st and ends on December 31st .

2. EMPLOYER INFORMATION:

The Employer's name and address is:

Peralta Community College District  
333 East 8th Street  
Oakland, CA 94606

Tax ID#: 94-1676375

3. PLAN ADMINISTRATOR INFORMATION:

The name and address of your Plan's Administrator is:

Peralta Community College District  
333 East 8th Street  
Oakland, CA 94606

Tax ID#: 94-1676375

The Administrator keeps the records for the Plan and will also answer any questions you may have about our Plan. Please contact the Administrator for any further information about the Plan.

4. SERVICE OF LEGAL PROCESS:

The name and address of the Plan's agent for service of legal process is:

Peralta Community College District  
333 East 8th Street  
Oakland, CA 94606

## 5. TYPE OF ADMINISTRATION

It is understood that Peralta Community College District, as the sponsoring Employer, is the Administrator of the Plan. The Administrator shall appoint an individual and/or committee to be responsible for all administrative tasks related to The Plan and to ensure that they are carried out according to the regulations set forth by the IRS, and for the exclusive Benefit of the Employees entitled to participate in the Plan.

Any decisions related to The Plan made by the Administrator will be done in a uniform and nondiscriminatory fashion that is in accordance with the guidelines and regulations set forth by the IRS.

## 6. PLAN SERVICE PROVIDER :

The Administrator has appointed the following Plan Service Provider to assist and advise in the administration of The Plan in accordance with all governing laws and regulations.

Pension Dynamics Corporation  
2300 Contra Costa Blvd., Suite 400  
Pleasant Hill, CA 93423-3955

Flex@PensionDynamics.Com

## X ADDITIONAL PLAN INFORMATION

### 1. YOUR RIGHTS UNDER EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (ERISA)

Plan participants, Eligible Employees and all other Employees of the Employer are entitled to certain rights and protections under ERISA and the Internal Revenue Code. These laws provide that participants, Eligible Employees and all other Employees are entitled to

(a) Examine, without charge, at the Administrator's office, all Plan documents, and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and Plan descriptions; and

(b) Obtain copies of all Plan documents and other Plan information upon request to the Administrator. The Administrator may make a reasonable charge for the copies.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of an Employee Benefit Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the best interest of you and other Plan participants.

No one, including your Employer or any other person, may terminate your employment or otherwise discriminate against you in any way to prevent you from obtaining a Benefit or exercising your rights under ERISA.

If your request for reimbursement of a claim under the Flexible Spending 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 request for reimbursement reviewed and reconsidered.

Under ERISA there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within thirty (30) days, you may file suit in a federal court. In such a case, the court may request the Administrator to provide the materials and pay you up to \$100 per day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If your request for reimbursement of a claim is denied or ignored, in whole or in part, you may file suit in a state or 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 U.S. 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 your claim is found to be frivolous.

## 2. CLAIM PROCESS

You should submit your requests for claim reimbursement during the Plan Year, but in no event later than 90 days after the end of a Plan Year. Any claims submitted after that time will not be considered unless a third party (such as an insurance company) is responsible for the delay in paying their portion of a claim. In such circumstances special arrangements must be made with the Plan Administrator prior to the cut-off date. Claim reimbursements for Benefits that are insured will be reviewed in accordance with procedures contained in the policies. All other general claims or requests should be directed to the Plan Service Provider.

If a non-insured claim under the Plan is denied in whole or in part, you or your beneficiary will receive written notification. The notification will include the reasons for the denial, with reference to the specific provisions of the Plan on which the denial was based, a description of any additional information needed to process the claim and an explanation of the claims review procedure. If we fail to respond within 90 days, your claim is treated as denied. Within 60 days after denial, you or your beneficiary may submit a written request for reconsideration of the application to the Administrator.

Any request for reconsideration of the application should be accompanied by documents or records in support of your appeal. You or your beneficiary may review pertinent documents and submit issues and comments in writing. The Administrator will review the claim and provide, within 60 days, a written response to the appeal. (This period may be extended an additional 60 days under certain circumstances.) In this response, the Administrator will explain the reason for the decision, with specific reference to the provisions of the Plan on which the decision is based. The Administrator has the exclusive right to interpret the appropriate Plan provisions. Decisions of the Administrator are conclusive and binding.

## X SUMMARY

The money you earn is important to you and your family. You need it to pay your bills, enjoy recreational activities and save for the future. Our Flexible Benefit Plan will help you keep more of the money you earn by lowering the amount of taxes you pay. The Plan is the result of our continuing efforts to find ways to help you get the most for your earnings.