Peralta Community College District
Section 125 / Flexible Benefit Plan (Plan)
Employee Handbook
Valid for Plan Years on or After January 1, 2021
A Flexible Spending Account (FSA) allows eligible employees to put money aside pre-tax to help pay for certain expenses. There are two options to the Plan, Health FSA and Dependent Care Account, as discussed in this handbook.

Money contributed under these Plans are excluded from your gross income and is non-taxable. We call these funds contributions throughout this handbook.

This option is to help to pay for certain eligible out-of-pocket health care costs such as copayments, deductibles, some medication and other costs including dental or vision services.

This option is for reimbursing out of pocket dependent daycare expenses for you and your spouse (if applicable) to work.

You have 24/7 access to your accounts through our new secure online portal. We also have a mobile application.

You determine how much money you would like to contribute each year and how to use the expenses from the list of eligible expenses. Certain IRS rules apply.

<table>
<thead>
<tr>
<th>DOCUMENT DESCRIPTION</th>
<th>DOCUMENT NAME</th>
<th>WHERE TO LOCATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Registration and</td>
<td>Website Registration</td>
<td>Set up access to your account online at <a href="https://myplans.cbiz.com">https://myplans.cbiz.com</a>. Select “Create your new username and password”</td>
</tr>
<tr>
<td>Participant Portal</td>
<td>Instructions and Online Claim Submission</td>
<td></td>
</tr>
<tr>
<td>Eligibility Requirements</td>
<td>This Employee Handbook</td>
<td>Once you log into your benefits account at <a href="https://myplans.cbiz.com">https://myplans.cbiz.com</a>: Tools &amp; Support &gt; Plan Summaries</td>
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<tr>
<td>Forms</td>
<td>Various Participant Forms</td>
<td>Once you log into your benefits account at <a href="https://myplans.cbiz.com">https://myplans.cbiz.com</a>: Tools &amp; Support &gt; Forms</td>
</tr>
<tr>
<td>Plan Details and Documents</td>
<td>This Employee Handbook</td>
<td>Once you log into your benefits account at <a href="https://myplans.cbiz.com">https://myplans.cbiz.com</a>: Tools &amp; Support &gt; Plan Summaries</td>
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About This Handbook

This Handbook is a brief description of the terms of the Flexible Spending Plan (Plan) in common language designed to describe the highlights of the Plan. It is not meant to replace the Plan Document or Summary Plan Description (SPD) which are on file with your Plan Administrator. If you would like a copy of either of these documents, please request one from your Human Resources (HR) Department. The Plan Document governs in the event of any discrepancy between these documents.

What is a Flexible Spending Plan and how will the plan benefit me?

The Plan lets you use pre-tax dollars to pay for certain eligible expenses. If you elect to participate by putting aside money from your paycheck, you will save Federal, State, Social Security and Medicare taxes on every dollar contributed to the Plan. For most people this means a savings of 30-40% on every dollar contributed into this Plan. Enrollment in the Plan will reduce your reportable income. Therefore your Social Security Benefits/Disability may be affected by your election; however, most will find that the tax
savings far outweigh the potential negative impact. Your own tax situation will dictate exactly what the Plan can do for you. For more specific information about how these Flexible Spending Accounts may benefit you, we encourage you to talk to a tax advisor.

**When do I become eligible to participate and how do I enroll in the Plan?**

- Once you meet the eligibility requirements for your employer health insurance benefits you automatically qualify to participate in the FSA.
- Once you are eligible to participate, you will have 30 days to enroll. Your enrollment begins the date you enroll or the first day of your eligibility, whichever is later. You will not be able to submit expenses incurred prior to the enrollment date.
- After enrolling, you may log into your account at [https://myplans.cbiz.com](https://myplans.cbiz.com) to monitor your account details.
- Following your initial enrollment period, there will be an open enrollment period before the start of each Plan year for you to re-enroll. You must re-elect the Health FSA and Dependent Care Plans each year.

**Why should I participate?**

Participation in this Plan allows you to pay less in taxes and have more spendable income. Below is an example of how you can save if you elect in these benefits.

<table>
<thead>
<tr>
<th>Description</th>
<th>Without FSA</th>
<th>With FSA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Base Salary</td>
<td>$3,000.00</td>
<td>$3,000.00</td>
</tr>
<tr>
<td>FSA Contribution</td>
<td>(0.00)</td>
<td>(500.00)</td>
</tr>
<tr>
<td>Adjusted Taxable Withholding</td>
<td>3,000.00</td>
<td>2,500.00</td>
</tr>
<tr>
<td>Federal Withholding</td>
<td>(342.00)</td>
<td>(267.00)</td>
</tr>
<tr>
<td>State Withholding</td>
<td>(91.00)</td>
<td>(59.00)</td>
</tr>
<tr>
<td>Social Security Tax</td>
<td>(186.00)</td>
<td>(155.00)</td>
</tr>
<tr>
<td>Medicare</td>
<td>(43.50)</td>
<td>(36.25)</td>
</tr>
<tr>
<td>CA SDI</td>
<td>(36.00)</td>
<td>(30.00)</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$2,301.50</strong></td>
<td><strong>$1,952.75</strong></td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company sponsored Insurance Premiums/month</td>
<td>(50.00)</td>
<td>Paid (FSA)</td>
</tr>
<tr>
<td>Health FSA/month</td>
<td>(150.00)</td>
<td>Paid (FSA)</td>
</tr>
<tr>
<td>Dependent Care/month</td>
<td>(300.00)</td>
<td>Paid (FSA)</td>
</tr>
<tr>
<td><strong>Spendable Income</strong></td>
<td><strong>$1,801.50</strong></td>
<td><strong>$1,952.75</strong></td>
</tr>
</tbody>
</table>

Monthly increase in personal spendable income is $151.25 which translates into an annual increase of $1,815.00 take home. For many of us, this is equivalent to a $2,500 (taxable) annual salary raise.

**Annual Expenses Worksheet**

You can estimate your annual medical and dependent care costs by utilizing the Annual Expenses worksheet below. Remember to be conservative when calculating your election and list only expenses not covered by your insurance. These Plans have a “use it or lose it” clause and in some cases unclaimed amounts at the end of the Plan Year will be forfeited back to your Employer.

**Dependent Care Expenses (for Dependent Care FSA)**

Babysitting/Day Care/Elder Care Expenses: ________ 

After-School Fees: ________

Nursery School Fees: ________ 

Summer Day Camp: ________

**Total Dependent Care Expenses:**

**Health Care Expenses (for Health Care FSA)**

Medical Deductibles, Co-Insurance, Co-payments: ________ 

Prescription Drugs: ________

Dental Expenses: ________

Other Eligible Expenses: ________

Eye glasses, Contact Lenses, Vision Exams: ________

**Total Health Care Expenses:**

**What benefits are available?**

1. **Dependent Care**
Covers dependent daycare expenses, which are incurred in order for you and your spouse (if applicable) to work. These expenses must be for a dependent child under the age of 13 or for the care of any tax-qualified dependent that lives with you and is physically or mentally incapable of caring for themselves.

Elections are locked in for the Plan Year unless you have a qualified change in status.

Your dependent must also live with you at least 50% of the calendar year and you may not claim daycare expenses for days when your dependent is not living with you.

In order for you to participate in the daycare account, your daycare provider must be over the age of eighteen, not your dependent, and must declare the income on their tax return.

Federal regulations state that the maximum contribution you may make to your Dependent Daycare Plan is equal to the lesser of:
- Your earned income for the Plan Year up to $5,000;
- The actual or deemed earned income of your Spouse for the Plan Year; or
- $2,500 if you are married and filing a separate federal income tax return.

This is a family limit, so although both spouses may be eligible for this type of Plan, you must be careful not to exceed the federal maximum contribution amount.

Elections are divided by the number of pay periods in order to contribute the full elected amount by end of the Plan Year.

If you elect the Dependent Daycare FSA, you are not entitled to the dependent daycare credit on your tax return for expenses, but you may receive a tax credit for expenses in excess of the amounts paid through your FSA.

Dependent Daycare cannot be for a future expense. However, we will accept claims with a start date of service of more than two weeks in the future.

You can only be reimbursed up to your current account balance. If you send in a claim for $500.00 for services for January and you have $208.33 deducted twice a month, we will reimburse $416.66 once the January contributions are posted. The remaining $83.34 will be reimbursed once additional contributions are posted to your account.

If your employment terminates mid-year, either voluntarily or involuntarily, your coverage in this Plan will terminate as of that date.

Claims must be submitted within 90 days after the end of the Plan Year. Funds not claimed by that date will be forfeited back to your Employer.

Contribution amount limitations may apply to Highly Compensated/Key Employees due to Non-discrimination rules. You will be notified of these limitations if you are affected.

The following are eligible dependent daycare related expenses as defined by the Internal Revenue Service:
- After-school care or extended day programs (supervised activities for children after the regular school program that are not educational in nature)
- Before-school care or extended day programs (supervised activities for children before the regular school program that are not educational in nature)
- Day camp
- Preschool

The following expenses are NOT ELIGIBLE. This is not meant to be a comprehensive list but rather a list of ineligible items commonly submitted for reimbursement.
- Classes or lessons (music, dance, swimming, etc.). Such classes or lessons are primarily educational in nature.
- Kindergarten
- Overnight camps

2. Health Flexible Spending Account (Health FSA)

Covers out-of-pocket medical, dental and vision expenses that are not reimbursed by your insurance or any other source. For further information, see the section titled Eligible Expenses in this Handbook. Your insurance must fully process any services you incur before a reimbursement can be issued.

Includes expenses incurred by you, your spouse (as defined by federal regulations), and your dependents. The portion claimed must not be reimbursed by any other benefit Plan or itemized on any tax return. Expenses for a Domestic Partner are not eligible unless they are also your tax dependent.
- If you and/or your spouse contribute or have an Employer contribution into a Health Savings Account (HSA), you are not eligible to participate in the Health FSA. You may be eligible to enroll in a Limited FSA if one is offered by your Employer. Information regarding this is included later in this Handbook under the section titled Limited FSA.
• Your Plan allows you to contribute up to the IRS Maximum with a minimum election of $0.
• You may be reimbursed up to your full annual election amount at any point during the Plan Year regardless of the amount you have contributed to date.
• Elections are locked in for the Plan Year unless you have a qualifying change of status (covered in the next section).
• The expense must be incurred during the current Plan Year: i.e. the service was provided during the Plan Year, not that you paid or were billed for the service during the Plan Year. The expense must also have been incurred during your coverage period: i.e. after you enroll and before you terminate from the Plan.
• The expense must have been incurred for the diagnosis, cure, or treatment, of a disease, injury, illness, or diagnosed medical condition. General health items are not eligible.
• In certain circumstances, a Letter of Medical Necessity from your medical provider may be necessary in order to process.
• If your employment terminates mid-year, your coverage in this Plan will terminate as of the date of termination. In some cases, you may be able to elect COBRA to continue this Plan. Your Employer will notify you of any COBRA rights you may have.
• You will have 90 days from the end of the Plan Year to submit a request for reimbursement of expenses incurred during the Plan Year. Claims submitted after this time period has ended will be denied as ineligible. Some Plans may elect a Carry Over provision, if your Employer elected this provision more details are listed later in this Handbook under the section titled, Add-On Options offered by your employer.

**Can I make a mid-year change to my elections?**

All requests for election changes are subject to approval by the Plan Administrator. Complete the Change in Status Form included in this Handbook.

1. **Qualifying Change in Family Status** - If you undergo a qualified family status change, you may make changes to your elections accordingly. For example, if you gain a dependent your Health Care Expenses might increase. In this example you could increase, but not decrease your election. The following is a list of qualifying changes in family status:
   - Legal Marital Status
   - Gain or loss of a dependent (birth, adoption, death, exceed age limit, etc.)
   - Significant change in participant’s employment status or work schedule
   - Termination or significant change in participant's spouse’s employment status
   - Significant change in participant's spouse's company sponsored benefits/eligibility
   - Significant change in cost for daycare expenses (for changing daycare elections only)

2. **Unpaid Leave of Absence or FMLA Leave** - If you go on an unpaid leave of absence, you will not have spending account deductions taken on the missed pay dates. You have the following options regarding your leave:
   - In order to continue your eligibility through your leave you will need to make up these missed deduction amounts. You may “front load” your account (contribute in advance all missed deductions) in anticipation of your leave. If you “front load” your account you will have continuous, uninterrupted coverage during your leave, or
   - If you expect to return to work well in advance of the close of the Plan Year, you can make up your missed contributions after you return to work. However, reimbursements will be suspended during your leave until all missed contributions have been made up. Once all required contributions have been made, your eligibility will be reinstated retroactively and claims incurred during your leave are eligible for reimbursement, or
   - If you are not returning by the end of the year and you do not front load your account, you can pay the missed deductions on an after-tax basis by sending monthly payments to your Employer, or
   - You can terminate your participation in the Plan on the effective date of your leave of absence.
Change in Status or Termination Form

Company name: ______________________________________________ Company code: ___________________________
Employee name: ______________________________________________ Social Security Number: ____________________
Employee address: _______________________________________________________________________________________
Effective date of change: _____________________________  If terminating, date of last deduction_______________

Complete this form when a permitted change in status has occurred which affects your FSA election. All changes must be due to and consistent with the permitted change in status events.

As a participant in the Cafeteria Plan, I am entitled to revoke my prior benefits election and enter into a new election in the event of a permitted change in status event. I understand that the change in my benefits election must be due to and consistent with the permitted change in status events and that the change must be acceptable under the Regulations issued by the Department of Treasury.

I certify that I have incurred the following permitted change in status:

Medical FSA election change:
☐ Change in legal marital status including marriage, death of the spouse, divorce, legal separation or annulment.
☐ Change in the number of tax dependents including birth, adoption, placement for adoption or death of a dependent.
☐ Change of employment status, such as termination or commencement of employment by the employee, spouse or dependent.

Dependent Care FSA election change:
☐ Change in dependent status in satisfying or ceasing to satisfy the eligibility requirements of the plan, such as attainment of limiting age or student status or change in marital status.
☐ Change of employment status, such as termination or commencement of employment by the employee, spouse or dependent.
☐ Significant cost increase in your or your dependent’s coverage.
☐ Significant curtailment of your or your dependent’s coverage.
☐ Dependent care provider is replaced by another.

Health Insurance election change:
☐ Significant cost increase in your or your dependent’s coverage.
☐ Significant curtailment of your or your dependent’s coverage.
☐ Addition or elimination of benefit package option under your or your dependent’s employer’s plan.
☐ Change of employment status, such as termination or commencement of employment by the employee, spouse or dependent.
☐ Change in coverage or open enrollment of spouse or dependent under other employer’s plan provided that the employee, spouse or dependent elects coverage under the dependent’s plan.
☐ Judgment, decree or order including the imposition of a Qualified Medical Child Support Order.
☐ Gain or loss of Medicaid or Medicare entitlement.
☐ Entitlement to COBRA.
☐ Special requirements relating to the Family and Medical Leave Act (FMLA).
☐ Change in work schedule, such as a reduction or increase in hours of employment by the employee, spouse or dependent, including a switch between part-time and full-time, a strike or lockout, a change in worksite, or commencement or return from an unpaid leave of absence.
☐ Change in eligibility due to change in residency of the employee, spouse or dependent.

Change in Election due to Discrimination Testing:
☐ Reduction in elections to comply with nondiscrimination rules.

Please change my election(s) as follows:

Premium Only Plan: Change insurance premiums to $____________per pay period.

Medical Reimbursement: Change my annual election for my Medical Reimbursement from $__________to $__________
My new per pay period election will be $__________effective with the __________payroll.

Dependent Care Flexible Spending Account:
Change my annual election for my Dependent Care Flexible Spending Account from $______________to $____________
My new per pay period election will be $______________effective with the __________payroll.

Employee signature:_________________________________________________________      Date:_____________

Accepted and agreed to by: Company Representative:____________________________ Date:_____________
**WHAT IS REQUIRED TO SUBMIT A REQUEST FOR REIMBURSEMENT?**

**Substantiation**
All substantiation **MUST** include an itemized statement of services from the provider showing the following items:

- Name of the claimant or dependent incurring the expense
- Date of service(s) or date item was purchased
- Service Provider or Merchant Name
- Description of Service or Purchase
- Amount of Service or Purchase total

**Your Reimbursement**
Get your reimbursement quicker by signing up for direct deposit! Direct deposit allows CBIZ Pension Dynamics to send your reimbursements directly to your bank account. Your payment will post within 2 business days from the date issued. If you do not enroll in direct deposit, a check will be mailed to your home address on file. You can enroll in Direct Deposit by logging into your account on [https://myplans.cbiz.com](https://myplans.cbiz.com) or fill out the needed form with your HR department.

**Submission Process** – Please visit [https://myplans.cbiz.com](https://myplans.cbiz.com) for details on how to submit your claims.

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**CBIZ BENEFITS CARD**

The CBIZ Prepaid Benefits Card allows you direct access to your Flexible Spending account balance. The use of the card to purchase goods and services is treated as a claim against your flexible spending account and deducted from your available balance. The card is used as a credit card and funds are moved from your Flexible Spending Account to pay providers, thus reducing or eliminating out of pocket expenses.

- The CBIZ Benefits Card is accepted only at qualified locations where Visa debit cards are accepted.
  - Examples of these locations may include hospitals, doctors’ offices, pharmacies, online drug stores, and day care centers. The card swipes will be processed as credit card transactions. PINs may be requested when the card is received.
- The IRS issued a mandate requiring all drug stores and pharmacies to implement the IIAS (Inventory Information Approval System) or be designated as a “90%” retailer in July 2009.
  - IIAS certified means the retailer can distinguish eligible versus non-eligible healthcare products at the point of sale. These “No Receipt Retailers” have grown to represent over 40,000 retail locations. When purchases are made at these “No Receipt Retailers” a receipt will typically not be requested to substantiate the purchase. You can view all registered No Receipt Retailers at [www.sig-is.org](http://www.sig-is.org).
- The Card Program is **NOT** a paperless process. Plan participants are required to retain all receipts per IRS guidelines. Because of the tax benefits that FSA plans provide, the Internal Revenue Service (IRS) requires verification that all FSA debit card transactions are for eligible expenses. There are a few exceptions to this rule.
  - For example, your transaction may be verified automatically and may not require documentation if it matches a co-pay amount under your employer’s health plan or is made at an IRS approved retailer or pharmacy. If your transaction does not meet these exceptions, you will be notified by CBIZ to submit documentation to substantiate this purchase or service.
  - All receipts must indicate the name of the service provider/merchant, original date of service, the type of service/purchase made, and the amount charged. Simple debit card receipts are not acceptable per IRS guidelines.
- There will be notification by email or text (opt-in) after the card transaction settles if a receipt is required. The purchases which need to be substantiated can be viewed by logging on to [https://myplans.cbiz.com](https://myplans.cbiz.com), which is the portal to access the personal flex account online. All purchases made can be viewed and all the submissions of receipts can be completed as required.
- Notifications will continue to be received each month if CBIZ does not receive adequate documentation to substantiate the charge. If CBIZ has not received the receipt by the 3rd month after the card swipe, the debit card will be **suspended**. When the charge is 120 days old, CBIZ will mark the purchase as a non-qualified expense.
- Once the transaction is resolved, either by providing appropriate documentation or repaying the plan, the card will be reactivated.

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**ELIGIBLE EXPENSES FOR YOUR HEALTH FSA**
The following list is an example of common medical, dental, and vision related expenses that would be eligible for reimbursement through your FSA provided they are incurred by you and/or your dependents during the Plan Year, are not covered by your insurance, have not been reimbursed and are medically necessary.

You can see a more comprehensive list on our website on [https://myplans.cbiz.com](https://myplans.cbiz.com). Click on Tools & Support, then go to Quick Links to Health Expense Table.

**Expenses that are ELIGIBLE:**
- Ambulance transportation
- Birth control/contraceptives
- Contact lenses and solution (Note 4)
- Deductibles (Insurance)
- Eye examinations
- Eyeglasses (corrective lenses)
- Fees to doctors and hospitals including:
  - Anesthesiologist
  - Chiropractor
  - Dermatologist
  - Gynecologist
  - Midwife
  - Hearing aids and batteries (including upkeep and maintenance)
- Infertility treatment
- Insulin and related supplies
- Laboratory fees
- Laser/Lasik eye surgery
- Nursing care
- Office visit co-payments (for medical appointments)
- Orthodontia
- Oxygen equipment
- Physical therapy
- Pregnancy tests
- Prescription drugs and medicines
- Radial Keratotomy/Orthokeratology
- Smoking cessation programs
- Sterilization
- Support Braces (wrist, knee, etc.)
- Surgery (excluding cosmetic procedures)
- Transportation expenses for medical care (mileage, parking, tolls, bus, taxi)

**Expenses considered DUAL PURPOSE:** Below are some examples of common items submitted for reimbursement which are covered with a diagnosis code and a letter of medical necessity from a medical professional.
- Massage
- Psychotherapy
- Weight loss programs

**Expenses that are NOT ELIGIBLE:** This is not meant to be a comprehensive list but rather a list of ineligible items commonly submitted for reimbursement.
- COBRA payments
- Cosmetics / toiletries
- Cosmetic surgery / procedures
- Dental Supplies (including toothbrushes)
- Electrolysis / hair loss treatments / Rogaine
- Insurance premiums
- Multi-vitamins
- Teeth bleaching (cosmetic)
- Tinted clips for prescription eyewear
ADD ON OPTIONS OFFERED BY YOUR EMPLOYER

Carry Over for Health FSA only

The IRS permits carryover of up to $550 of a Health Care Reimbursement Account balance into future Plan Years. They require any unused funds over $550 remaining in your account at the end of the Plan Year be turned over to the Employer, not the employee. The IRS has very strict guidelines on how these funds can be used by the Employer. This Carry Over provision is available for all active participants in the Health FSA. The Carry Over provision does not apply to the Dependent Care portion of this Plan.

Grace Period for Dependent Daycare Only

There is a 2 ½ month grace period for "using up" funds contributed but not spent in a prior Plan Year for the Dependent Care benefit. If you have an unclaimed balance in the Dependent Care account at the end of the Plan Year, you may use those funds to pay for claims incurred through March 15th of the new Plan Year. This grace period does not affect your election for the new Plan Year; it simply allows you extra time to have services provided to you in order to "spend down" your prior year’s balance. This Grace Period does not affect the Health FSA and is only available for the Dependent Care benefit.

Please note you must submit your claim paperwork within the Final Claim Submission "Run-Out" Period (90 days after the end of the Plan Year) in order to have those claims processed from the prior year’s unclaimed balance. If your claims are received after the close of the Final Claim Submission Run-Out Period they will be processed from the current Plan Year’s balance.

Claims will be processed in the order received. Claims for services during the first 2 ½ months of the new Plan Year will be processed against any available prior year’s balance before being applied to the current year’s election. Claims for service provided during the prior Plan Year, that are submitted after claims for services provided in the current Plan Year will be processed against any remaining available balance, but previously paid claims will not be "undone" to accommodate late receipts for services provided during the prior Plan Year.
CBIZ Flex
Flexible Benefits Plan Election Form
Version 08.11.10

| Employer: | |
| Employee: | |
| SSN: | | | | |
| Address: | | | State | Zip |
| City: | | | State | Zip |

- Check here to indicate an address change

| Date of Hire: | | Date of Birth: | |
| Email: | | | |

Effective Date: [ ]

Pay Periods Per Year:
- [ ] Weekly (52 pays)
- [ ] Bi-Weekly (26 pays)
- [ ] Semi-Monthly (24 pays)
- [ ] Monthly (12 pays)

New Flexible Spending Account Elections

| Health Flexible Spending Account | Per Pay Period | Plan Year Total |
| Dependent Care Flexible Spending Account | | |
| Limited Flexible Spending Account | | |
| Parking | | |
| Transit | | |
| Other: | | |
| Other: | | |

Total Reduction Amount

This election form will remain in effect and cannot be revoked or changed during the plan year, unless the revocation and new election are on account of and consistent with a change in family status (marriage, divorce, death of Spouse or child, birth or adoption of a child, and termination of employment of Spouse.) I understand that insurance claim payments under certain coverage may be subject to Federal and State taxes when the premium is paid by salary reductions or employer contributions. I understand that the selection of a benefit and the indication that a premium is to be paid does not necessarily include me in the insurance portions of this plan. In most instances an application for insurance must be completed.

Authorization: I certify the above information to be correct and true and any dependents for which I have selected the dependent care benefit reside with me in a parent-child relationship and/or are legally dependent on me for their support. I understand that any amounts remaining in my account(s) not used for eligible expenses incurred during the plan year may be forfeited in accordance with current plan provisions and tax laws. I hereby authorize the deduction of the administrative fee, if applicable. The plan administrator may revoke or reduce any election to prevent the Plan from becoming discriminatory within meaning of IRC Section 125 and/or any other regulation.

If Section 132(f) is offered by Company: I understand that my cash compensation will be reduced by amounts equal to my contribution for the qualified parking and transit expenses for my employer-sponsored Section 132(f) benefit as stated above and if my required contributions for the elected benefits are increased or decreased while this agreement remains in effect due to changing facility parking expenses, my compensation reduction will automatically be adjusted to reflect that increase or decrease.

This agreement is subject to the terms of the Company’s Section 132(f) Qualified Transportation Fringe Benefit provisions (if offered), as amended from time to time and shall be governed by and construed in accordance with applicable laws and revokes any prior election and compensation reduction agreement relating to such benefit(s). My signature indicates that I have read and understand the Terms and Conditions (included with this form).

[ ] Accept [ ] Decline

Signature: ___________________________ Date: ________________

Please return this completed form to the Benefits Office.