INTRODUCTION TO THE FLEXIBLE SPENDING ACCOUNT PLAN

Bryn Mawr College has a Flexible Spending Account Plan for full-time and part-time faculty and staff members who are scheduled to work at least the equivalent of 26 hours per week, 52 weeks per year, or 1,352 hours. These accounts allow you to be reimbursed for eligible medical care and dependent care expenses that are not covered by insurance with before-tax dollars. Please read the following pages carefully so that you can learn how the plan works.

TYPES OF BENEFITS

Dependent Care Spending Account

Medical Care Spending Account - Available at the start of the Plan Year, January 1, following one year of service. Employees who are enrolled in the College Personal Choice High Deductible Health Plan and who plan to contribute to the optional Health Savings Account (HSA) in 2019 should not enroll in the medical care spending account. HSA contributions can only be made if the HDHP enrollee is not covered by another group medical plan, which includes the medical care spending account.

TAXATION OF YOUR CONTRIBUTIONS

Medical care spending account contributions are not subject to federal withholding, Pennsylvania State and Social Security (FICA) taxes. Dependent care spending account contributions are not subject to federal withholding and Social Security (FICA) taxes. Pennsylvania state taxes do apply to dependent care spending account contributions. Since contributions to the Flexible Spending Account Plan are not subject to FICA taxes, Social Security income upon retirement may be affected.

CHANGES IN YOUR BENEFIT SELECTION

New Employment Status

You may enroll in the dependent care spending account within 31 days of the date you first become eligible. Coverage will be effective the first of the month coincident with or following employment at a benefits-eligible level.

Open Enrollment

You will be given an opportunity to make changes in your benefit selections once each year. This period of time is referred to as Open Enrollment. Open Enrollment will be held in November – December prior to the start of the new Plan Year, January 1. Open Enrollment notices will be distributed to all employees eligible to participate in the Flexible Spending Account Plan. Please note that Flexible Spending Account elections do not carry over from one Plan Year into the next. If you do not re-enroll during each Open Enrollment period, your elections will revert to zero.
Life/Qualifying Event Changes

Benefit selections are fixed for each Plan Year. The IRS allows a change only if you have experienced what is referred to as a "life" or "qualifying" event. Examples of a "life/qualifying" event, which may necessitate a change in your benefit selection at a time other than Open Enrollment, include but are not limited to marriage, divorce or annulment, death, birth or adoption of a dependent, loss of alternative group health coverage or the availability of alternative group health coverage. Documentation of the "life/qualifying" event change must be provided to Human Resources within 31 days of the occurrence in order to change your benefit selections.

If "life/qualifying" event changes are not reported within 31 days of the occurrence, benefit selections cannot be changed until the start of the next Plan Year during Open Enrollment.

MEDICAL CARE SPENDING ACCOUNT

(Available at the start of the Plan Year, January 1, following one year of service.)

This account allows you to be reimbursed for medical care expenses that are not covered by insurance with before-tax dollars.

Eligible medical care spending account expenses include but are not limited to the following:

- Acupuncture
- Bandages
- Chiropractor fees
- Contact lenses and solution
- Counseling fees
- Dental care (excluding teeth whitening)
- Eye glasses and exams
- Fertility treatment
- Hearing aids
- Laser eye surgery
- Office visit co-payments
- Orthodontics
- Prescription co-payments
- Smoking cessation program
- Weight loss program (if treatment is for a specific disease diagnosed by a physician)

A detailed description of eligible and ineligible expenses can be found at www.payflex.com by selecting the Employees tab and then selecting Eligible Expense Items. You may also obtain this information by calling 1-800-TAX-FORM and requesting IRS Publication 502, Medical and Dental Expenses. This publication is also available from the IRS website, www.irs.gov.
Commonly submitted items that are not reimbursable include cosmetics, toiletries, over-the-counter medications and dietary supplements (including vitamins) unless prescribed by a physician, cosmetic surgery, electrolysis and personal use or general health items. Please note that while insurance premiums are listed in Publication 502, they are only reimbursable if you are declaring medical expenses on your Form 1040 Schedule A. Insurance premiums are not reimbursable through a flexible spending account.

To determine your medical care spending account election you will need to estimate how much you and your eligible dependents will spend for medical care expenses that are not reimbursable through any insurance plan. Eligible dependents include your spouse as well as biological children, legally adopted children and step children who are under the age of 27 as of December 31, 2019. The child does not need to be financially dependent or living with his or her parents in order to be considered as an eligible dependent. The child’s student status and marital status also do not affect eligibility. Foster children and any child under the age of 18 for whom the employee has legal custody are also eligible dependents.

The amount that you elect will be divided equally by the number of pay periods within the Plan Year, limited to a maximum of 24 pay periods. You may request reimbursement from this account for eligible expenses, up to the amount of your election. The maximum medical care spending account election for the 2019 Plan Year is $2,700. The 2019 Plan Year is effective from January 1 through December 31, 2019. There is a two and a half-month grace period, following the end of the Plan Year. The 2019 Plan Year grace period is effective from January 1 through March 15, 2020.

It is important that you choose your election carefully. Medical care spending account expenses must be incurred within the Plan Year or the grace period following the Plan Year. 2019 plan participants must incur eligible services from January 1, 2019 through March 15, 2020. The date of service determines the eligibility of a claim, not the date of the billing statement or the date of payment. If you do not use all the money in your medical care spending account by the end of the Plan Year or the grace period following the Plan Year, the balance will be forfeited. This provision is known as "use it or lose it".

No expense is to be reimbursed twice; an expense incurred between January 1 and March 15 may only be submitted against one Plan Year. Expenses reimbursed through the Bryn Mawr College Flexible Spending Account should not be submitted toward another flexible spending account (FSA) or any other employer-sponsored plan that provides tax-free reimbursement of health expenses, including a health savings account (HSA) or health reimbursement account (HRA). No expense reimbursed through the flexible spending account should be claimed as an income tax deduction.

Since contributions to the medical care spending account are not subject to FICA taxes, Social Security income upon retirement may be affected. The amount of your election cannot be claimed as a deduction for federal income tax purposes.
DEPENDENT CARE SPENDING ACCOUNT

This account allows you to be reimbursed for dependent care expenses with before-tax dollars.

Employment-related expenses for household services and expenses for the care of a qualified dependent, including qualified dependent care center expenses, are covered. Schooling is covered only if your child is in a grade level below kindergarten, and the amount you pay for schooling is incident to and cannot be separated from the cost of care. The IRS does not consider overnight camp expenses to be an employment-related expense, and these expenses are therefore not reimbursable.

A list of eligible and ineligible expenses can be accessed at www.payflex.com. You may also obtain this information by calling 1-800-TAX-FORM and requesting IRS Publication 503, Child and Dependent Care Expenses. This publication is also available from the IRS website, www.irs.gov.

A qualified dependent is one who is under age 13 at the time the service is provided and for whom you can claim as an exemption on your Form 1040 income tax return, a dependent or non-dependent spouse who is physically or mentally incapable of caring for himself or herself, or any other dependent who is physically or mentally unable to care for himself or herself and for whom you can declare as a tax exemption on your Form 1040 income tax return.

A qualified dependent care center is a licensed facility that cares for more than six individuals and receives a fee payment or grant for services. A "provider" of dependent care can be any person including your own child over age 19, who is not claimed on your Form 1040 income tax return as a dependent. An individual provider's Social Security number must be submitted for reimbursement. The 2019 Plan Year is effective from January 1 through December 31, 2019. There is a two and a half-month grace period, following the end of the Plan Year. The 2019 Plan Year grace period is effective from January 1 through March 15, 2020.

Your calendar year contribution to the dependent care spending account cannot exceed $5,000 ($2,500 if you are married and file a separate federal income tax return). If your spouse also participates in a pre-tax dependent care spending account, your combined annual contributions to both accounts cannot exceed $5,000. Your contributions also cannot exceed the lesser of your annual earned income, or your spouse’s annual earned income. There are exceptions if your spouse is disabled or a full-time student, which are outlined in IRS Publication 503. The total amount you may shelter may also be limited by federal rules regulating discrimination in favor of highly compensated employees.

The amount that you elect will be divided equally by the number of pay periods within the Plan Year, limited to a maximum of 24 pay periods. Your contribution will be made into your account. This money accumulates and may be withdrawn monthly to cover eligible dependent care expenses. You may request reimbursement from this account for eligible expenses, up to the amount of your election. There is no reimbursement
before care has begun. The advantage of the dependent care spending account is that deposits are made before Federal and FICA (Social Security) taxes are withheld. However, any amount funded through the dependent care spending account reduces the amount of federal income tax credit available for childcare.

It is important that you choose the amount in this account carefully. Dependent care spending account expenses must be incurred within the Plan Year or the grace period following the Plan Year. 2019 plan participants must incur eligible services from January 1, 2019 through March 15, 2020. The date of service determines the eligibility of a claim, not the date of the billing statement or the date of payment. If you do not use all the money in your dependent care spending account by the end of the Plan Year or the grace period following the Plan Year, the balance will be forfeited. This provision is known as "use it or lose it".

Since contributions to the dependent care spending account are not subject to FICA taxes, Social Security income upon retirement may be affected. The amount of your election cannot be claimed as a tax deduction for federal income tax purposes. Dependent care spending account participants must complete IRS Form 2441, Child and Dependent Care Expenses when filing the Form 1040 income tax return.

REIMBURSEMENT

Claim reimbursement is being administered by a company called PayFlex. Claims can be submitted to PayFlex using the following methods:

Online:  www.Payflex.com

Fax: (402) 231-4310

Mail: PayFlex Systems USA, Inc.
     P.O. Box 4000
     Richmond, KY 40476


FLEXIBLE BENEFIT PLAN

All employees who are eligible to participate in the Flexible Spending Account are also eligible to participate in the Flexible Benefit Plan. The Flexible Benefit Plan includes non-elected “core” benefits (basic life insurance, long term disability insurance, single dental coverage and the employee assistance program), as well as elected benefits (medical, family dental and supplemental life insurance). Open Enrollment for the Flexible Benefit Plan occurs in September, for a November 1 effective date. Prior to November 1, 2001, the Flexible Spending Account Plan was part of the Flexible Benefit Plan.
Effective November 1, 2011, the College added a high deductible health plan (HDHP) with an optional health savings account (HSA). HDHP enrollees cannot make contributions to the HSA when participating in the medical care spending account. HDHP enrollees who are eligible to make HSA contributions should consider this restriction before enrolling in the medical care spending account.

**BASIC RETIREMENT PLAN**

The College will continue to maintain its pension contribution level to the Bryn Mawr College Retirement Plan for all eligible employees. Investment options are available through TIAA and Transamerica. Please refer to the Employee Handbook or Bryn Mawr College Retirement Plan Summary Plan Description for details. Elections to the Flexible Spending Account Plan do not affect College pension contributions.

**SUPPLEMENTAL RETIREMENT PLAN**

All employees are eligible to make their own contributions to their retirement plan on a salary reduction (pre-tax) basis. There is an annual limit on contributions set by the IRS Code.

In order to contribute on a pre-tax basis toward your retirement, you must sign a Salary Reduction Agreement, which is available in Human Resources and on the Human Resources web page. Salary reduction contributions are not subject to the Open Enrollment limitations of the Flexible Spending Account Plan. Changes in the amount of salary reduction may be made at the start of any pay period, subject to an annual limitation on the maximum number of changes made within one calendar year. Please refer to the Employee Handbook or Bryn Mawr College Retirement Plan Summary Plan Description for details.

**DOCUMENTS**

There are legal documents describing all aspects of the plan. It will be important for you to read the documents as they are presented to you. This booklet is a brief description to help you make your decisions when you become a plan member. If there is any difference between your interpretation of this booklet and the information given in the plan documents, the plan documents are considered the determining source of information.

Bryn Mawr College intends this plan to be permanent. However, the plan may be amended or terminated at any time and is not a guarantee of future employment. The plans described reflect the impact of current tax legislation and may change in the future if tax law changes.
STATEMENT OF EMPLOYMENT RETIREMENT INCOME SECURITY ACT (ERISA) RIGHTS

Participants in this plan are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

(1) Examine, without charge, at the Plan 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.

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

ERISA sets forth the duties of the people who are responsible for the operation of this plan. The people who operate the plan have a duty to do so prudently and in the interest of the plan participants and beneficiaries. No one, including the employer, may discharge or otherwise discriminate against participants in any way to prevent them from obtaining benefits to which they are entitled under the plan or exercising their rights under ERISA. If an application for benefits under the plan is denied in whole or in part, the participant or beneficiary must receive a written explanation of the reasons for denial. Participants have the right to have the Plan Administrator review and reconsider denied applications or requests on eligibility, participation, or other aspects of the operation of the plan, and to have Bryn Mawr College review and re-consider denied claims. Under ERISA, participants may take steps to enforce these rights. For example, if a participant requests materials from the plan and does not receive them within 30 days, he or she may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay the participant up to $100 a day until he or she receives the materials, unless the materials were not sent due to reasons beyond the control of the Plan Administrator. If a claim for benefits is denied or ignored, in whole or in part, the participant may file suit in a state or federal court.

If a participant is discriminated against for asserting ERISA rights, he or she may seek assistance from the U.S. Department of Labor, or may file suit in a federal court. The court will decide who should pay the court costs and legal fees. If the participant is successful, the court may order the person sued to pay these costs and fees. If the participant loses, for example, if the court finds the claim is frivolous, the court may order the participant to pay the costs and fees.

Contact the Plan Administrator if you have any questions about this plan. Bryn Mawr College expects the Flexible Spending Account Plan to continue indefinitely, but reserves the right to terminate it or amend it. Bryn Mawr College also reserves the right to suspend contributions if it is determined that continuation of contributions is impossible or inadvisable. If the plan is terminated, or if the College contributions to the plan are permanently discontinued, each participant will be entitled to receive the amount in her/his account, according to the provisions of the plan.
Questions about this statement or about rights under ERISA may be directed to the nearest Area Office of the U.S. Labor-Management Services Administration, Department of Labor.

**IDENTIFYING DATA:** Employer ID Number: 231352621

Plan Number: 511 Bryn Mawr College Flexible Spending Account Plan

Plan Year: January 1, 2019 – December 31, 2019

Plan Administrator: Martin Mastascusa, Director, Human Resources
Bryn Mawr College
Bryn Mawr, PA 19010

January 1, 2019.