FLEXIBLE SPENDING PLAN
2018-2019

What is a Flexible Spending Plan?

A Flexible Spending Plan is a benefit you elect during Open Enrollment each year. Your plan allows you to deduct certain amounts you select from your paycheck before any taxes are calculated. Your deductions can then be used to pay for certain medical and daycare expenses income tax free. Because your deductions are set aside are pre-tax, you are able to save 30% - 40% (*depending on your tax bracket*) of every dollar you deposit.

► The advantages of your plan include:

MY FLEXIBLE SPENDING PLAN

Tax Savings
(Federal, State, Social Security)

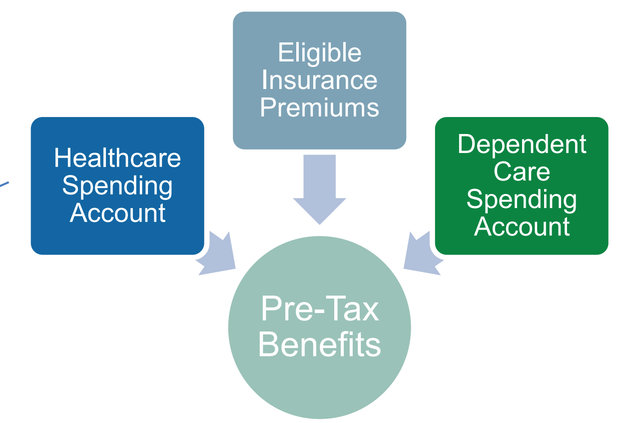
Increased Take-Home Pay
(Income subject to tax is reduced)

Convenience
(Save for premium, healthcare and dependent care expenses through payroll deduction)

24/7 Easy Account Access
(Manage your profile, check balances, claim status, *and more*)
www.retirementlogin.com/benefitalternatives

What Things Can I Pay For Tax-Free?

There are three different pre-tax benefits you can take advantage of in your plan.



Your deductions are used to reimburse your out-of-pocket medical, dental, and vision expenses.

Your deductions are used to reimburse up to $5,000 per year per family for the expenses you pay for someone to care for your children under the age of 13 or other qualified dependents.

Illustrating Your Tax Advantages:

	Traditional Method of Payment	Pre-Tax Health Premium and Reimbursement Accounts
Family's Annual Income	$42,000	$42,000
Election – Premium	-0-	-1,500
Election – Health Care	-0-	-1,200
Election - Dependent Care	-0-	-3,000
Taxable Income (*before exemption/ standard deduction*)	**$42,000**	**$36,300**
Less Tax: Federal Tax	-2,100 (15%)	-1,395 (10%)
State Tax (6%)	-2,406	-2,064
FICA (7.65%)	-1,503	-1,067
Net Income	**$35,991**	**$31,774**
Health & Dependent Care Costs (*AFTER TAX*)	-1,500	-0-
	-1,200	-0-
	-3,000	-0-
Net Spendable Income	**$30,291**	**$31,774**
Estimated Tax Savings		**$1,483**

THE ABOVE EXAMPLE ASSUMES THE FOLLOWING:

- Married, filing jointly, with one dependent (tax exemptions and standard deductions of $22,350)
- State tax of 6% on federal taxable income. Rate and application will vary by state and/or city.

Who Can Participate in the Plan?

- Existing employees are eligible to participate.
- New employees may participate the first day of employment.

What is the Plan Year?

The Plan Year for AGNES SCOTT COLLEGE starts every July 1, and ends on June 30.

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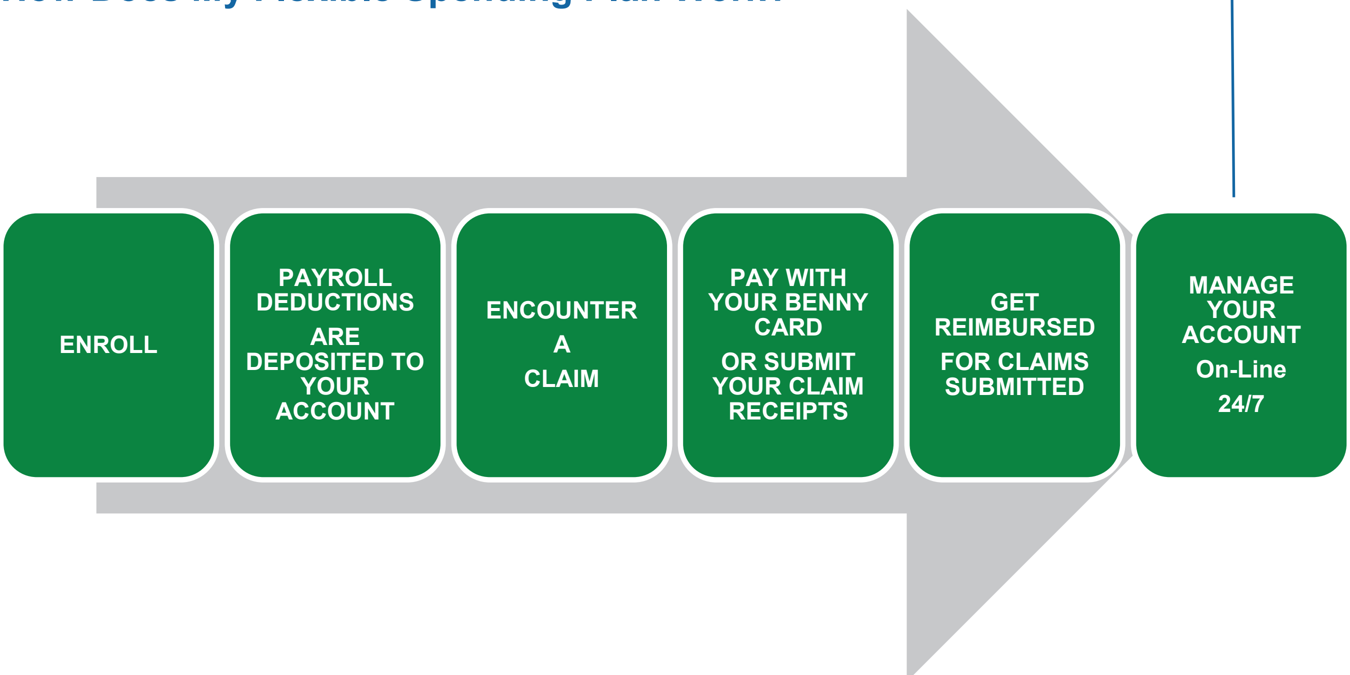
How Does My Flexible Spending Plan Work?



Important Differences to Note:

Healthcare Spending Account	Dependent Care Spending Account
► **You may be reimbursed for your entire annual election at any time during the Plan Year.** The reimbursement amount is not based on how much you have contributed to the plan to that point. For example, you have an annual election of $500, and you have contributed $250 so far in the Plan Year. You submit your first receipt for $300. You will be sent a check for the full $300 even though you have only contributed $250. Of course, you can never be paid more than your annual election plus any money that was carried over.	► **You are only paid up to the amount you have in your account at the time of service.**
If you are not using your Benny Card, all receipts must be received by Benefit Alternatives, Inc. seven WORKING (not calendar) days before your payday (or when you normally would receive your reimbursement check) to ensure that you will receive a check in that reimbursement period.	

What Health Expenses Are Eligible for Reimbursement?

Eligible Expenses

- Health, Dental, or Vision Expenses That Are Not for "General Well Being" or Cosmetic Reasons
- Office Visit Copays
  Prescription Copays
  Deductibles
  Coinsurance
- Expenses for You
  Expenses for Your Spouse
  Expenses for Your Qualified Dependents

Ineligible Expenses

- Expenses That Will Be or Can Be Reimbursed Elsewhere
- Expenses for Dates of Service That Fall Outside of the Plan Year
- Insurance or COBRA Premiums
- Certain OTC Medications for Which You Do Not Have Doctor's Prescription
  (eff. 1/1/2011)

Potentially Eligible Expenses

- CPR Classes
  Doula (birthing coach)
  Exercise Equipment/Programs
  Genetic Testing
  Hormone Replacement Therapy
  Home/Auto Modifications
- Massage Therapy
  Nutritionist Services
  Sleep Deprivation Treatment
  Weight-loss Drugs or Programs
  Lactation Consultant

►YOU OR YOUR DEPENDENTS DO NOT HAVE TO BE COVERED UNDER THE AGNES SCOTT COLLEGE INSURANCE PLAN in order to participate in the advantages of the Flexible Spending Plan.

► A comprehensive list may be found in the Summary Plan Description available from AGNES SCOTT COLLEGE

►There is a $2,650 maximum election per Plan Year.

Documentation You Will Need To Keep:

► Original Itemized Receipts
► Insurance Company EOB's
(Explanation of Benefits forms)
► Supporting Documentation
(i.e. – Claim and Reimbursement Forms)

What Dependent Care Expenses Are Eligible for Reimbursement?

► Definition of an Eligible Dependent:

- Child under the age of 13 who lives with you more than half the year. Special rules apply if you are divorced and are also the custodial parent. Please see your Summary Plan Description.
- Spouse or other qualifying dependent who is physically or mentally incapable of self-care and lives with you more than half the year.

► Eligible Expenses:

- Eligible expenses are costs incurred to pay someone to care for your dependents so that you (single parent) or you and your spouse can work.
- The following is a sample list of covered expenses. Please see your Summary Plan Description for a comprehensive listing.

Eligible Expenses

- Day Care
- In-Home Care
- Nursery or Pre-School
- Au Pair (Nanny) Services
- After School Care
- Day Camp
- Certain Elder Care Services

Ineligible Expenses

- Overnight Camp
- Babysitting (Non-Work-Related)
- Kindergarten
- School Tuition
- Long Term Care Services

- If you have used your Dependent Care Spending Account, you cannot claim Day Care expenses for the end of the year tax credit. Please see your Summary Plan Description for all details.

Documentation You Will Need to Keep:

Original Provider Itemization of Services Including:

- Provider Name, Address, Tax ID/SS #
- Date(s) of Service
- Name and Date of Birth of the Dependent
- Completed Claim Form

Understanding the Rules

Changing Elections

Once you have made an election, you may not change that election unless you have a "change in status".

For the Dependent Care Spending Account only, you may make a change in your deduction only if the provider changes what they charge. If the provider is a family member, this does NOT apply.

Qualified Expenses

If you are not using your Benny Card, you must have a receipt to be reimbursed.

Be familiar with the list of eligible and ineligible expenses in order to maximize the value of your account.

Use-It-Or-Lose-It

If you do not use your Benny Card or you do not submit receipts, you may not get your money. You may carry up to $500 from you health care FSA to the next Plan Year.

Helpful advice for managing the "use-it-or-lose-it" rule:

YOU MAY NOW CARRY OVER $500.00 FROM YOUR HEALTHCARE ACCOUNT!

- Only set aside money for expenses you know you will spend.
- Review your family expenses over the last year or two as a guide.
- Remember your tax savings may serve as a cushion if you have over-estimated your expenses.

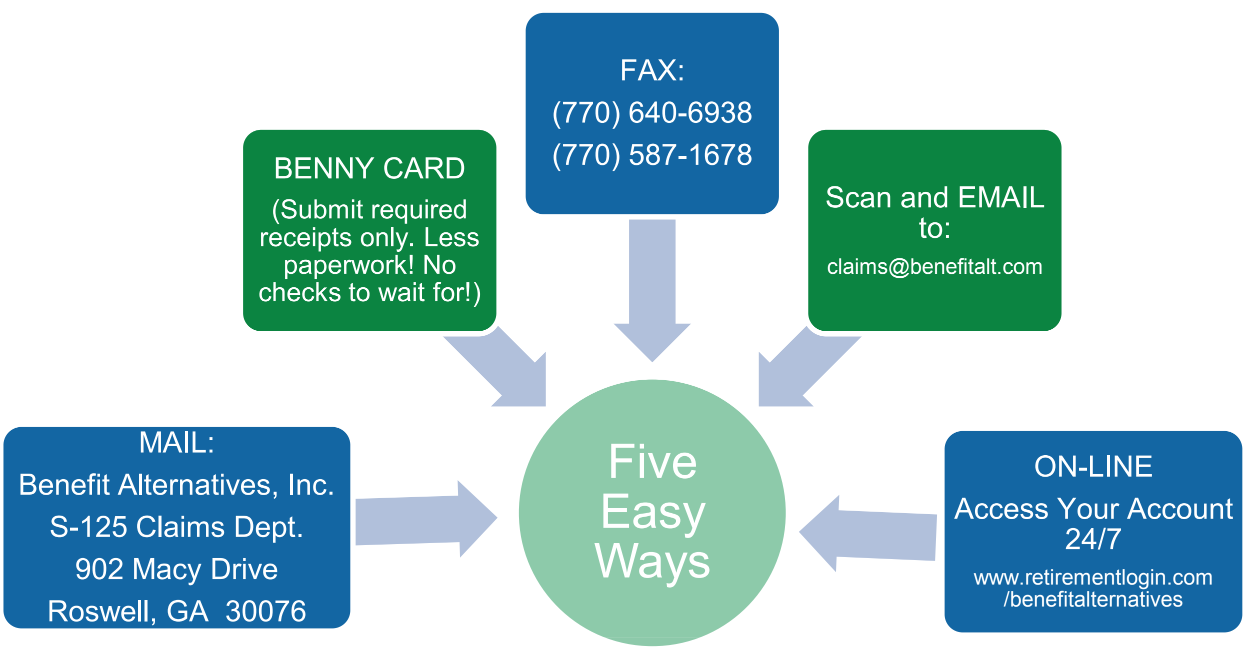
Example: let's assume you are in a 30% tax bracket and you set aside $1,000 in your account. You saved $300 in taxes from your savings election. If you made a mistake in your estimates and you only had $400 in receipts for the year, you will lose $100, and carry $500 to the next Plan Year. You are still ahead by $200 because of your tax savings.

While you need to pay careful attention to the use-it-or-lose-it concept, any risk should be lessened by good planning.

Where Do I Get Additional Information About the Plan?

► Informational Meetings are conducted each year prior to the end of the Plan Year by our Plan Supervisor. A representative will be in attendance to give you detailed information and answer any questions you may have about the Plan.

How Do I Submit My Expenses?



How Do I Sign Up for the Plan?

► Each year, you must complete the Salary Reallocation Agreement in your packet and return it to your Human Resources Department prior to the cut-off date.

Estimate Your Annual Expenses
- Employee Enrollment Worksheet

Estimate Your Tax Savings (*Optional*)
- Tax Savings Worksheet

Complete Your Salary Reallocation Agreement (Return to HR)
- Section 125 Cafeteria Plan Compensation Pre-Tax Agreement

IT'S THAT EASY!

PLEASE NOTE THAT ALL EXISTING EMPLOYEES AND NEW HIRES MUST COMPLETE THE ENROLLMENT FORM ON THE NEXT PAGE, EVEN IF YOU ARE DECLINING TO PARTICIPATE. WE MUST HAVE RECORD OF YOUR ENROLLMENT OR YOUR DECLINATION.