

Summary Plan Description

Prepared for

Hartwick College Flexible
Spending Account

INTRODUCTION

Hartwick College has made available through MVP Select Care, Inc. a Flexible Spending Account within the meaning of Section 125 of the Internal Revenue Code of 1986. The Flexible Spending Account (FSA) has been established to offer a choice among benefits with the intent that participants will not have to include as taxable income the amount of compensation they have foregone to pay for contributions to eligible benefits offered by Hartwick College. This Summary Plan Description (SPD) describes the benefits, terms, and conditions of the Plan as it applies to benefits eligible employees of Hartwick College on or after their effective date(s) for participation.

This SPD is a summary of the FSA benefit and is not meant to interpret, extend or change the FSA benefit in any way. We suggest you read the SPD carefully so that you may understand the FSA benefit's operation and its benefit to you. We want you to be fully informed before you enroll in the Plan and while you are a participant. However, the provisions of the applicable Plans can be determined more precisely by consulting the plan documents themselves which are available from Human Resources. ***In the event of any inconsistencies between this SPD and the actual provisions of the Plan(s), the terms of the applicable Plan Document will govern.***

All relevant employee protected health information (PHI), manual and electronic, shall be maintained in a manner consistent with privacy standards established by HIPAA.

Hartwick College reserves the right to modify or terminate the Plan, in whole or in part, at any time. Termination of the Plan will result in loss of benefits for all covered persons.

Plan Name: MVP Health Care Flexible Benefit as administered by MVP Select Care, Inc.

Plan Effective Date: January 1, 2007

Plan Year: January 1 through December 31

Plan Administrator/Sponsor: Hartwick College, P.O. Box 4020, Oneonta, NY 13820

Plan Administrator/Sponsor Phone: 607-431-4315

Identification Number (EIN): 15-0533561

Plan Identification Number: 501

Group Number: 449

Agent for Service of Legal Process: Hartwick College, P.O. Box 4020, Oneonta, NY 13820

Agent for Service of Legal Process Phone: 607-431-4315

Please retain this information for future reference.

This model summary plan description describes a cafeteria plan under Section 125 of the Internal Revenue Code of 1986 which includes one or more flexible spending account(s) as benefits eligible for selection by participants.

ELIGIBILITY

Am I eligible to participate in the Flexible Spending Account and when can I participate?

Insurance and related benefits are available to exempt and non-exempt employees working a minimum of a half-time position (.5 FTE/910 hours) per year. Faculty members must teach a minimum of 9-10 semester hours (or an equivalent) per year. Fringe benefits are not available to temporary employees. Benefits eligible employees shall become eligible to participate on:

- a. **First of the month** following **date of hire**;
- b. **Annually on January 1** following the regular open enrollment period;
- c. **First of the month** following a qualifying event.

What happens when I elect to contribute to Flexible Spending Account?

Hartwick College will establish a FSA on your behalf. The amount that you elect to contribute will be pro-rated and deducted on a pre-tax basis from each paycheck for the upcoming plan year. These deductions will appear as a credit to your FSA. As you incur eligible expenses, you will submit a claim form in order to be reimbursed from your account.

Are there any ways that my election can be modified by my employer in the middle of a plan year if there is a nondiscrimination problem?

The FSA is required to meet certain nondiscrimination provisions as outlined by the Internal Revenue Code. Hartwick College reserves the right to modify the amount of any benefit elections of the shareholders, officers, owners, and other highly compensated employees by the amount necessary to allow the Plan to satisfy these nondiscrimination requirements.

What happens if I terminate employment?

If you terminate employment, you will no longer be eligible to participate in the flexible benefit plan. Typically, your pre-tax contributions will continue through your last regular payroll period. Termination of participation in the FSA will not affect any rights you may have to continue participation in certain health plans.

Can I change my decision to participate?

The decision to participate will be binding for the full Plan Year. You may change this election only under the following circumstances:

- a. You may change your participation election prior to the beginning of each new Plan Year. The election you make will be binding for the new Plan Year.
- b. You may make a new election for Health Care FSA or Dependent Care FSA **only if** you had a “change in status” **and** the requested election change is consistent with that change in status. The events that constitute a change in status include the following:
 1. Events that change your legal marital status, including marriage, death of spouse, divorce, legal separation, and annulment.
 2. Events that change your number of dependents, including birth, death, adoption, and placement for adoption. (Note: Gaining or losing a dependent who is not a tax dependent—such as a parent, domestic partner, or child of a domestic partner—will not be considered an allowable event for an election change).
 3. Events that change your employment status or the employment status of your spouse or dependents that affect your eligibility for benefits including a termination or

commencement of employment, a strike or lockout, a commencement of or return from an unpaid leave of absence or a change in worksite.

4. Events that cause your dependent to satisfy or cease to satisfy eligibility requirements for coverage on account of attainment of age, student status, or any similar circumstances.
5. A change in your place of residence, the place of residence of your spouse or dependent that effect eligibility for benefits under the plan.

c. For the Dependent Care FSA, the election change is consistent with the status change only if it meets one of the following:

1. The change in status event affects eligibility for coverage under the benefit plan with respect to which you are requesting an election change.
2. The change in status event affects eligibility of expenses described in IRC Section 129 with respect to the Dependent Care FSA.

Please note, it is possible to experience a “change in status” event, but not have the change affect your eligibility to participate in benefits. In this case you cannot make a change in your election.

Are there any other events that allow me to change my decision to participate in the cafeteria plan that do not fit the events listed above?

IRS regulations allow participants to make a mid-year election change to Health Care FSAs or Pretax Premiums for certain “Special Events” that are not specifically addressed in the Changes in Status categories. These events are:

Exception for COBRA Qualifying Events. If you, your spouse or dependent gain or lose coverage due to a COBRA qualifying event, you may change your election to pay for the continuation of coverage on a pre-tax basis or to reduce your election for the corresponding loss of coverage.

Judgment, Decree or Order. If there is a judgment, decree or order resulting from a divorce, legal separation, annulment or change in legal custody that requires a change in accident or health coverage for your child or foster child, you may make an election change to add or drop coverage as ordered.

Entitlement to Medicare or Medicaid. If you, your spouse or dependent becomes entitled to Medicare or Medicaid, you may make a prospective election change to cancel or reduce health coverage under the employer’s plan. If you, your spouse or dependent loses coverage to Medicare or Medicaid, you may make a prospective election to commence or increase coverage under the employer’s plan.

HIPAA Special Enrollment Rights. If you gain the right to enroll in the employer’s group health plan or to add coverage for a family member under the special enrollment rights of HIPAA, the participant may revoke an election for coverage during a period of coverage and make a new election.

When do changes in election become effective?

If you make a change in election, your new election amount will be effective the latter of:

- a. **First of the month following date of qualifying event;**
- b. Immediately following the date on which the Office of Human Resources receives the Participant’s written notice. If you experience a change in status and would like to change your election, please contact your benefits administrator as soon as possible.

Are there special rules that affect participants in the flexible benefit plan who take a leave under FMLA?

Under the Family and Medical Leave Act (FMLA), you are entitled to continue health coverage during the period of the leave if this benefit was in effect prior to the date on which the leave began. If this is the case and you participate in the flexible benefit plan, you are required to make any applicable contributions to the flexible benefit plan for coverage extended during the leave. If the leave is paid, salary deduction contributions will continue during the length of the leave. If the leave is unpaid, there are several options available for you to continue contributions to the flexible benefit plan during your leave or you have the right to terminate coverage during the leave and reinstate it when you return from leave. Please see your benefits administrator for details.

FLEXIBLE SPENDING ACCOUNTS

What happens if I do not incur enough eligible expenses during the plan year to claim reimbursement of all the money I have contributed to the Flexible Benefit Plan?

IRS rules do not permit a refund of any unused funds that remain in your Flexible Spending Account at the end of a plan year. Also, you cannot transfer money designated for the Flexible Spending Account to any other account or fund. For this reason, it is important that you be conservative when setting your targeted contributions.

How much time do I have to submit a claim?

If you remain a participant in the Health Care Flexible Spending Account or Dependent Care Flexible Spending Account for the full plan year, you will have **90** days after the end of the plan year to submit a claim for expenses incurred the previous year. If you terminate participation in the Health Care Flexible Spending Account or Dependent Care Flexible Spending Account, you will have **90** days after your termination date to submit a claim for expenses incurred during your period of coverage. Remember that funds contributed for one plan year cannot be used to reimburse you for expenses incurred in another plan year.

Are there other ways that my participation in the Flexible Spending Account can be terminated?

If you no longer meet the eligibility provisions of the FSA or your employer terminates the plan, your participation will be terminated.

How do Flexible Spending Account contributions affect my Social Security benefit?

Participation in the FSA reduces your gross taxable income and may affect your Social Security benefit by reducing the total taxable income used to calculate your Social Security benefit. In most instances, the current tax savings under the Flexible Benefit Plan will outweigh the slight impact on future Social Security benefits.

Can my employer terminate or amend the Flexible Benefit Plan?

The Flexible Benefit Plan can be amended or terminated, in whole or in part at any time, by your Employer or its Board of Directors (if applicable) in the same manner as the plan was adopted. Consent of any participant, employee or any other person referenced in the Plan is not required to terminate the Plan.

HEALTH CARE FLEXIBLE SPENDING ACCOUNT

The Health Care Flexible Spending Account (Health Care FSA) allows you to pay for the out-of-pocket, qualified health care expenses incurred by you or your dependents with pre-tax contributions. All qualifying expenses incurred by you and your family member(s), which are not paid by any other source (such as the group health plans provided due to the employment of your and/or your spouse), can now be paid with pre-tax dollars. You may choose to contribute up to the maximum amount established by your FSA for this benefit.

Maximum Plan Year Contribution: \$5,000.00

Minimum Plan Year Contribution: \$0.00

How do I qualify to use the Health Care Flexible Spending Account?

If you incur eligible medical expenses during a plan year (such as out-of-pocket deductibles and co-payments) that are not payable from other sources, you can use the Health Care FSA to reimburse you for these expenses with tax-free contributions.

What are examples of eligible medical expenses that qualify for reimbursement from the Health Care FSA?

Only those qualifying health-related expenses, which are not reimbursed by any other group health, dental or vision plan, can be claimed. In order to qualify, these expenses must be incurred (the services must be rendered or the supplies purchased) during the Plan Year. Section 213 from the Internal Revenue Code dictates what expenses qualify for reimbursement. Some of these expenses are listed below. Please visit www.irs.gov/publications/p502

- Deductibles
- Copayments
- Ambulance
- Birth Control Expenses (as prescribed by a physician)
- Chiropractic Care
- Dental Care
- Dentures
- Diagnostic Testing
- Eye Exams, Eyeglasses & Contacts
- Hospital Expenses
- Laboratory Tests
- Laser Eye Surgery
- Orthodontic Expenses
- Orthotics
- Physical Therapy
- Prescription Drugs (drugs and medications for cosmetic or general appearance improvement are NOT eligible)
- Travel expenses for medical treatment (subject to federal regulations)
- Wheelchairs

NOTE: Pursuant with the Patient Protection and Affordable Care Act, effective January 1, 2011, you may not receive reimbursement of "over-the-counter" drugs unless the drug is insulin or the drug is prescribed for you for treatment of a medical condition.

Can I use the Health Care FSA for my family's health care expenses?

Yes, eligible health care expenses incurred by you are already deducted from your gross pay as pre-tax premiums.

What are some examples of expenses not eligible for reimbursement?

Examples of expenses specifically disallowed from this program include: Cosmetic surgery that does not meaningfully promote the proper function of the body or prevent or treat an illness or disease; membership fees or costs of weight loss programs done for your general health; and premiums paid for insurance coverage.

What do I submit to get reimbursed for qualifying medical expenses?

FSA Claim Forms are available in the Office of Human Resources or on the HR webpage under Forms for Employees. To be reimbursed for eligible expenses, you simply complete a signed form and return it with the supporting documentation to the address on the form. Upon receipt, review, and approval of the claim, you will be reimbursed from your spending account. Reimbursement for qualifying health care expenses will be made up to the total amount of your plan year contribution, less any previous reimbursements.

Are there any special rules regarding the Health Care FSA if I terminate employment?

If you terminate employment, your participation in the Health Care FSA will automatically terminate. You can receive reimbursement for eligible health care expenses incurred prior to termination. However, if coverage would otherwise end due to a qualifying event as outlined in the COBRA laws, you and your covered spouse and dependents may be able to continue coverage under the Plan on an after tax-basis, depending on the nature of the event. Your benefits administrator will give you information on how to continue coverage under the Health Care FSA, if this is appropriate.

Statement of Rights

As a participant in the Health Care FSA, you 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 examine, without charge, at the Plan Administrator's office and at other specified locations (such as work sites and union halls), all Plan documents, including insurance contracts, collective bargaining agreements and copies of all documents filed by the Plan with the U.S. Department of Labor (such as detailed annual reports and Plan descriptions); obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Administrator may make a reasonable charge for the copies. You are also entitled to receive a summary of the Plan's financial report, if applicable. The Plan Administrator is required by law to furnish each participant with a copy of the summary annual report, with certain exceptions.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Health Care Flexible Spending Account. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the

interest of you and other Plan participants and beneficiaries. No one, including your employer or any other person may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA. If your claim for a welfare benefit is denied in whole or in part you must receive a written explanation of the reason for denial. You have the right to have the Plan Administrator review and reconsider your claim.

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 30 days, you may file suit in federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in 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 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 the costs and fees, for example, if it finds your claim frivolous.

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue NW, Washington, DC 20210.

DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT

A working person who has expenses for care of a dependent can pay those expenses with pre-tax contributions to the Dependent Care FSA. Eligible expenses include costs for caring for children under 13 years of age or other eligible dependents in nursery schools, daycare centers or private homes.

You should be aware that under federal tax law, you may be able to claim a Child Care Credit on your taxes for certain eligible expenses. You may not use the same expenses under an FSA in order to claim this credit. Each dollar used under the Dependent Care FSA will reduce the amount available for your use under the Child Care Credit or the Dependent Care FSA. Consult with your tax preparation professional for more information.

Maximum Plan Year Contribution: The maximum amount, which can be allocated to your Dependent Care Flexible Spending Account, is established by federal law and is the lowest of the following:

- **\$5,000 (or \$2,500 for married who file a separate federal income tax return); or**

- The employee's Earned Income for the Plan Year (as defined by federal income tax regulations, including wages and earnings from self-employment, but excluding non-taxable compensation); or
- The spouse's Earned Income for the Plan Year (if the spouse is a full-time student or is incapable of caring for him or herself and has no earned income, the spouse will be deemed to have \$200 per month in earned income if the employee has one dependent, or \$400 per month if the employee has two or more dependents).

If both the employee and the spouse each participate in separate Dependent Care FSAs during the same tax year, the total combined amount to be excluded from income tax and Social Security taxes will be limited to \$5,000.

Minimum Plan Year Contribution: \$0.00

Do I qualify to use the Dependent Care Flexible Spending Account (FSA)?

To be eligible to use the Dependent Care FSA, you must be at work during the time your eligible dependent

receives care. You must also meet one of the following eligibility guidelines:

- You are a single parent
- You have a working spouse
- Your spouse is a full-time student at least five months during the year while you are working
- Your spouse is physically or mentally unable to provide for his/her own care
- You are divorced or legally separated and have custody of your child most of the time even though your former spouse may claim the child for income tax purposes.

What is an eligible dependent for the Dependent Care FSA?

An eligible dependent is an individual whose care expenses may be reimbursed under the Dependent Care FSA. The individual must spend at least eight (8) hours per day in your home and can be any one of the following:

- A child under age 13 for whom you have custody most of the time even though your former spouse may claim the child for income tax purposes
- Any other dependent who is physically or mentally unable to care for himself or herself
- Your spouse, if physically or mentally incapable of self-care

What expenses are eligible for reimbursement under the Dependent Care FSA?

Eligible expenses under the Dependent Care FSA will include the following expenses you incur for Qualifying Dependents for the following type of care:

- Pre-schools, nursery schools, or daycare centers
- Daycare for dependent children up to age 13, either in or outside of your home
- Non-educational programs for children up to age 13 while school is in session (such as after school programs, summer recreational programs, and day camps)
- Non-medical home care for mentally or physically disabled dependents who live with you

Remember that these expenses are reimbursable only if they allow you and your spouse to be employed, or for one spouse to be employed while the other attends school on a full-time basis.

How much reimbursement will I receive each time I submit a claim?

MVP Select Care, Inc. will reimburse the claim up to the available balance in your Dependent Care FSA at the time you submit the claim. If there aren't sufficient funds in your FSA to reimburse the entire claim, the remaining amount of the claim will be paid as soon as there have been enough payroll deductions credited to your account. You will not have to re-submit the claim.

What do I submit to get reimbursed for qualifying dependent care expenses?

You can choose to file claims by visiting MVP's website and submitting a claim form electronically, or you can mail a claim form and appropriate receipt to MVP Select Care, Flexible Benefits Department, P.O. Box 2207, Schenectady, NY 12301; or you may fax your completed claim form and appropriate receipts to MVP Select Care, Flexible Benefits Department (315)234-6146.

You may also access your account anytime by going to www.mvphealthcare.com/specialtyservices . From there, you may access your account, view contributions to date, claims filed, disbursements and balance information.

If you have any questions about the status of a claim, you may also contact the Flexible Benefits Department at 888-222-9931 between the hours of 8:30 a.m. to 5:00 p.m. EST.

ADMINISTRATION INFORMATION AND RIGHTS UNDER ERISA

Who established the Plan?

The official name of the Plan is:

MVP Health Care Flexible Benefit as administered by MVP Select Care, Inc.

The Employer who adopted the Plan is:

Hartwick College
One Hartwick Drive
Oneonta, NY 13820
607-431-4315
Federal Tax Identification Number: 15-0533561
Fiscal Year End: 06/30
MVP Select Care, Inc. has assigned Number 501 to the Plan.

When did the Plan become effective?

The effective date of this Plan is 01/01/2007

Who is responsible for the day-to-day operations of the Plan?

Your Employer is responsible for the day-to-day administration of the Plan. To assist in operating the

Plan efficiently and accurately, your Employer may appoint others to act on its behalf or to perform certain functions.

Does the Employer have the right to change the Plan?

The Plan will be amended from time to time to incorporate changes required by the law and regulations governing cafeteria plans. Your Employer also has the right to amend the Plan to add new features or to change or eliminate various provisions.

Does participation in the Plan provide any legal rights regarding my employment?

The Plan does not intend to, and does not provide, any additional rights to employment or constitute a contract for employment. The purpose of the Summary Plan Description is to help you understand how the Plan operates and the benefits available to you under the Plan. The Plan document is the controlling legal document with respect to the operation of and rights granted under the Plan and if there are any inconsistencies between this Summary Plan Description and the Plan document, the Plan document will be followed.

If I need to take legal action with respect to the Plan, who is the agent for service of legal process?

Your Employer is the agent to be served with legal papers regarding the Plan.

Government regulations:

Flexible spending accounts and similar plans are governed by the Internal Revenue Service (IRS) and will be administered in accordance with all regulations governing these types of plans. Any statements contained herein are subject to change in the event of change of applicable statutes, laws, rules, or regulations governing these benefits.

For more information call MVP Select Care, Inc. at 888-222-9931 or visit their website at www.mvphealthcare.com/specialityservices or visit www.irs.gov