

**SUMMARY PLAN DESCRIPTION  
FOR THE  
EARLHAM COLLEGE FLEXIBLE BENEFIT PLAN**

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**SUMMARY OF  
EARLHAM COLLEGE FLEXIBLE BENEFIT PLAN**

**(1) What is the purpose of this plan?**

Under the reimbursement provisions of the Plan, you may convert certain medical and dependent care expenses from after-tax to before-tax expenses. This is done through a Compensation Reduction Agreement under which you agree to have your compensation reduced by a specified amount each pay period. These amounts are then available to reimburse you for covered expenses.

Under the Premium Conversion provisions of the Plan, that portion of the premiums that you pay for benefits under any Medical and/or Dental Insurance Plan or Plans maintained by EARLHAM COLLEGE ("the Employer") are paid on a before-tax basis.

This summary describes the highlights of the EARLHAM COLLEGE FLEXIBLE BENEFIT PLAN. It is not intended to be a complete description of the Plan, and in the event of any conflict, the provisions of the Plan control your right to benefits.

No provision of the EARLHAM COLLEGE FLEXIBLE BENEFIT PLAN or this summary shall give any employee any right to continued employment by the Employer or shall in any way prohibit changes in the terms or conditions of employment of any Employee covered by the EARLHAM COLLEGE FLEXIBLE BENEFIT PLAN.

**(2) What are the definitions of some of the terms used in this Plan?**

The following definitions explain some of the important terms used in this summary:

Code means the Internal Revenue Code of 1986, as amended.

Dependent Care Expense Reimbursement Plan means the Dependent Care Expense Reimbursement Plan by which you may pay certain Dependent care expenses from pre-tax income under this EARLHAM COLLEGE FLEXIBLE BENEFIT PLAN.

Enrollment Period: The Annual Open Enrollment Period shall commence and run for sixty (60) days immediately prior to the start of each new Plan Year ( July 1<sup>st</sup>) and enrollment for such Plan Year period will cease no later than the last day of the month that precedes the first day of such new Plan Year period.

Entry Date means the date you meet the eligibility requirements.

Highly Compensated Employee means generally any Employee (1) who is a 5% owner; or (2) who had Section 415 Compensation in excess of \$90,000. The \$90,000 figure is adjusted for inflation.

Key Employee means certain owners and officers of the Employer.

Medical Care Expense Reimbursement Plan means the Medical Care Expense Reimbursement Plan under which you may pay certain uninsured medical expenses from pre-tax income under this EARLHAM COLLEGE FLEXIBLE BENEFIT PLAN.

Medical Insurance Plan is a group health care plan providing medical benefits (including vision, dental and related medical benefits) for the benefit of the

Employer's employees and/or their Dependents under which the employees are required to pay all or a portion of the premiums payable for benefits under the Plan.

Participant means any Employee who participates in the Plan.

Plan means the EARLHAM COLLEGE FLEXIBLE BENEFIT PLAN as set forth herein, together with any and all amendments and supplements hereto.

Plan Year means July 1st to June 30th.

Premium Conversion Plan means the portion of the Plan under which you may make your premium payments for Employer provided medical insurance using before tax dollars.

Qualifying Reimbursement Expense means expenses which qualify under the Internal Revenue Code for reimbursement under this Plan, and which are not otherwise deducted on the Participant's income tax return or reimbursed by insurance.

**(3) When and how can I participate in the Medical, Dependent Care and Adoption Reimbursement Plan?**

You will be eligible to participate in the Medical, Dependent Care, and Adoption Expense Reimbursement Plan as follows: If you are an employee of the Employer working 30 hours or more per week on a consistent basis and you are scheduled to work for the Employer for at least 36 weeks or more during the Plan Year period, you have the option to become a participant in one or more of the Expense Reimbursement Benefit portions of this Plan beginning on the first day of the month after meeting these eligibility requirements.

In order to participate in the Medical, Dependent Care, and Adoption Expense Reimbursement Plan for any plan year you must file a Compensation Reduction Agreement each year with the Plan Administrator before the beginning of the plan year. If you do not complete a new Compensation Reduction Agreement and return it to the Plan Administrator prior to the date required for said return, you will be deemed to have elected **not** to participate in this Medical, Dependent Care, and Adoption Expense Reimbursement Plan for the plan year in question.

**(4) When and how can I participate in the Premium Conversion Plan?**

You will be eligible to participate in the Premium Conversion Plan as follows: If you are an employee of the Employer working 30 hours or more per week on a consistent basis and you are scheduled to work for the Employer for at least 36 weeks or more during the Plan Year period, you have the option to become a participant in one or more of the Expense Reimbursement Benefit portions of this Plan beginning on the first day of the month after meeting these eligibility requirements.

If you do not wish to participate in the pre-tax insurance premium contribution programs, you must file a written request with your Employer at such time as you become eligible to have your insurance premiums qualify for the pre-tax benefit. Such written request form is known as a "Negative Enrollment Form" and when filed with your Employer will notify the Employer of your election request to not participate in this pre-tax premium Flexible Benefit Plan for the Plan Year period. Your failure to file such Negative Enrollment Form with the Employer during your initial enrollment period, or prior to the start of each new Plan Year, during the "Annual Open Enrollment Period", will result in your automatic enrollment and pre-tax participation in the pre-tax premium Flexible Benefit Plan for that Plan Year period.

**(5) What is the Plan notice procedure?**

During each Enrollment Period, the Administrator will give you a written notice concerning the Plan. The enrollment period ordinarily begins approximately 60 days prior to the first day of the Plan Year. New Employees may be given an opportunity to enroll or waive participation in the Plan or in any part of the Plan before their eligibility date(s).

If you do not elect to participate in the Plan or any part of the Plan, or if you are deemed not to have elected to participate, you will not be eligible to again become a Participant until July 1st of the next Plan Year, unless there is a change of family circumstance during the year.

**(6) What happens if my salary reduction amount for Medical, Dependent Care and Adoption Expense Reimbursement during the year exceeds my expenses for the year?**

The amount credited to your medical, dependent care and adoption expense reimbursement accounts for any Plan Year shall be used only to reimburse you for Qualifying Reimbursement Expenses incurred during such Plan Year while a Participant, unless otherwise provided by the Regulations. If any balance remains in your medical, dependent care and/or adoption expense reimbursement accounts for a Plan Year after all reimbursements hereunder, such balance shall not be carried over to reimburse you for Qualifying Reimbursement Expenses incurred during a subsequent Plan Year, and shall not be available in any other form or manner but shall remain the property of the Employer, and you will forfeit all rights with respect to such balance.

**(7) Can my election be changed?**

Once you have elected to participate in the plan (or to waive such participation), you cannot change your election during the plan year, unless you have a change in family status. A change in family status includes marriage, divorce, legal separation or annulment, death of a spouse or child, birth of a child, adoption of or placement for adoption of a child, termination or commencement of employment of a spouse, or the taking of an unpaid leave of absence by you or your spouse, change of or to part- or full-time employment status by you or your spouse, or a change in the status of a dependent. Any change made as a result in a change in family status must be on account of and consistent with the change in family status.

If you terminate your participation in the EARLHAM COLLEGE FLEXIBLE BENEFIT PLAN as a result of a change in family status, no further reductions will be made in your compensation. However, you will continue to be eligible for reimbursements for expenses incurred during the Plan Year up to the amount of your account.

If you continue to be employed but stop participating in the Medical, Dependent Care and Adoption Expense Reimbursement Plan(s) or the Premium Conversion Plan during a Plan Year for any reason, and you do not have a change in family status, your compensation for each such benefit will continue to be reduced by the amount you elected until the end of the Plan Year. Your payments will be applied against Plan administration expenses, and you will not be entitled to benefits.

**(8) What are the limitations on the amount of my compensation that I may elect to reduce?**

You may reduce your compensation by the amount of your Dependent care expenses incurred during the year. However, you may not reduce your compensation for Dependent care expenses by more than \$5,000 (\$2,500 if married, filing separately) per year, or if your spouse is a student for more than 5 months of the year, the lesser of your spouse's earned income or \$4,800.

Maximum for the Medical Flexible Spending Account is \$5,000 per year and for the Adoption Assistance Plan the maximum is \$5,000 (\$6,000 for a special needs child). Overall Plan maximum is \$20,000.

The limitation on premium conversion amounts is the monthly amount you must actually pay for insurance premiums.

In the event that the before-tax cash compensation payable to you by the Employer is less than the amount of the deferrals you elect, you will be required to pay the difference to the Employer.

**(9) How will my benefits under the plan be affected if I am a highly compensated employee or a key employee?**

If you are a Highly Compensated Employee or a Key Employee of the Employer, the Administrator may modify or terminate your participation in the EARLHAM COLLEGE FLEXIBLE BENEFIT PLAN without your consent to the extent necessary to satisfy the nondiscrimination requirements of the Internal Revenue Code.

**(10) What is the effect of my participation in the plan on my social security benefits?**

Any reductions in your compensation that are applied to the payment of benefits under this Plan are not treated as wages and are not subject to social security taxes. Since your social security benefits will be determined in part on the basis of the wages you have earned during your lifetime, this reduction in the total wages earned may cause the amount of social security benefits you receive to be slightly reduced.

**(11) What is the effect of my participation in the plan on my retirement benefits?**

Your benefits under the Employer sponsored retirement plans will generally not be affected by your participation in this Plan. See the Plan Administrator for more information.

**(12) What is my responsibility for the tax consequences of participation in this plan?**

While the Employer intends that the payments you make under this Plan will be excludable from your gross income for federal income tax purposes, it cannot insure this exclusion, or that any other federal, state, or local tax treatment will apply. It is your obligation to notify the Employer if you have reason to believe that any payment is not excludable from your gross income.

If any before-tax payment for benefits paid to you is disallowed by any federal, state, or local taxing authority, you must reimburse the Employer for any liability it may incur for failure to withhold Federal, state or local taxes that you would have owed if such payment had been made to you as regular cash compensation, plus your share of any Social Security tax that would have been paid.

**(13) What happens to my benefits if I terminate service or take family or military leave?**

If you take a leave of absence under the Family Medical Leave Act (FMLA) or the Uniform Services Employment or Reemployment Rights Act (USERRA), you can continue to participate in the Plan during your period of leave.

**(14) Can the plan be amended or terminated?**

The Employer has established the EARLHAM COLLEGE FLEXIBLE BENEFIT PLAN with the intention and expectation that it will be continued indefinitely, but the Plan may be amended or terminated by the Employer at any time. Nothing contained in this Plan shall limit the Employer's right, without notice to or consent from any employee, to amend or terminate any other benefit plan we maintain.

**(15) What is the procedure for making claims under this Plan?**

If you think you are not receiving any benefits to which you are entitled under this Plan, you may make a claim to the Administrator. If the Administrator believes that your claim should be denied, you will be notified in writing within 90 days after the claim is received by the Administrator (or within 180 days in special circumstances). The notice will state the reason for the denial.

If your claim is denied, you may request that the Employer review and reconsider your claim. This request must be made within 60 days after you receive the decision of the Administrator. The Employer will decide whether or not to grant your claim within 60 days after it receives your request for review (or 120 days in special circumstances). The decision on review is final.

**(16) What are my rights under ERISA?**

As a Participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Participants are entitled: (a) to examine without charge at the 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 Plan documents filed with the U.S. Department of Labor, such as detailed annual reports and Plan objectives; (b) to obtain copies of all Plan documents and other information upon written request to the Administrator (who may make a reasonable charge); (c) to receive a summary of the Plan's annual financial report and a copy of the Administrator's summary annual report; and (d) to obtain a statement telling if you have a right to receive a pension at normal retirement age and if so, what your benefits would be if you stopped working now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a pension. This statement must be requested in writing, is not required to be given more than once a year, and must be provided by the Administrator free of charge.

ERISA also imposes duties upon the people responsible for the operation of the plan. These people, who are called fiduciaries, have a duty to do so prudently and in the interest of all Participants. No one, including the Employer, a union, or any other person, may fire you or discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your ERISA rights.

If your claim for benefits 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 the Administrator review and reconsider your claim. Under ERISA, there are steps you can take to enforce these rights. For instance, if you request materials about the Plan and do not receive them within 30 days, you may file suit in a federal court. If you do so, the court may require the 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 Administrator's control.

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 you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in 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 these costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about this Plan, contact the Administrator. If you have any questions about this statement or your rights under ERISA, contact the nearest Area 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, D.C. 20210.

**(17) What other information should I have regarding the Plan?**

The following general information is applicable to this Plan:

**Plan Sponsor:** EARLHAM COLLEGE  
National Road West  
Richmond, IN 47374

**Tax ID Number:** 35-0868073

**Plan Number:** 510

**Administrator:** The Employer

**Funding:** Benefits provided under the EARLHAM COLLEGE FLEXIBLE BENEFIT PLAN are paid out of the general funds of the Employer. No trust fund or other segregated fund has been established for this purpose.

**Service of Process:** EARLHAM COLLEGE is designated as agent for service of legal process with respect to the EARLHAM COLLEGE FLEXIBLE BENEFIT PLAN.

**(18) What are my COBRA continuation coverage rights?**

As a Participant in the Plan, you are entitled to COBRA continuation coverage, which is a temporary extension of coverage under the Plan. The right to COBRA continuation coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA continuation coverage can become available to you and to other members of your family who are covered under the Plan when you would otherwise lose your coverage. This section generally explains COBRA continuation coverage, when it may become available to you and your family, and what you need to do to protect the right to receive it.

The Employer is the Plan Administrator and administers COBRA continuation coverage.

COBRA continuation coverage is a continuation of Plan coverage when coverage would otherwise end because of a life event known as a “qualifying event.” Specific qualifying events are listed later in this section. COBRA continuation coverage must be offered to each person who is a “qualified beneficiary.” A qualified beneficiary is someone who will lose coverage under the Plan because of a qualifying event. Depending on the type of qualifying event, Participants, spouses of Participants, and dependent children of Participants may be qualified beneficiaries. Qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage (if applicable).

If you are a Participant, you will become a qualified beneficiary if you will lose your coverage because either one of the following qualifying events happens:

1. Your hours of employment are reduced, or
2. Your employment ends for any reason other than your gross misconduct.

If you are the spouse of a Participant, you will become a qualified beneficiary if you will lose your coverage because any of the following qualifying events happens:

1. Your spouse dies;
2. Your spouse’s hours of employment are reduced;
3. Your spouse’s employment ends for any reason other than his or her gross misconduct;
4. Your spouse becomes enrolled in Medicare (Part A, Part B, or both); or
5. You become divorced or legally separated from your spouse.

Your dependent children will become qualified beneficiaries if you will lose your coverage because any of the following qualifying events happens:

1. The parent-Participant dies;
2. The parent-Participant’s hours of employment are reduced;
3. The parent-Participant’s employment ends for any reason other than this or her gross misconduct;
4. The parent-Participant becomes enrolled in Medicare (Part A, Part B, or both);
5. The parents become divorced or legally separated; or
6. The child stops being eligible for coverage under the plan as a “dependent child.”

The Employer will offer COBRA continuation coverage to qualified beneficiaries when the qualifying event is the end of employment or reduction of hours of employment, death of the Participant, or enrollment of the employee in Medicare (Part A, Part B, or both).

For the other qualifying events (divorce or legal separation of the Participant and spouse or a dependent child's losing eligibility for coverage as a dependent child), you must notify the Employer. The Plan requires you to notify the Employer within 60 days after the qualifying event occurs. You must send this notice to the address listed in this SPD. You must include a description of the qualifying event and the date the qualifying event occurred. The Employer reserves the right to request additional supporting documentation.

Once the Employer receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. For each qualified beneficiary who elects COBRA continuation coverage, COBRA continuation coverage will begin on the date of the qualifying event.

COBRA continuation coverage is a temporary continuation of coverage. When the qualifying event is the death of the Participant, enrollment of the employee in Medicare (Part A, Part B, or both), divorce or legal separation, or a dependent child losing eligibility as a dependent child, COBRA continuation coverage lasts for up to 36 months.

When the qualifying event is the end of employment or reduction of the Participant's hours of employment, COBRA continuation coverage lasts for up to 18 months. There are two ways in which this 18-month period of COBRA continuation coverage can be extended.

#### Disability extension of 18-month period of continuation coverage

If you or anyone in your family is determined by the Social Security Administration to be disabled at any time during the first 60 days of COBRA continuation coverage and you notify the Employer in a timely fashion, you and your entire family can receive up to an additional 11 months of COBRA continuation coverage, for a total maximum of 29 months. You must make sure that the Employer is notified of the Social Security Administration's determination within 60 days of the date of the determination and before the end of the 18-month period of COBRA continuation coverage. This notice should be sent to the address listed in this SPD. You must include a copy of the Social Security Administration's determination letter.

#### Second qualifying event extension of 18-month period of continuation coverage

If your family experiences another qualifying event while receiving COBRA continuation coverage, the spouse and dependent children in your family can get additional months of COBRA continuation coverage, up to a maximum of 36 months. This extension is available to the spouse and dependent children if the former employee dies, enrolls in Medicare (Part A, Part B, or both), or gets divorced or legally separated. The extension is also available to a dependent child when that child stops being eligible as a dependent child. In all of these cases, you must make sure that the Employer is notified of the second qualifying event within 60 days of the second qualifying event. This notice must be sent to the address listed in this SPD. You must include a description of the qualifying event and the date the qualifying event occurred. The Employer reserves the right to request additional supporting documentation.

#### If You Have Questions

If you have questions about your COBRA continuation coverage, you should contact the Employer or you may contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA). Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's web site at [www.dol.gov/ebsa](http://www.dol.gov/ebsa).

#### Keep Your Plan Informed of Address Changes

In order to protect your family's rights, you should keep the Employer informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Employer.

## **EARLHAM COLLEGE FLEXIBLE BENEFIT PLAN**

### **NOTICE TO EMPLOYEES ON PARTICIPATION IN THE PLAN**

The following questions and answers describe the EARLHAM COLLEGE FLEXIBLE BENEFIT PLAN. This type of plan is called a Cafeteria Plan. You should read the description carefully and then complete the applications which are attached.

#### **Can I reduce my taxes by taking part in the EARLHAM COLLEGE FLEXIBLE BENEFIT PLAN?**

Through a Cafeteria Plan, certain Medical Care expenses which are not covered by insurance, Dependent Care expenses which are not otherwise deductible and Adoption expenses can be paid from your before-tax income, thus reducing your income taxes. In addition, insurance premiums which you pay for employer provided medical and/or dental insurance, can also be paid from before-tax income, further reducing your income taxes.

#### **When do I become eligible for the plan?**

You will be eligible to participate in the Plan as follows: If you are an employee of the Employer working 30 hours or more per week on a regular basis and you work consistently 36 weeks per year. You will be eligible to enter the plan the first of the month after meeting these eligibility requirements.

In order to participate in the Plan for any Plan year you must file a Compensation Reduction Agreement each year with the Plan Administrator before the beginning of the Plan year. If you do not complete a new Compensation Reduction Agreement and return it to the Plan Administrator prior to the date required for said return, you will be deemed to have elected not to participate in this Medical, Dependent Care and Adoption Expense Reimbursement Plan for the Plan year in question.

#### **Premium Conversion Plan**

You will be eligible to participate in the Premium Conversion Plan as follows: If you are an employee of the Employer working 30 hours or more per week on a regular basis and you work consistently 36 weeks per year. You will be eligible to enter the plan the first of the month after meeting these eligibility requirements

#### **How does the Premium Conversion Plan work?**

The Premium Conversion Plan is a cost effective method of paying for insurance coverage. The amount of your premium payment for coverage under the Employer's Medical and/or Dental insurance is deducted from your before-tax, rather than your after-tax salary so your taxable income is reduced. Premium Conversion Plan payments that are deducted from your paycheck are also not subject to social security taxes.

#### **How does the Medical, Dependent Care and Adoption Expense Reimbursement Plan work?**

After you complete a salary reduction agreement, the amount you elect will be deducted from your pay before taxes, and will be held by your employer in an account for your use. From time to time, you will submit your expenses to the Plan Administrator showing the amounts you spent, to whom the funds were paid, and providing any receipts or proofs of payment which you have. For medical care reimbursement, the Employer will then pay the amount of your expenses up to the amount by which you have elected to reduce your pay for the Plan Year. For dependent care reimbursement, the Employer will pay the amount of your expenses up to the amount in your dependent care reimbursement account. The amount you pay is deducted before, rather than after, federal income taxes and social security taxes have been withheld. Although the same amount you currently pay for your medical and dependent expenses is deducted from each paycheck, you'll notice a difference. You will have more take-home pay. That's because your taxable income, for income tax withholding as well as for social security tax purposes, has been reduced by the amount deducted to reimburse you for your medical and dependent expenses.

You should be careful to estimate accurately the expenses which you expect to pay during the year for Medical, Dependent Care and Adoption expenses. If the amount of your salary reduction for the year exceeds your expenses for the year, the balance in your account will be used by the Employer to pay general administrative expenses of the Plan.

**What kinds of expenses are subject to medical care reimbursement?**

You may deduct any medical costs which may ordinarily be deducted from your income tax, and which are not reimbursed by insurance, without regard to the Federal Income Tax limit of 7-1/2% of adjusted gross income. The following are examples of the kinds of expenses you may be reimbursed for under the EARLHAM COLLEGE FLEXIBLE BENEFIT PLAN:

- Transportation expenses to visit the doctor
- Eye glasses and contact lenses
- Dental expenses, including cleaning
- Podiatrists
- Prescription drugs and over-the counter medications for an illness
- Medical devices prescribed by a physician
- Co-payments required by your medical plan
- Home care expenses for you or your dependents
- Medical testing and laboratory expenses
- Nutritionists when prescribed by a physician
- Physical therapy
- Accupuncture
- Hearing aids and batteries
- Psychiatric or psychological services
- Any other medical or surgical procedures not covered by insurance

**Are there any limits on the amounts of reduction from my salary that I can elect?**

You may not reduce your salary by amounts in excess of your earned income and the employer may be required by law to restrict the amount of your salary deferral if you are a Highly Compensated Employee in order to meet the non-discrimination requirement of the law. In addition, the total annual reimbursements under the Dependent Care Expense Reimbursement Plan cannot exceed \$5,000 or \$2,500 in the case of married individuals filing separately. The total annual amount of salary reduction which you can elect for Medical Care Expense Reimbursement cannot exceed \$5,000.

The total annual amount of salary reduction which you can elect for Adoption Assistance Reimbursement cannot exceed \$5,000 (\$6,000 for a special needs child).

**Will participation in the Plan affect my social security benefits?**

Because the amount deducted from your salary is not subject to social security taxes, your reimbursement amounts are not considered earned wages when calculating social security benefits. Therefore, your social security payments at retirement could be less than if gross income were determined before deducting your reimbursed amounts. The effect, however, is minimal. In most cases, if you invest only a portion of the social security tax savings, the dollars you eventually accumulate could offset the benefit shortfall.

**Will participation in the Plan affect my retirement benefits?**

Your decision to reduce your compensation will generally not affect the amount of benefits under any Employer sponsored retirement plans that may be provided to you. See the Plan Administrator for more details.

**Is my contribution subject to state and local income taxes?**

In most states and municipalities, money deducted from your salary for reimbursement under this Plan is not considered taxable income, so you have an additional tax saving.

**If my personal circumstances change during the year, can I adjust the amount of my contribution?**

The amount of your contribution can be adjusted during the year only if your family status changes, such as marriage, divorce, legal separation or annulment, death of a spouse or child, birth of a child, adoption of or placement for adoption of a child, termination or commencement of employment of a spouse, or the taking of an unpaid leave of absence by you or your spouse, change of or to part- or full-time employment status by you or your spouse, or a change in the status of a dependent. Any change made as a result in a change in family status must be on account of and consistent with the change in family status.

**Where can I get more information?**

You can contact the Administrator if you have any questions.