St. Francis Health Services of Morris, Inc.

Flexible Spending Plan

Medical FSA, Dependent Care FSA, and Pre-Tax Premium Summary
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INTRODUCTION

St. Francis Health Services of Morris, Inc.’s Further Flexible Benefit Plan (the “Plan”) permits Eligible Employees to choose to pay for certain benefits on a pre-tax basis.

This Summary describes the Medical Flexible Spending Account (“Medical FSA”), Dependent Care Flexible Spending Account (“Dependent Care FSA”), and Pre-Tax Premium Benefit Option under the Plan. Terms may be defined in this Summary or in the Plan Document.

Through the FSA, you can pay medical expenses, dependent care expenses, and health insurance premiums on a pre-tax basis. You can also pay medical expenses not covered by insurance for yourself and eligible family members. This will generally result in a tax savings and increase your spendable income.

Refer to our FSA and DCAP Essential Guides for a tax savings examples. You may also want to use the Tax Savings Calculator link available at https://learn.hellofurther.com/ to estimate your tax savings.

The tax benefit you experience will depend on the benefits you elect, as well as other factors that affect the amount of taxes you pay. Although participating in the Plan can provide significant tax advantages, there may be tax disadvantages to participating in the Plan based on your particular situation. You may wish to consult with your tax advisor.

DETAILS REGARDING THE MEDICAL FSA BENEFIT

(a) **Medical Expenses Eligible for reimbursement:** To be eligible for reimbursement, an expense must be for medical care provided to diagnose, treat, or prevent disease or for sickness or injury and must be included on the list of eligible medical expenses for this benefit option. The maximum 2019 annual contribution is $2650.00 which is determined by law.

(b) **Your options for Medical FSA reimbursements:**

- **Debit Card:** When you open a medical FSA with Further, you will be automatically setup with a Further debit card. Once activated, your medical FSA debit card can be used for eligible medical expenses up to your available medical FSA balance. Note – during a runout period, you cannot use your debit card for the previous plan year’s expenses. Claims for those services must be manually submitted via the Online Member Service Center or by submitting a paper claim.

  It’s important to note if you are using your medical FSA debit card and later elect to use the “Crossover” feature (see below), your debit card will be cancelled as both the debit card and Crossover cannot be active at the same time. If you later decide to switch back and request a debit card, your Crossover will be discontinued and you will receive a new card. If you find that you prefer

• **Crossover:** If you participate in a Blue Cross Blue Shield of Minnesota group medical plan, you can elect to have the group plan automatically submit requests for reimbursement of patient responsibility eligible expenses (e.g., deductible amounts) to your FSA, using “Crossover”. If you are covered under more than one major medical plan, you should not participate in the Crossover Program to ensure claims are adjudicated correctly. Please note that Crossover and debit cards will not work at the same time.

• **Online:** To receive reimbursement for FSA expenses, you may submit your form by signing into the Member Online Service Center via www.HelloFurther.com and submitting your claim online.

• **Manual Withdrawal:** To receive reimbursement for medical expenses, you must submit a completed claim form and independent third-party documentation of the expense (see “Obtaining Reimbursements” section).

(c) **Expenses cannot be reimbursed from any other source, including tax credits or tax deductions:** Duplications of reimbursement or attempts to take tax credits or deductions for reimbursed expenses may constitute tax fraud and you personally will be responsible for any penalties. It is not the responsibility of your Employer, the Plan Administrator or the Claims Administrator to monitor your personal income tax or other financial affairs.

(d) **Limitations for HSA and Medical FSA Combination:** If you elect to participate in both the HSA and the Medical FSA benefits under this Plan, your Medical FSA is automatically limited to reimbursement of the following HSA-compatible expenses: Vision and Dental; Post Deductible Medical. You may also choose to participate in an HSA-compatible Medical FSA to maintain your eligibility and/or the eligibility of your spouse to participate in an HSA outside of this Plan. If you have not elected HSA coverage under this Plan, however, you must notify Further that you wish to participate in an HSA-compatible Medical FSA.

**DETAILS REGARDING THE DEPENDENT CARE FSA BENEFIT**

(a) **Dependent Care Expenses Eligible for reimbursement:** You can use your Dependent Care FSA to pay for Dependent Care Expenses. Dependent Care Expenses must be work-related to be eligible for reimbursement. Details are provided below. Examples of eligible Dependent Care Expenses are at https://learn.hellofurther.com/. The maximum annual contribution for this benefit is determined by law (See (c) below).

1. “Dependent Care Expense” means:

   i. An amount that you incur for the Care of a Qualifying Individual and Household Services incidental to that care

   ii. To enable you, and if you are married, your spouse to be “gainfully
employed” or to actively search for “gainful employment” (i.e., the dependent care must be necessary for you to work or to find work)

2. A Dependent Care Expense is “incurred” on the date on which the services are provided, regardless of the date on which payment for such services is due or made.

3. “Qualifying Individual” is defined below.

4. “Care of a Qualifying Individual” means services, the primary purpose of which is to provide for the Qualifying Individual’s well-being and protection. It does not include the provision of food, clothing or education unless such benefits are incidental to such primary purpose and does not include the provision of education to an individual in kindergarten or any higher grade.

5. “Household Services” are services performed in and around your home that are ordinary and usual services necessary to maintain your household and are attributable, at least in part, to the Care of the Qualifying Individual.

6. “Gainfully employed” or “gainful employment” means a job. Your spouse will be deemed to be gainfully employed during any month in which he or she is either a full-time student at an educational institution or is a Qualifying Individual (i.e., physically or mentally incapable of caring for himself or herself).

(b) You must request reimbursement: To receive reimbursement for Dependent Care Expenses, you must submit a completed claim form (which includes your promise that the expenses have not been reimbursed from any other source and that you will not seek reimbursement for the expenses from any other source) and independent third-party documentation of the expense.

(c) Maximum Benefits: Federal law limits the amount that can be reimbursed from your Dependent Care FSA to $2,500 per calendar year if you are married but file a separate federal income tax return and $5,000 per calendar year if you are single or married filing a joint federal income tax return. Moreover, benefits can never be more than your “earned income” for the year. Your earned income is your adjusted gross income, or, if less, the adjusted gross income of your spouse if you are married. If your spouse is unemployed because he or she is incapable of self-care or is a full-time student, your spouse will be deemed to have an earned income of a certain amount per month depending upon whether there is one Qualifying Individual or two or more Qualifying Individuals. IRS Publication 503, which you may obtain from the IRS’s web site at http://www.irs.gov, describes the deemed earned income limitation.

(d) Dependent Care Tax Credit: The federal tax law allows you to take a tax credit on your federal income tax return for qualified dependent care expenses in an amount up to $3,000 for one dependent and up to $6,000 for two or more dependents. (Your potential tax credit is a percentage of these amounts that depends on your adjusted gross income). The difference between the Dependent Care FSA and the tax credit is that the Dependent Care FSA provides a reduction in your taxable income, while the tax credit offers a direct
reduction on the amount of tax you pay. You cannot use the Dependent Care FSA and the tax credit for the same expenses. In addition, use of the Dependent Care FSA will reduce dollar for dollar or eliminate your tax credit. You will need to determine which of these methods is best for you, because each person’s tax situation is unique, your own tax advisor should be consulted to help you determine which approach is best for you. The Dependent Care Tax Savings Worksheet may be helpful in determining whether the tax credit is more advantageous for you. You can find it at [https://learn.hellofurther.com/](https://learn.hellofurther.com/).

(e) **Reimbursements are reported on Form W-2:** The reimbursements you receive for Dependent Care Expenses will be reported to the IRS on your W-2 Form for the year. These amounts should not generally be taxable unless: (i) your reimbursements exceed your earnings for the year or, if you are married on the last day of the year, your spouse’s earnings for the year; or (ii) you do not report the taxpayer identification number of your dependent care service provider when you file your federal income tax return.

(f) **Dependent Care Provider information on Tax Return:** You will be required to list on your annual tax return the names and taxpayer identification numbers of any persons who provided you with dependent/day care services during the calendar year for which you have claimed a tax-free reimbursement.

(g) **Expenses cannot be reimbursed from any other source, including Tax Credits or Tax Deductions:** Duplications of reimbursement or attempts to take tax credits or deductions for reimbursed expenses may constitute tax fraud and you personally will be responsible for any penalties. It is not the responsibility of your Employer, the Plan Administrator or the Claims Administrator to monitor your personal income tax or other financial affairs.

**DETAILS REGARDING THE PRE-TAX PREMIUM BENEFIT**

(a) **Pre-Tax Premium Benefit for Health Insurance:** The Plan permits the Health Insurance premiums to be paid on a pre-tax basis. This includes vision and dental.

(b) **Automatic Enrollment in Pre-Tax Premium Benefit:** If you elect Health Insurance Coverage, you will automatically be enrolled in the Pre-tax Premium Benefit (unless you opt out of pre-tax premium payment for the coverage).

(c) **You are not required to request reimbursement:** Pre-tax Premium Benefits will automatically be deducted from your paycheck before taxes are withheld and will be paid directly to the appropriate insurance company. You do not need to submit a claim for these expenses.

(d) **Changes to your Pre-Tax Premium may not correspond with changes to your Health Insurance:** If there is an insignificant change in your Premium for Health Insurance during the Plan Year, the Plan will automatically change the Premium contributions. For all other changes that you make to your Health Insurance, you will need to request that a corresponding election change be made to your Pre-Tax Premium. Only Qualifying Election Changes (see below) will be permitted. An election change permitted under the Health Insurance Coverage may not be permitted under this Summary or vice versa.
While unlikely, it is possible for your Pre-Tax Premium Benefit to be less or more than your actual Premium payment amount due to an election change. If the Premium is more than the Pre-Tax Premium Benefit, you must pay the difference after-tax. If the Premium is less than the Pre-Tax Premium Benefit, you will forfeit the additional pre-tax payments made to your Account.

(e) **Health Insurance is separate from this Plan:** The terms and conditions of the Health Insurance, including eligibility for coverage, the benefits provided and eligibility for benefits, are as stated in the plans or insurance policies for the Health Insurance and are not governed by this Plan.

(f) **Company-Sponsored Health Insurance for Non-Tax Dependents:** Company-Sponsored Health Insurance provided to you and your eligible family members is generally not subject to federal wage and income tax. Coverage provided for your family member who does not satisfy the IRS requirements to be considered your “health care tax dependent,” however, is a taxable benefit. Your Employer is required to report to the IRS the fair market value of the coverage paid for by the Employer (or by you on a pre-tax basis) as taxable compensation on your W-2. When you enroll your family member in coverage and each time that you present your health plan card for services for the family member, you are certifying that your family member is your tax dependent for health care purposes. If your eligible family member is not your tax dependent, you must notify the Company’s Human Resources Department. If you do not know whether your family member qualifies as your tax dependent, you should consult a tax advisor (such as an accountant).

**ELIGIBLE EMPLOYEES**

Only eligible employees may participate. You are eligible if you are

- Employed by a St. Francis Health Services’ participating employer
- Regularly scheduled to work 60 or more hours per bi-weekly pay period
- Are not an excluded individual
- Satisfy any other eligibility requirements

You are a participant if you are an eligible employee, have enrolled in the Cafeteria Plan, and have not terminated participation.

Eligible employees do not include:

- Leased employees
- Independent contractors
- Employees subject to a collective bargaining agreement (except as specifically provided in the collective bargaining agreement)
• Interns

• Employees classified as temporary

• Employees covered by written agreements stating they are not eligible to participate in this Plan.

**DEPENDENTS**

(a) To use the FSA for reimbursement of dependent care expenses or of medical expenses incurred by a family member, he or she must qualify as your Dependent.

(b) For the Medical FSA, “Dependent” includes: (i) your spouse (to whom you are legally married); (ii) a person whom you can claim as a dependent on your federal income tax return; and (iii) a child whom you can claim as your health care tax dependent within the meaning of Code sections 105 or 106. This includes your son, daughter, stepson, stepdaughter or foster child who was under the age of 26 at the beginning of the calendar year.

(c) For the Dependent Care FSA, “Dependent” means someone who meets the requirements of a “Qualifying Individual.” If a Dependent ceases to meet these requirements during a Plan Year (e.g., a dependent child turns 13), Eligible Dependent Care Expenses incurred before the Dependent ceased to meet the requirements may still be reimbursed.

(d) A Qualifying Individual means an individual who is your Qualifying Child, Qualifying Spouse or Qualifying Relative, as defined below:

If you and your child’s other parent do not live together, only the parent with primary physical custody (parent with whom the child resides for more than six months out of the year) can be reimbursed for Dependent Care Expenses for the child and then only for the days in which the child resides with him or her. The other parent cannot seek reimbursement of Dependent Care Expenses even for the days during which the child resides with him or her.

1. **A Qualifying Child.** This means an individual who:

   i. Has one of the following relationships to you: son, daughter, stepdaughter, stepson, brother, sister, stepbrother, stepsister, foster child, or child for whom the you have legal guardianship (or a descendent of any of these individuals);

   ii. Is under the age of 13;

   iii. Lives with you for more than one half the year; and

   iv. Does not provide more than one half of his or her own support.

2. **A Qualifying Spouse.** This means your spouse who:
i. Lives with you for more than half of the year; and

ii. Is physically or mentally incapable of self-care.

3. **A Qualifying Relative.** This means an individual:

   i. Who has a "Qualifying Child" relationship to you (as specified in subsection (c)(1)(i) above) or who is your father, mother, stepfather, stepmother, niece, nephew, aunt, uncle, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law, or who lives with you and is a member of your household;

   ii. Who is not your Qualifying Child or the Qualifying Child of any other person;

   iii. For whom over one half of whose support for the year is provided by you;

   iv. Who lives with you more than half of the year; and

   v. Who is physically or mentally incapable of self-care.

**ENROLLMENT AND PARTICIPATION**

(a) **Initial Enrollment:** You must enroll within 30 days after becoming an Eligible Employee. Employees are eligible for this benefit on the first of the month following or coinciding with two months of employment or from incurring a change in status from part-time to full-time, at which time participation will begin. Days of employment prior to termination or unpaid leave of an employee is not counted for the service requirement.

(b) **Annual Open Enrollment:** If you do not enroll when you are first eligible, you must wait until the next Open Enrollment Period for another chance to participate (unless you experience an “Election Change Event” and make a “Qualifying Election Change,” as discussed later in this Summary). Federal tax law prohibits any other mid-year enrollment. The Open Enrollment Period for each Plan Year will be determined by the Plan Administrator. Your participation begins on the first day of the Plan Year.

(c) **Enrollment Procedure:** The Plan Administrator will provide enrollment instructions. You must complete your enrollment within the time specified by the Plan Administrator.

(d) **FSA Election:** You must indicate the amount you want to contribute, if any, to a Dependent Care FSA and/or Medical FSA when you enroll.

(e) **Mid-Year Enrollment:** You must enroll within 30 days after becoming an Eligible Employee. Employees are eligible for this benefit on the first of the month following or coinciding with two months of employment or when incurring a change in status from part-time to full-time, at which time participation will begin. Days of employment prior to termination or unpaid leave of an employee is not counted for the service requirement.
ELECTION CHANGES DURING THE PLAN YEAR

(a) **Qualifying Election Changes:** Your election for any Plan Year cannot be changed during the Plan Year unless you experience an Election Change Event and make an election change that is on account of and consistent with the event (called a “Qualifying Election Change”). For complete details, request a copy of the Plan Document from the Plan Administrator or contact the Claims Administrator for assistance.

(b) **Examples.**

1. If you get married or add a child to your family (through birth or adoption), you can increase your Medical FSA and/or Dependent Care FSA election. A corresponding increase to your Pre-Tax Premium Benefit will occur.

2. If you divorce, a child no longer qualifies as your tax dependent due to reaching a limiting age, or a family member dies, you can decrease your Medical FSA election and you may decrease or terminate your Dependent Care FSA election. A corresponding decrease to your Pre-Tax Premium Benefit will occur.

3. If your spouse or a dependent starts or ends a job or increases or decreases his or her work hours and gain or lose eligibility for employer-sponsored health insurance or health flexible spending account coverage as a result, you can make a corresponding increase or decrease to your Pre-Tax Premium, Medical FSA and Dependent Care FSA coverage through this Plan.

4. If a court order requires you or another person to provide health coverage for an eligible child, a corresponding change can be made to your Pre-Tax Premiums and in your Medical FSA contributions.

5. If you, your spouse or your dependent gains or loses Medicare or Medicaid coverage, a corresponding change can be made to your Pre-Tax Premium and also in the contributions to your Medical FSA.

6. You may change your Pre-Tax Premium and Medical FSA election when going on or returning from FMLA leave in a manner that is consistent with FMLA requirements and Plan Rules.

7. If a child or other Dependent is no longer a Qualifying Individual (for example, your child turns 13), you may decrease or terminate your Dependent Care FSA election.

8. If your cost for dependent care changes, you may make a corresponding change to your Dependent Care FSA election (unless your Dependent Care provider is a relative).

9. If a mid-year election change is made by your Spouse or Dependent under his or her health insurance or if your Spouse’s or Dependent’s employer’s plan has a different plan year or period of coverage than this Plan, you may make a corresponding election change to your Pre-Tax Premium.
10. If there is a significant change in the cost or coverage of your Health Insurance and you change your Health Insurance election, a corresponding change can usually be made to your Pre-Tax Premium.

11. You may revoke your Pre-Tax Premium election for your employer-sponsored health coverage under the cafeteria plan if you purchased a Qualified Health Plan through a competitive marketplace established under §1311 of the Patient Protection and Affordable Care Act, commonly referred to as an Exchange or a Health Insurance Marketplace (Marketplace).

12. You may revoke your Pre-Tax Premium election for your employer-sponsored health coverage under the cafeteria plan if your hours of service are reduced so that you are expected to average less than 30 hours of service per week but for whom the reduction does not affect the eligibility for coverage under your employer’s group health plan.

(c) You cannot elect an amount less than the amount already reimbursed: An election change will not be consistent with an Election Change Event if the new amount elected is less than the amount already reimbursed from the Dependent Care FSA for the Plan Year.

(d) Time limit for making Election Changes: To change your election, you must request an election change not later than 30 days after the Election Change Event (even if you are on leave at the time). You cannot change your election more than 30 days after an Election Change Event.

*There are only two exceptions to the 30-day limit. The Children’s Health Insurance Program Reauthorization Act (CHIPRA) permits you to request an election change no later than 60 days after the loss of your or your dependent’s Medicaid or CHIP coverage because of loss of eligibility or within 60 days after the date you or your dependent becomes eligible for a premium assistance subsidy under Medicare or CHIP.

(e) Election Change process: The Plan Administrator will provide instructions for requesting an election change. The Plan Administrator will determine whether an election change is permitted.

**PARTICIPATION DURING A LEAVE OF ABSENCE**

**General Rules.** Coverage will continue under this Plan during a leave of absence in accordance with the Company’s leave policies and the terms and conditions of the Plan. If there is a conflict between the information provided in this section and the Company’s leave policies, the Company’s leave policies will control. Your leave must be approved by the Company.

You will be required to make your premium/contribution payments (“payment” or “payments”) for coverage to continue. If you do not make the required payment when due, the Company may retroactively terminate your coverage to the last day for which
you have paid. Expenses incurred during the period for which your coverage is retroactively terminated will not be covered. The Company can recover any payments owed. Upon return to work, any payments owed will be taken from your pay. Contact the Plan Administrator for coverage payment options.

(a) **Paid Leave of Absence:** Your FSA contributions will automatically continue as long as you continue to receive pay. Although you will continue to contribute to your Dependent Care FSA during a paid leave, dependent care expenses you incur during the leave will not be eligible for reimbursement due to tax rules. Do not submit claims for reimbursement for dependent care expenses incurred during your leave.

(b) **Unpaid Leave of Absence:** Your right to continue the Medical FSA and Pre-Tax Premiums coverage during unpaid leave depends on the type of leave. You should review the Company-Sponsored Health Insurance Summary Plan Description for the underlying details regarding the Pre-Tax Premium. Your Dependent Care FSA contributions will terminate during an unpaid leave. Dependent care expenses you incur during an unpaid leave will not be eligible for reimbursement. You may reinstate your Dependent Care FSA contributions on return from leave. If you do not elect to continue your Medical FSA coverage at the beginning of leave, you will not be able to submit medical expenses you incur during the leave for reimbursement. Rules regarding specific types of unpaid leave are as follows.

1. **FMLA Leave:** If you take FMLA leave, you may choose to continue or discontinue your Medical FSA coverage. You must notify the Company’s Human Resources Department of your decision.
   
i. If your Medical FSA coverage terminated, it will be reinstated on return from leave. You may choose to either reinstate the per pay-period contributions you had in place prior to leave (your contribution election for the Plan Year is reduced by the contributions you missed during your leave); or increase your per pay-period contributions for the rest of the Plan Year to make up the contributions you missed during your leave (your contribution election for the Plan Year remains the same).
   
   ii. Even if you choose to increase your per pay-period contributions to make up the contributions you missed during the leave, you will still not be able to submit expenses you incurred during the leave for reimbursement. (Medical expenses you incur during the leave will be eligible for reimbursement only if you elected to continue your Medical FSA in advance of your leave.)

2. **Military Leave:** If you go on a qualifying military leave of absence as defined by the Uniformed Services Employment and Reemployment Rights Act of 1994 (“USERRA”), you may continue your group health plan and Medical FSA coverage for up to 24 months during the military leave to the extent required by USERRA. You must pay for the coverage. You may reinstate your coverage on return from leave to the extent required by USERRA. Contact the Company’s Human Resources Department for more information.
3. **Other Types of Leave.** Contact the Plan Administrator for details. If your Medical FSA coverage terminates as a result of your leave, you may elect to continue your coverage through COBRA. Medical FSA COBRA rights are explained in the *Notice* section of this *Summary*. If you do not elect to continue your coverage through COBRA, you will not be eligible to recommence participation until the next Open Enrollment Period or you experience an Election Change Event.

(c) **Open Enrollment during your Leave:** If the open enrollment period for the next Plan Year occurs during your leave and your participation in the Plan continues, you will be able to make elections for Plan benefits for the new Plan Year in the same manner as active employees. If you do not elect new benefits, you will not be eligible to participate in these benefits in the new Plan Year, unless you experience an Election Change Event and make an election change within 30 days of that event. If you do not make a new election for your group health plan coverage, the election in effect for the prior Plan Year will continue.

(d) **Making Election changes on return from Leave:** Election changes other than as noted in this section will not be permitted on return from leave unless you experience another Election Change Event and make the election change within 30 days of the event.

**PART-TIME EMPLOYMENT AND ABSENCES FROM WORK FOR MINOR ILLNESS OR VACATION**

(a) **Part-Time Employment.** Only Dependent Care Expenses incurred on the days during the week that both you and your spouse are working are eligible for reimbursement. If you and/or your spouse work part-time but are required to pay for dependent care on a weekly or monthly basis for both days worked and not worked (part-time daycare is not available), the entire cost will be eligible for reimbursement.

(b) **Short-Absences Due to Minor Illness or Vacation.** Only Dependent Care Expenses incurred on the days during the week that both you and your spouse are working are eligible for reimbursement. Dependent Care Expenses incurred while you and/or your spouse are absent from work for a few days due to a minor illness or vacation, however, are still eligible for reimbursement if you are required to pay for dependent care on a weekly or monthly basis for both days worked and not worked.

**OBTAINING REIMBURSEMENTS**

(a) **Amount available for reimbursement for the Medical FSA:** Regardless of the amount you have contributed to the Medical FSA, the entire amount of your contribution election for the Plan Year (your Annual Contribution Election) less any prior reimbursements will be available to you at all times during the Plan Year. You will be reimbursed the entire amount of your claim, if it is less than your Annual Contribution Election.

(b) **Amount available for reimbursement for the Dependent Care FSA:** The amount available for reimbursement during the Plan Year will be limited to the balance in your Dependent Care FSA (your payroll contributions, less any reimbursements already made from the Account for that Plan Year).
(c) **Expense must be eligible for reimbursement under the Plan:** The expenses must qualify as a Dependent Care or a Medical Expense within the meaning of the Plan for reimbursement from the Dependent Care or a Medical FSA. Please refer to [https://learn.hellofurther.com/](https://learn.hellofurther.com/) for a list of eligible expenses.

(d) **Expense must have been incurred during your period of coverage for Plan Year:** You may only use your FSA to pay for FSA Expenses that you incurred during the Plan Year. Expenses incurred during one Plan Year cannot be reimbursed from contributions made during another Plan Year. An expense is incurred when the care or service giving rise to the expense is provided. The date of billing or payment does not matter. The only exception is that expenses may be treated as incurred for orthodontia services before the services are provided if the orthodontist (following his or her normal practice) requires you to make advance payments to receive the services (e.g., requires you to pay a lump sum for services to be provided that year and the next).

(e) **Expense cannot be reimbursed out of other accounts:** Amounts contributed to the Dependent Care FSA cannot be used to reimburse expenses from the Medical FSA and vice versa.

(f) **Claim Submission Requirements must be satisfied.**

1. *Claims must be submitted to Claims Administrator.* Claims should be sent or faxed directly to the Claims Administrator at the address or number listed on the bottom of the claim form.

2. *Claims must be submitted during the Plan’s Claims Submission Period.* Further must receive all claims for reimbursement in our office no later than 3 months after the plan year end date to be reimbursed.

   **Dependent Care FSA:** For employees that have terminated during the plan year, claims must be received 3 months from the plan year end.

   **Medical FSA:** For employees that have terminated during the plan year and they have not elected COBRA (if available) claims must be received in our office 3 months from the termination date.

   For employees that have terminated during the plan year and have elected COBRA (if available) claims must be received in our office 3 months from the plan year end. Upon termination of COBRA, claims must be received in our office 3 months from the termination date.

3. *Documentation must be provided.* To receive reimbursement for an Eligible Expense, you must submit a completed claim form and documentation of the expense from an independent third party (for example, an itemized bill or receipt or an Explanation of Benefits) showing: (i) date of service; (ii) type of service; (iii) cost of service; (iv) name of care provider; and (v) name of person receiving care. If claim information is incomplete, the claim may be denied and payment delayed.
4. **Claims cannot be reimbursed by Health Insurance.** You cannot submit claims for reimbursement if you have already been reimbursed by health insurance or if you intend to request reimbursement.

**Method of Reimbursement:** To the extent the Claims Administrator determines that a claim is properly payable under the Plan; you will be reimbursed for the expense, either through a check or via direct deposit, if you have selected that option. Reimbursements will be issued as scheduled by the Claims Administrator. Your claim for a Dependent Care Expense will be paid up to the amount you have contributed to your Dependent Care FSA as of the day the claim is processed. If the claim amounts exceed the amount in your account, you will be reimbursed up to the amount available in your account. A claim balance will be carried forward and will be paid when additional funds become available. You do not need to send in more than one claim for an Eligible Expense.

**Recovery of improper Reimbursements:** You will be required to repay the Plan for reimbursements determined by the Claims Administrator to be ineligible for reimbursement under the Plan or otherwise improper. The Claims Administrator may use one or more of the following recovery methods: (i) you repay the amount to your FSA or to the Plan, as determined by the Claims Administrator; (ii) offsetting the amount from future reimbursement payments to you for Eligible Expenses incurred in the same Plan Year; or (iii) withholding the amount from your compensation to the extent permitted by law. If these recovery methods are unsuccessful, the improper reimbursement may be treated as a business debt and the amount reimbursed will be included in your W-2 income.

**CLAIMS AND APPEAL PROCEDURE**

**(a) Initial Determination on claim for Reimbursement**

1. **Time Period.** Within 30 days after receipt of a claim, the Claims Administrator will make its decision on the claim. The 30-day period for the initial review determination by the Claims Administrator may be extended by up to 15 additional days if: (i) such an extension is necessary due to special circumstances beyond the control of the Plan; and (ii) the Administrator provides notice of the extension to you prior to the expiration of the initial 30-day period which indicates the circumstances requiring the extension of time and the date by which the Plan expects to render its decision. If an extension is necessary due your failure to submit the information necessary to decide the claim, the notice of extension will specifically describe the required information you must submit and you will be provided at least 45 days from your receipt of the notice within which to provide the required information. The time period for making the initial determination will be tolled from the date on which the notification of the extension is provided to you until the date you respond to the request for additional information.

2. **Written Notice of Denial.** If a claim is denied, in whole or in part, the Claims Administrator will send written notification of the denial to you which will include the specific reason for the denial, a reference to the Plan provision on which the
denial is based, a description of additional information or documents necessary in order for the claim to be eligible for reimbursement, and a description of the Plan’s appeal procedure.

(b) Appeal Rights and Procedures.

1. **Written Request for Appeal Review.** If your entire claim is not paid, you have the right to appeal the denial to the Claims Administrator. You must send a written request for an appeal review to the Claims Administrator within 180 days of your receipt of the notice of the denial of the claim. Your request for review should include the specific reason(s) you believe the claim is eligible for reimbursement under the terms of the Plan.

2. **Right to Review Documents/Submit Comments.** You have the right to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim. You may submit written comments, documents, records, and other information to the Claims Administrator and the information will be considered on review regardless of whether the information was submitted or considered in the initial claim determination.

3. **Person Conducting Review.** The review will be conducted by a person who is neither the individual who made the initial benefit determination nor a subordinate of that individual, and no deference will be afforded to the initial review determination.

4. **Notice of Continued Denial.** If the denial is upheld in whole or part, the Claims Administrator will send notification of the denial to you. You will be notified of the Claims Administrator’s decision on appeal in writing within 60 days after the plan administrator received your appeal. The notice will include the Claims Administrator’s reason for its decision.

   i. **Level Two Appeal Process.** Following the Level One Appeal Process, you have additional voluntary appeal rights through Further. If you are not satisfied with our decision, you may elect to further appeal to Further by sending a letter within 30 days or the later of your run out end date requesting our Further Corporate Appeals Committee to reconsider the decision. If you have terminated employment during the year or if you are unsure of your plan’s run out end date please contact your group representative or our customer service department. You have the option to present your concerns to the Further Corporate Appeals Committee either in person or via telephone conference call. A written notification of the Committee’s decision about your appeal will be sent within 30 days from the date your request is received.

   ii. You may elect this voluntary appeal (Level Two Appeal) only after you have submitted a Level One Appeal and that appeal has been denied.
You are not required to submit a Level Two Appeal prior to bringing a claim in court (the plan will not assert that you failed to exhaust administrative remedies in not submitting to a Level Two Appeal). The six-month limitation period provided in the Plan Document within which you may bring a claim to court is tolled during the time that the Level Two Appeal is pending.

**FORFEITURE OF ACCOUNT BALANCE**

According to federal tax law, amounts remaining in your Medical FSA or in your Dependent Care FSA after the end of the Claims Submission Period following payment of Eligible Expenses incurred during the Plan Year must be forfeited. Such forfeited amounts will be used by the Plan Administrator, in its discretion, to pay the cost of benefits under the Plan, for administrative costs of the Plan, or to provide additional benefits to participants. Planning carefully on the amount to contribute to the spending accounts should help you to avoid forfeitures. Refer to our website for a Worksheet to help you determine your contribution. [https://learn.hellofurther.com/](https://learn.hellofurther.com/)

**TERMINATION OF PARTICIPATION DUE TO TERMINATION OF EMPLOYMENT**

(a) **When Participation ends:** If your employment with the Company terminates, your participation in the Plan will end as of the date of your termination of employment.

(b) **Health Insurance Coverage after termination:** Health Insurance Premiums incurred after the date of your termination from employment cannot be paid on a pre-tax basis through this Plan.

(c) **Dependent care expenses incurred after termination:** If you have a balance remaining in your Dependent Care FSA after your termination from employment, your participation in this benefit will be deemed to continue until you have “spent down” your Account or through the end of the Plan Year in which your termination occurred, whichever occurs first. You can submit Dependent Care Expenses incurred after the date of your termination but before the end of that Plan Year. All other Plan requirements for eligibility of Dependent Care Expenses, including that the expenses must be necessary for you to work or to find work, must be satisfied.

(d) **Medical Expenses incurred after termination:** Medical expenses incurred after the date of your termination from employment will not be eligible for reimbursement unless you elect to continue your participation in the Medical FSA. Please refer to the COBRA continuation information in the “Notice” section below.

(e) **Amounts remaining after termination:** Any amounts remaining in an account after the end of the Claims Submission Period for the Plan Year in which the termination occurred will be forfeited.

(f) **Re-employment by a Participating Employer:** If you terminate employment and are re-employed by a participating employer, you may participate in the Plan. Whether you are required to resume your elections in place prior to your termination or may make new elections depends on the length of time between your termination and reemployment.
and whether you are reemployed in the same Plan Year or a new Plan Year.

A Participant who terminates employment and is re-employed by a participating employer in an Eligible Employee class within the same Plan Year will be treated as a new employee. Such a person must satisfy any Service Requirement and re-enroll in the Plan.

A Participant who terminates employment and is re-employed by a participating employer in an Eligible Employee class in a new Plan Year will be treated as a new employee. Such a person must satisfy any Service Requirement and re-enroll in the Plan.

OTHER REASONS FOR TERMINATION OF PARTICIPATION

(a) Your participation in this Plan can also end if:

1. You no longer qualify as an Eligible Employee;
2. Your Employer stops participating in this Plan;
3. You commit fraud or misrepresent your eligibility to participate or the eligibility of a claim for reimbursement under this Plan; or
4. The Company terminates the Plan;
5. If the certifications you made to participate are no longer accurate.

(b) The rules discussed above for termination of participation as a result of termination of employment also apply if termination of participation occurs for other reasons.

NOTICES

(a) COBRA Continuation of Medical FSA Coverage: You, your spouse or any of your dependents who lose coverage under the Medical FSA as a result of a "qualifying event" are “qualified beneficiaries” and will be eligible to continue Medical FSA coverage for the remainder of the current Plan Year as indicated in this section.

1. Medical FSA positive balance requirement. To be eligible for COBRA: (i) there must be a positive balance in your Medical FSA as of the date your coverage would otherwise terminate because of a qualifying event; and (ii) the COBRA Premiums you are required to pay for the remainder of the Plan Year must exceed available reimbursements.

2. Qualifying Events. For employees, the qualifying events are: (i) termination of employment for any reason other than gross misconduct; and (ii) a reduction in hours. For a spouse or dependent, the qualifying events may include: (i) the employee's termination of employment for any reason other than gross misconduct; (ii) the employee's loss of eligibility for coverage due to a reduction in scheduled work hours; (iii) the employee's death; (iv) the employee's divorce or legal separation; (v) a dependent child's ceasing to qualify as an eligible dependent
under the Medical FSA; and (vi) the employee’s becoming entitled to Medicare
benefits (under Part A, Part B, or both).

3. **Maximum COBRA Coverage Period.** COBRA continuation coverage is a temporary
continuation of Medical FSA coverage. For each qualified beneficiary who elects
COBRA continuation coverage, the COBRA coverage will begin on the date of the
qualifying event. The maximum COBRA coverage period is through the end of the
Plan Year in which the qualifying event occurred. The continuation coverage
period is a maximum period that will be reduced as described below.

4. **You Must Provide Notice to the Plan Administrator of Certain Events.** The Plan will
offer COBRA continuation coverage to qualified beneficiaries only after the Plan
Administrator has been notified that a qualifying event has occurred. When the
qualifying event is the end of employment, reduction of hours of employment, or
the employee’s death, the employer will notify the Plan Administrator of the
Qualifying Event. Qualified beneficiaries must notify the Plan Administrator of the
employee’s divorce, legal separation or child’s ceasing to qualify as a dependent
under the Medical FSA within 60 days of the date of the qualifying event. If the
Plan Administrator is not given the notice within 60 days, the right to continue
coverage will be lost.

5. The notice must be in writing, must contain the information described below, and
must be mailed by first class mail, postage prepaid and addressed to the Plan
Administrator at the address indicated in the **Plan Specifications** section of this
summary.

6. The notice must contain the following information: (i) the name, address and
Social Security Number of the employee; (ii) the name, address and Social Security
Number of each qualified beneficiary (e.g., employee, spouse, dependent child);
(iii) a description of the qualifying event; (iv) the date of the qualifying event; and
(v) a list of the Benefit Options under which the affected qualified beneficiaries
are covered.

7. **Type of Coverage available for Continuation.** A qualified beneficiary may elect to
continue the Medical FSA coverage in effect immediately before the qualifying
event.

8. **Who may elect COBRA Coverage?** An employee can make the election for himself
or herself, his or her spouse, or any of his or her dependent children. If the
employee does not make the election, his or her spouse can make the election for
himself or herself and any dependent children. Finally, if neither the employee
nor spouse makes the election for a dependent child, the dependent may make
the election for him or herself. (A child who is born to, or placed for adoption with,
the employee while the employee is continuing coverage under COBRA and who
becomes covered by the Medical FSA will have independent COBRA election rights
as if he or she were covered at the time of the qualifying event.)
9. **COBRA Election Period.** After a qualifying event or receiving notice of a qualifying event (if notice is required), the Plan Administrator will send qualified beneficiaries a notice regarding COBRA election rights. Qualified beneficiaries will have 60 days from the date of such notice (or from the date coverage would otherwise terminate because of the qualifying event, if the coverage would stop after the notice is sent) in which to file a written election to continue coverage. If a qualified beneficiary does not file the election within the 60-day period, he or she will lose the right to continue Medical FSA coverage. The election must be filed with the Plan Administrator at the address specified in the election form.

10. **COBRA Contributions.** Contributions for the continuation coverage will be on an after-tax basis unless your Compensation continues and the Plan Administrator permits pre-tax contributions for continuation coverage. A qualified beneficiary must pay the full contribution, plus a 2% administration fee, for any coverage he or she continues. He or she must make the first contribution payment, covering the period between the date coverage would otherwise stop and the end of the month preceding the date of the payment, within 45 days after the date the election to continue coverage was filed. Subsequent contributions are due on the first day of each month for which a qualified beneficiary continues coverage, and coverage will end if he or she fails to pay the contribution for any month within 30 days after the due date.

11. **No COBRA Coverage Pending Election or Payment.** A qualified beneficiary will not have COBRA coverage until he or she has elected the coverage and made the required contribution payment. No claims for health care incurred while coverage is not in effect will be eligible for reimbursement. Once a qualified beneficiary makes the election and pays the contribution, coverage will be reinstated retroactively to the date he or she lost the coverage.

12. **Termination of COBRA Coverage.** The continuation coverage will terminate when the first of the following events occurs: (i) the end of the current Plan Year; (ii) the qualified beneficiary fails to pay the initial contribution within 45 days after your election, in which case he or she will be treated as not having elected to continue Medical FSA coverage; (iii) the qualified beneficiary fails to pay any other contribution within 30 days after it is due, in which case coverage will end as of the end of the last day of the month for which he or she made a timely contribution payment; (iv) after electing continuation coverage, the qualified beneficiary becomes entitled to any other group health plan that does not limit or exclude coverage because of a preexisting condition (coverage already in place at the time of the continuation coverage election will not cause termination of continuation coverage); and (v) the employer ceases to provide Medical FSA account benefits to any of its employees.

13. **Keep the Plan informed of Address Changes.** To protect Medical FSA COBRA continuation rights, qualified beneficiaries should keep the Plan Administrator informed of any address changes.
14. Keep Copies of Notices. Qualified beneficiaries should also keep copies for their records of any notices sent to the Plan Administrator.

15. Plan Administrator Contact Information. The address and telephone number for the Plan Administrator is listed in the Plan Specifications section of this summary.

(b) HIPAA Privacy Rule notice of Privacy Practices: The Medical FSA component of the Plan is subject to the HIPAA Privacy Rule ("Privacy Rule"). You can obtain a copy of the Plan’s Notice of Privacy Practices (which summarizes the Plan’s Privacy Rule obligations, your Privacy Rule rights, and how the Plan may use or disclose health information protected by the Privacy Rule) from the Plan Administrator.

(c) Statement of ERISA Rights of Plan Participants: As a participant in the Medical FSA under the Plan ("Plan"), 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:

1. Receive Information About Your Plan and Benefits.
   i. Examine, without charge, at the Plan Administrator’s office and at other specified locations, all documents governing the plan.
   ii. Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the plan and copies of the latest annual report, if the plan is required to report, and updated summary plan description. This Summary, along with the sections of the Further Flexible Benefit Plan that apply to the Medical FSA benefit, comprises the Plan Document for this benefit. The Plan Administrator may make a reasonable charge for the copies.
   iii. Receive a summary of the plan’s annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

2. Continue Group Health Plan Coverage. Continue medical care coverage if there is a loss of coverage under the Plan as a result of a qualifying event. You, your spouse, or your dependents may have to pay for such coverage. Review this Summary for your Medical FSA continuation rights.

3. Prudent Actions by Plan Fiduciaries. In addition to creating rights for plan participants ERISA imposes duties upon the people who are responsible for the operation of this plan. 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, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit provided under this plan or exercising your rights under ERISA.
4. **Appeals.** If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

5. **Enforce Your Rights.** Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a 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 Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. 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 a 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.

6. **Assistance with your questions.** If you have any questions about this Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration (formerly the Pension and Welfare Benefits Administration), U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

(d) **ERISA, HIPAA and COBRA do not apply to the Dependent Care and Pre-Tax Premium.** The Dependent Care FSA and Pre-Tax Premium are not employee benefit plans within the meaning of ERISA and are not subject to ERISA, HIPAA or COBRA. The Company-Sponsored Health Insurance paid for on a pre-tax basis through this Plan, however, is subject to ERISA, HIPAA and COBRA. Please refer to the Company-Sponsored Health Insurance Summary Plan Description for your rights and responsibilities under those laws.

(e) **Company’s Right to terminate or amend the Plan:** The Company reserves the right to amend or terminate the Plan at any time and without notice.

(f) **No guarantee of employment:** Participation in this Plan is not a guarantee of employment.

(g) **Plan Administrator’s Discretion:** The Plan Administrator (and persons to whom it has delegated powers, to the extent of such delegation) has total and complete discretionary
authority with respect to administration and interpretation of the Plan. Benefits under the Plan will only be paid if the Plan Administrator decides in its discretion that a claimant is entitled to them.

**PLAN SPECIFICATIONS**

**Employer, Plan Sponsor and Plan Administrator:**

St. Francis Health Services of Morris, Inc.  
801 Nevada Avenue  
Morris, MN  56267

Telephone: 320.589.4903

**Type of Plan:**

Cafeteria Plan which includes Medical FSA, Dependent Care FSA, and Pre-Tax Premium Plan

**Claims Administrator:**

Further  
3535 Blue Cross Road  
Eagan, MN  55122-1154  
651.662.5065 or 800.859.2144  

**Plan Year:**

January 1 through December 31

**Your Further Group Number:**

003275

**ERISA Plan Number:**

Medical FSA - 512

**Use of Debit Cards:**

You may obtain an immediate conditional reimbursement for eligible medical expenses from your applicable spending account using a Debit Card.

The Debit Card conditional reimbursement is subject to the following conditions:

- Upon enrollment and at the beginning of each Plan Year, you must certify that the debit card will only be used for eligible medical expenses and that
any such expenses paid using the Debit Card will not be reimbursed from any other plan. Each use of the Debit Card will be considered reaffirmation of this certification.

- The Debit Card can only be used at a merchant or health care provider with specified merchant codes relating to medical care.

- The status of all purchases using the Debit Card as eligible medical expenses for reimbursement under this Plan must be substantiated in accordance with Plan Rules. The Claims Administrator will provide details regarding the substantiation requirements.

- If you have received conditional reimbursement for an expense from your FSA using a Debit Card and the Plan Administrator or Claims Administrator later determines that such expense does not qualify as an eligible medical expense, the Claims Administrator may prohibit your use of the Debit Card until the improper reimbursement amount is recovered. The Claims Administrator will use the recovery methods indicated in the “Recovery of Improper Reimbursements” section.

**Salary Reduction from Last Paycheck of the Plan Year**

Salary reduction amounts from the last paycheck of the Plan Year may be used to pay for the first month of benefits elected for the next Plan Year.