Table of Contents

Important Notice...........................................................................................................................................4
Eligibility ..........................................................................................................................................................4
How to Enroll ..................................................................................................................................................4
  New Employees .............................................................................................................................................4
  Annual Enrollment .......................................................................................................................................5
When Participation Begins ..............................................................................................................................5
  New Employees .............................................................................................................................................5
  Annual Enrollment .......................................................................................................................................5
Making Changes ..............................................................................................................................................5
  Defining a Qualified Family Status Change .........................................................................................5
  If You Have a Family Status Change .........................................................................................................5
If You Take a Leave of Absence .....................................................................................................................6
  Paid Leave of Absence .................................................................................................................................6
  Unpaid Leave of Absence – Healthcare FSA .............................................................................................6
  Unpaid Leave of Absence – Dependent Care FSA ....................................................................................6
When Your Employment Ends .......................................................................................................................7
  Healthcare FSA ............................................................................................................................................7
  Dependent Care FSA .................................................................................................................................7
  If You Are Rehired ........................................................................................................................................7
Continued Participation in the Healthcare FSA (COBRA) .............................................................................7
COBRA Coverage .........................................................................................................................................7
  Losing Continued Coverage ......................................................................................................................8
Summary of Benefits .....................................................................................................................................8
How the Flexible Spending Account Works ..................................................................................................9
How Much You Can Contribute ..................................................................................................................9
Limits and Restrictions ....................................................................................................................................9
Additional Limits on Dependent Care FSA Contributions .............................................................................10
  If Your Spouse Also Contributes to a Dependent Care FSA .....................................................................10
  If Your Spouse Is Either Disabled or a Full-Time Student .......................................................................10
How Participating in the FSA(s) Affects Taxes and Other Benefits ................................................................10
  The Tax Advantages .................................................................................................................................10
  Impact on Other Benefits ........................................................................................................................11
Definitions

Employer-Sponsored Benefits .................................................................11
Social Security .......................................................................................11
Your Flexible Spending Account Statements ........................................11
Your Healthcare FSA ..............................................................................11
Eligible Healthcare Expenses ...............................................................11
Limited Healthcare FSA .........................................................................11
Ineligible Healthcare Expenses ............................................................12
Your Dependent Care FSA .................................................................13
Eligibility .................................................................................................13
Who Qualifies as a Dependent ..............................................................13
Eligible Dependent Care Expenses .......................................................14
Ineligible Dependent Care Expenses ...................................................14
Claiming Reimbursement ......................................................................15
When You Can File Claims ..................................................................15
Aetna/PayFlex Card ...............................................................................15
Documenting Your Claim ......................................................................16
Healthcare Expenses ............................................................................16
Dependent Care Expenses ....................................................................16
Reimbursement ......................................................................................16
How to Appeal a Denied Claim .............................................................17
Healthcare FSA Claims ........................................................................17
Dependent Care FSA Claims ...............................................................17
Plan Information ....................................................................................18
Your ERISA Rights: Healthcare FSA ....................................................18
  Receive Information about Your Plan and Benefits .............................18
  Continue Group Health Plan Coverage ..............................................18
Prudent Action by Plan Fiduciaries .......................................................18
Enforce Your Rights .............................................................................18
Assistance with Your Questions .........................................................19
General Information about the Plan ....................................................19
Amendment or Termination of the Plan ...............................................20
Plan Documents ....................................................................................20
Definitions ............................................................................................21
Important Notice

The Flexible Spending Accounts (FSA) plan is established by Emory voluntarily and may be amended or terminated at any time by Emory, in its sole discretion. Amendments may, among other things, affect eligibility, contribution rates, benefits coverage, reimbursement rates, procedures, participation, etc., at any time, regardless of whether the individual is participating in the benefit plans at the time of amendment, and even after an individual retires. The Plan Administrator has the discretionary authority to interpret the provisions of the Plan and SPD, and its decisions are final and binding. Nothing in the SPD or the Plan gives, or is intended to give any person the right to be retained in Emory’s employment or to interfere with Emory’s right to terminate the employment of any person.

Eligibility

You are in an eligible class for coverage under this Plan if you are:

- A regular full-time or half-time (at least 20 hours per week) employee of Emory.
- A temporary full-time employee on an assignment at Emory University scheduled for at least six consecutive months.

You can sign up for the Healthcare FSA, the Dependent Care FSA, both FSAs, or neither FSA. Participation is completely voluntary; it is up to you to decide which FSA (if any) meets your needs.

If you are enrolled in the HSA Plan, you are not eligible for the standard Healthcare FSA and will be enrolled in a Limited Healthcare FSA, if you choose to participate in a Healthcare FSA. Only employees can enroll in the Flexible Spending Accounts, but the FSAs can be used to reimburse your dependents’ eligible expenses, as well as your own.

When used in this SPD “Emory” shall mean Emory University and its schools, operating divisions and affiliates and any/all entities controlled by Emory University either directly or indirectly, including but not limited to, the Carter Center, Inc., Emory Healthcare Inc., Emory Children’s Center Inc., The Emory Clinic Inc., Emory Specialty Associates, LLC, Emory /Saint Joseph’s, Inc., Saint Joseph’s Hospital of Atlanta, Inc., The Medical Group of Saint Joseph’s, LLC, Translational Testing and Training Laboratories, Inc., EHCA Johns Creek, LLC d/b/a Emory Johns Creek Hospital.

How to Enroll

Enrolling is easy and available 24 hours a day via Employee Self-Service or e-Vantage through your Employer’s homepage. You must enroll within 31 days of your eligibility date. Your completed enrollment authorizes Emory to withhold a portion of your earnings before taxes are deducted and credit that same amount into your FSA(s).

Federal law requires that whatever election you make is locked in throughout the applicable calendar year unless you have a “family status change.” Federal law also requires that any amounts you do not use for eligible reimbursements be forfeited, so it is important to plan carefully.

New Employees

You must enroll within 31 days of your date of hire (or the date you became eligible to participate) in order to participate in a FSA(s).
Annual Enrollment

The annual enrollment period is your opportunity to review your benefit needs for the upcoming year and to change your benefit elections, if necessary. The elections you make will be in effect for the following year.

If you are already enrolled in a FSA(s) and wish to continue participating, you must re-enroll each year to continue your participation.

When Participation Begins

New Employees

For a newly hired (or newly eligible) employee, participation begins on your date of hire. You must complete the enrollment process within 31 days to participate.

Annual Enrollment

Your annual election will go into effect on January 1.

Making Changes

The IRS requires that your FSA elections stay in effect throughout the full Plan year. Once made, you cannot change your election during the year unless you experience a “qualified family status change.”

Defining a Qualified Family Status Change

The following are examples of qualified family status changes for the FSA:

- Marriage
- Divorce
- Birth or adoption of a child
- Death of a spouse or child
- Termination of your spouse’s employment
- Commencement of your spouse’s employment
- Transition from part-time to full-time work, or from full-time to part-time work, by you or your spouse that affects eligibility
- An unpaid leave of absence taken by you or your spouse
- Change in provider or cost for Dependent Care FSA (does not apply to providers who are your relatives)
- A child ceasing to qualify as a dependent (such as turning age 13 with respect to the Dependent Care FSA elections)

If You Have a Family Status Change

You have 31 days from the qualified family status change to change your Healthcare and/or Dependent Care FSA election. The change in your FSA election must be due to and consistent with the change in your family status. (For example, upon the birth or adoption of your child, you could increase the amount you are contributing to your Healthcare FSA, but you could not stop your FSA contributions.) You should contact the Benefits Department immediately after the change takes place to make sure you allow yourself enough time to take the appropriate action. The Benefits Department will explain the procedure to you. If you have questions about what changes are allowed following a family status change, please contact the Benefits Department.
If you do not report the family status change and submit the election change request within the 31-day period, you will not be allowed to make the change until the next annual enrollment period.

If You Take a Leave of Absence

Paid Leave of Absence

Your participation in a FSA(s) will not be affected if you are granted a paid leave of absence. Payroll deductions will continue, and you can still use your FSA(s) to reimburse yourself for eligible expenses. However, you could choose to decrease or stop your contributions to the Dependent Care FSA.

Unpaid Leave of Absence – Healthcare FSA

While on an unpaid leave of absence:

1. You can continue your Healthcare FSA by making payments on an after-tax basis (contact your Benefits Department for details). If you do not make your payments by the deadline or if you do not elect to continue your Healthcare FSA, you may be eligible to elect COBRA coverage. [See Continued Participation in the Healthcare FSA (COBRA) for details.] If you are not eligible for COBRA or if no COBRA coverage is elected, you will be eligible only for reimbursements for claims incurred before the effective date of your unpaid leave or the date you stopped making contributions, whichever is later; or

2. You can choose to waive your Healthcare FSA while on leave. Upon return to work you may either have your same per pay period withholding apply (with a corresponding reduction in the total amount available to reflect the period during which no contributions were made) or you can choose to have your pay period withholding increased as necessary to make up the contributions you missed while out on leave. However, even if you make up the missed contributions, you still will not be eligible to be reimbursed for expenses incurred during your leave.

If you did not elect to continue participating in the Healthcare FSA while you were on an unpaid leave of absence, you may elect to participate when you return to active status. The family status change must be created within 31 days of your return from the unpaid leave of absence. Contact the benefits department for more information.

Unpaid Leave of Absence – Dependent Care FSA

If you are on an unpaid leave of absence, your contributions and participation in the Dependent Care FSA will end. You can continue to be reimbursed from your Dependent Care FSA for eligible expenses you incurred while you were actively at work; you will not be reimbursed for expenses incurred while on unpaid leave. Any balance in your account from contributions made before your leave can be used for claims incurred upon your return to work.

When you return from an unpaid leave, it is considered a family status change and you may elect to participate in the Dependent Care FSA so long as you complete the family status change within 31 days of your return to work. Contact the benefits department for more information.
When Your Employment Ends

Healthcare FSA

If you terminate during the year, you have two choices for your Healthcare FSA:

- You can close your account, in which case you will have until May 15th of the next year to submit claims for expenses incurred before your termination of employment date; or

- You can continue your contributions on an after-tax basis by electing COBRA coverage, provided you are eligible for COBRA. [See Continued Participation in the Healthcare FSA COBRA for more information.] In this case, you can still claim reimbursements from your account for expenses incurred after you terminate through the end of the year, provided you continue your FSA participation by making after-tax contributions.

Dependent Care FSA

If you terminate employment during the year, your contributions to your Dependent Care FSA will end. However, you can still be reimbursed for eligible expenses you incur through your last day worked. You have until May 15th of the following year to submit claims.

If You Are Rehired

If you leave Emory and are rehired within the same year, it will be considered a family status change. Upon your return to work, you may re-enroll in a FSA(s) and have your prior elections reinstated or increase the annual pledge amount up to the maximum limit.

Continued Participation in the Healthcare FSA (COBRA)

Under some circumstances, you and/or your eligible dependent(s) can still participate in the Healthcare FSA even after your coverage ends. This continued coverage is available if your coverage ends because:

- Your employment terminates for any reason other than gross misconduct; Your scheduled work hours are reduced;
- You retire;
- You divorce; or
- You die.

This extended coverage is provided through the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), as amended, and applies to the Healthcare FSA only, not to the Dependent Care FSA. The COBRA provisions are described below.

COBRA Coverage

Even if you are no longer eligible, you and your dependent(s) if applicable, can still contribute to the Healthcare FSA on an after-tax basis, provided you have a positive account balance at the time of the qualifying event. In certain cases (such as following termination of employment), Emory’s COBRA Administrator will notify you or your dependent(s) when you (or they) are eligible for continued coverage. In other situations, such as divorce, you have the obligation to provide written notice of a qualifying event to Emory – no later than 60 days following the date of the event - so that COBRA can be offered. Even though the COBRA rules allow you to take up to 60 days to notify Emory about a divorce, remember that you have only 31 days to modify your election during the year. If you fail to notify Emory within 31 days of a divorce (or other pertinent event), then you will not be able to change or revoke your election under the
Healthcare FSA for the remainder of the Plan Year. Of course, this will not affect your dependent’s right to elect COBRA.

Once you are notified by the COBRA Administrator of your right to elect COBRA, you have 60 days to respond and submit your election if you want to continue coverage. If COBRA is elected, the entire cost of coverage plus a 2% administrative fee must be paid for the duration of the COBRA continuation period. In addition, you will have 45 days from the date of your election to submit your required contribution for the first month. Future payments are due each month. Other than the aforementioned, the same rules that govern active employees apply.

<table>
<thead>
<tr>
<th>Participant Eligibility Through Year-End</th>
<th>In the Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>You</td>
<td>Your employment terminates</td>
</tr>
<tr>
<td>You</td>
<td>Your working hours are reduced</td>
</tr>
<tr>
<td>You</td>
<td>Retire</td>
</tr>
<tr>
<td>Your dependent(s)</td>
<td>You die</td>
</tr>
<tr>
<td>Your dependent(s)</td>
<td>You divorce or legally separate</td>
</tr>
</tbody>
</table>

**Losing Continued Coverage**

Continued participation will end prior to year-end if the Healthcare FSA is discontinued, or if you do not make your contributions on time. If COBRA is not timely elected, or if the required payments are not made when due, the right to COBRA coverage will terminate and cannot be reinstated.

**Summary of Benefits**

A Flexible Spending Account (FSA) allows you to set aside a portion of your salary on a pre-tax basis, which is reflected, in a special bookkeeping account. You can then use the money in your account(s) to reimburse yourself for qualified healthcare and/or dependent care expenses (but you cannot use money in your Healthcare Account for dependent care expenses or vice versa). Your taxable salary is reduced by the amount you contribute to your account(s), so you pay lower income taxes and Social Security taxes.

Participation in a FSA(s) is voluntary. You decide whether you would like to participate and how much money you would like to contribute based on the minimums and maximums shown below.

<table>
<thead>
<tr>
<th>Contribution</th>
<th>Healthcare Account</th>
<th>Dependent Care Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Maximum</td>
<td>$2,550</td>
<td>$5,000</td>
</tr>
<tr>
<td>Annual Minimum</td>
<td>$200</td>
<td>$200</td>
</tr>
</tbody>
</table>

Highly compensated employees will be limited to a maximum annual contribution of $2,400 to the Dependent Care account. For example, if your total earnings from Emory in 2016 were $120,000 or greater, you would be limited to $2,400 in Dependent Care account contributions for 2017.
How the Flexible Spending Account Works

You decide how much you want to contribute to one or both of the FSA(s) through pre-tax payroll deductions. These amounts can only be used to pay for qualifying expenses incurred while you participate in the account(s). These are bookkeeping accounts only (there is no actual account in your name, and the account does not earn interest). You cannot deposit cash directly into your account(s). Once you decide how much you will contribute for the year, you cannot change your election unless you have a qualified family status change, nor can you transfer money from one FSA to another.

How Much You Can Contribute

You can contribute from $200 to $2,550 (or such other amount indicated in the enrollment material) to your Healthcare FSA each year, and you can contribute from $200 to $5,000 a year to your Dependent Care FSA. For highly compensated employees, those making $120,000 or greater per year, the Dependent Care FSA annual contribution will be limited to $2,400. If your spouse also contributes to his or her employer’s Dependent Care FSA, the combined maximum you can both contribute is $5,000. Due to IRS rules, you cannot each contribute $5,000 to the separate accounts.

Carefully calculate the amount you contribute to your Flexible Spending Account(s). The IRS imposes a “use it or lose it” rule on FSA plans; you forfeit any money that remains in your account after reimbursement of your eligible expenses for the year. In addition, you cannot transfer amounts from one account to the other. See Limits and Restrictions for more information.

Limits and Restrictions

To preserve the favorable tax treatment of your contributions, there are several important limitations that you should understand before participating in the FSA(s).

- A FSA is what is known as a “use it or lose it” arrangement, which means if you do not spend all of the money in your account, you lose the unspent balance. You must decide how much to deposit for the year before each year begins. Once you decide your contribution amount, you cannot change it during the year unless you experience a qualified family status change; so you should plan to contribute only as much as you expect to spend in the current (if new hire) or upcoming year.

- Having a Healthcare FSA limits your tax deductions for healthcare expenses. However, keep in mind that you can deduct unreimbursed healthcare expenses from your federal income tax only if they exceed the threshold established by the Internal Revenue Service.

- To be eligible for reimbursement from the Healthcare FSA, the expenses must be for you, your child or a tax-qualified dependent. A tax-qualified dependent is someone for whom you can claim a tax exemption, such as a spouse. Some of the dependents you cover under your medical plan may not be tax-qualified dependents. For example, a SSDP is not usually considered a tax-qualified dependent. Note: Unless your SSDP is your tax-qualified dependent, his or her expenses are not eligible for reimbursement under the Healthcare FSA.

- Having a Dependent Care FSA limits the tax credits you may be able to take for dependent care expenses. You can use both the Dependent Care FSA and tax credit, provided you do not claim the same expenses for both. However, federal regulations require that your dependent care tax credit be reduced dollar for dollar, by whatever you put into your FSA.
• You should ask your tax advisor to help you choose the right alternative for your tax bracket.

• You cannot transfer funds between the Healthcare and Dependent Care FSAs.

• You cannot carry over any unclaimed Dependent Care FSA balances from one year to the next. Any funds remaining in your Dependent Care FSA on December 31 will be forfeited unless they are used to cover expenses incurred during that calendar year and Aetna/PayFlex receives your claim for reimbursement by the following May 15.

• The risk of forfeiting money from your Healthcare FSA is reduced by a grace period. You can use your remaining balance available on December 31 to pay for expenses incurred through March 15. To avoid forfeiture, claims must be filed by May 15. For example, claims incurred between January 1 and March 15 will have to be received by May 15. Remember that if you participate in the general Healthcare FSA in 2017 and you want to contribute to a Healthcare Savings Account in 2018, you may want to use up your entire balance by December 31, 2017. Due to IRS rules, if you have any balance in a general Healthcare FSA on December 31 that provides for a grace period, you cannot contribute to a Health Savings Account until the following April 1.

Additional Limits on Dependent Care FSA Contributions

If Your Spouse Also Contributes to a Dependent Care FSA

The IRS sets additional limits on your contributions if you are married and your spouse has a Dependent Care FSA through his or her employer:

• You are limited to a combined Dependent Care FSA contribution of $5,000 in a calendar year. This limit applies whether you have one or more dependents receiving care.
• If you file separate federal income tax returns, the most you can contribute is $2,500 a year.
• If you file a joint return, you cannot contribute more than you earn (or what your spouse earns, if it is less than what you earn for the year, with a $5,000 limit).

If Your Spouse Is Either Disabled or a Full-Time Student

The IRS considers your spouse’s earnings to be $250 a month if you have one eligible dependent, and $500 if you have more than one eligible dependent.

How Participating in the FSA(s) Affects Taxes and Other Benefits

Establishing a FSA can also affect your tax strategy when you file your income tax return. You should consult with a tax advisor before signing up for a FSA(s) – you cannot change your election once you have made it, unless you have a qualified family status change (as explained in Making Changes).

The Tax Advantages

The Internal Revenue Code Section 125 allows your employer to take the money you direct to your FSA(s) out of your pay before federal income, state income, and Social Security (FICA) taxes are deducted. In turn, your taxable income is lower, and you pay less federal, state, and FICA taxes.

Any reimbursements you receive from your FSA(s) are free from federal tax as long as you have not taken (or do not intend to take) a tax deduction or credit for related expenses when you file your federal tax return.
Impact on Other Benefits

Employer-Sponsored Benefits
While you are “reducing” your pay for tax purposes, your pay-related benefits (for example, any employer-sponsored life and disability insurance, and retirement benefits) are not reduced. Your benefits from these plans will be based on your compensation before any amounts are deducted.

Social Security
Since your Social Security (FICA) taxes are based on your reduced pay, your future Social Security benefits may be slightly lower.

Your Flexible Spending Account Statements

The Explanation of Payment (EOP) that Aetna/PayFlex issues with each reimbursement is also a good source of information. The EOP details the amount reimbursed and your current balance.

You can also access information about your FSA account status 24 hours a day, 7 days a week by registering and logging in to Aetna Navigator at www.aetna.com/individuals-families.html. Once logged in you can see your account information under Your Accounts & Funds.

Your Healthcare FSA

The Healthcare FSA lets you pay many of your otherwise unreimbursed healthcare expenses with tax-free dollars. Since not every healthcare expense you incur is eligible for reimbursement through your FSA, it is important to know which are reimbursable and which are not.

If an expense is covered under any other plan(s), you cannot submit it for reimbursement under your Healthcare FSA until the expense has been considered by the other plan(s).

Eligible Healthcare Expenses

You can use your Healthcare FSA to reimbursement yourself expenses that are considered “medical care” under Section 213(d) of the Internal Revenue Code, as long as the expenses are not reimbursed by any Health Care plan. Tax rules change, so you should check with your tax advisor about the eligibility of specific expenses. You can get additional information about eligible healthcare expenses from IRS Publication 502, “Medical and Dental Expenses,” which is available from your local IRS office and the IRS website at http://www.irs.gov.

Limited Healthcare FSA

HSA Plan members may use the Limited Healthcare FSA to pay for dental and vision expenses beginning the effective date of coverage. However, medical expenses are reimbursable only after the HSA Plan deductible has been met.

Eligible health care expenses include medically necessary:

- Acupuncture
- Auto equipment such as special hand controls to assist the physically disabled
• Braille books and magazines
• Crutches
• Dental treatment
• Eye exams, lenses, frames and contact lenses
• Fertility enhancement procedures such as in vitro fertilization (including temporary storage of eggs or sperm), and infertility surgery, including an operation to reverse a prior sterilization procedure
• Guide dog or other animal used by a visually-impaired or hearing-impaired person
• Healthcare and pharmacy co-payment, deductible and coinsurance amounts
• Healthcare expenses that are above the customary charge or healthcare plan maximums
• Hearing exams and hearing aids
• Laser eye surgery
• Lead-based paint removal to protect a child who has, or who has had, lead paint poisoning from continued exposure
• Legal fees directly related to committing a mentally ill person
• Lodging while you receive medical care away from home. Care must be provided by a doctor in a licensed hospital or treatment facility, and the lodging must be primarily for, and essential to, medical care
• Long term care services required by a chronically ill person, if provided in accordance with a plan of care prescribed by a licensed Healthcare practitioner
• Medical information plan that maintains your medical information so it can be retrieved from a medical data bank for your medical care
• Medical services and supplies not covered by your medical plan, provided they are medically necessary (expenses for most cosmetic procedures are not eligible)
• Osteopathic services
• Over-the-Counter medications, with a physician’s prescription
• Smoking cessation programs
• Specialized equipment for the disabled, including:
• Cost and repair of special telephone equipment that allows a hearing-impaired person to communicate over a regular telephone, and equipment that displays the audio part of television programs as subtitles for hearing-impaired people.
• Transportation expenses if primarily for, essential to, Medicare care

If you have any questions about what is considered an eligible expense under the Healthcare FSA, you may call Aetna/PayFlex Member Services at 1-888-678-8242. You may also contact your local IRS office or visit the IRS website at http://www.irs.gov.

Ineligible Healthcare Expenses

Just as important as understanding what is eligible for reimbursement through your Healthcare FSA, is knowing what is not generally eligible, including the following:

• Expenses for which you have already been reimbursed by other healthcare plans or for which you could be reimbursed from those plans, if you submitted a claim (including Medicare, Medicaid, and Emory's or any other Medical, Dental, or Vision Plan)
• Expenses incurred by anyone other than you or your qualified dependents
• Expenses that are not deductible on your federal income tax return
• Babysitting, child care and nursing services for a normal, healthy baby. This includes the cost of a licensed practical nurse (L.P.N.) to care for a normal and healthy newborn.
• Controlled substances
• Cosmetic dental work
- Cosmetic surgery (any procedure to improve the patient's appearance that does not meaningfully promote the proper function of the body, or prevent or treat illness or disease)
- Custodial care in an institution
- Diaper service
- Electrolysis
- Funeral and burial expenses
- Healthcare plan contributions, including those for Medicare, your spouse's employer's plan, COBRA, or any other private coverage
- Health club dues
- Household help, even if such help is recommended by a physician
- Illegal medical services or supplies
- Maternity clothing
- Medical savings account (MSA) contributions
- Medical plan expenses prior to meeting the deductible, if you are enrolled in a Limited Healthcare FSA
- Over-the-counter health aids or medication, not for medical care (example: vitamins, weight loss aids)
- Nutritional supplements
- Personal use items, unless the item is used primarily to prevent or alleviate a physical or mental defect or illness
- Prescription drugs for cosmetic purposes
- Weight-loss programs not prescribed by a doctor
- Special schooling for a child, even if the child may benefit from the course of study or disciplinary methods
- Transportation to and from work, even if a physical condition requires special means of transportation
- Up-front patient administration fees paid to a physician’s practice
- Vitamins or minerals taken for general health purposes

**Your Dependent Care FSA**

You can use the Dependent Care FSA to reimburse yourself with tax-free funds for certain dependent care expenses incurred while you are at work.

**Eligibility**

If you are married, you may be reimbursed for expenses from the Dependent Care FSA only for expenses incurred while your spouse works or is actively looking for work, or if your spouse:

- Has no earned income for the year; and
- Is a full-time student for at least five months of the year; or
- Is incapable of caring for himself or herself or for the dependent.

**Who Qualifies as a Dependent**

You can use your Dependent Care FSA to cover the expenses of dependents who are defined as:

- Children who are under age 13 when the care is provided and for whom you can claim an exemption on your federal income tax return;
- Your spouse who is mentally or physically incapable of self-care; and
• Your dependent who is physically or mentally incapable of self-care, and for whom you can claim an exemption (or could claim as a dependent if he or she did not have a gross annual income of $3,000 or more).

You can use your Dependent Care FSA to pay expenses for a qualifying child for whom you have joint custody if you pay more than half of the child’s support and have custody during the year longer than the other parent. The costs associated with caring for the elderly also qualify for reimbursement if they live in your home at least eight hours a day and are completely incapable of caring for themselves.

**Eligible Dependent Care Expenses**

The Dependent Care FSA is strictly monitored by the IRS, and only those expenses that comply with Section 129 of the Internal Revenue Code of 1986 are covered. Keep in mind that the expenses must be work-related to qualify as eligible expenses. The IRS considers expenses “work-related” only if they meet both of the following rules:

- They allow you (and your spouse) to work or look for work; and
- They are for the care of a qualified person.

You can pay the following work-related expenses through your Dependent Care FSA:

- Wages paid to a baby sitter, unless you or your spouse claims the sitter as a dependent.
- Care can be provided in, or outside of, your home.
- Services of a Dependent Care Center (such as a daycare center or nursery school) if the facility provides care for more than six individuals (other than those who reside there), receives a fee, payment or grant for providing its services, and complies with all applicable state and local laws and regulations.
- Cost for adult care at facilities away from home, such as family daycare centers, as long as your dependent spends at least 8 hours at home.
- Wages paid to a housekeeper for providing care to an eligible dependent. Household services, including the cost to perform ordinary services needed to run your home which are at least partly for the care of a qualifying individual, are covered as long as the person providing the services is not your dependent under age 19 or anyone you or your spouse claim as a dependent for tax purposes.

If you have any questions about what is considered an eligible expense under the Dependent Care FSA, you may call Aetna/PayFlex member services at 1-888-678-8242. You may also contact your local IRS office or visit the IRS website and review Publication 503 at [http://www.irs.gov/](http://www.irs.gov/).

**Ineligible Dependent Care Expenses**

You cannot use your Dependent Care FSA to reimburse yourself for services that:

- Allow you to participate in leisure-time activities;
- Allow you to attend school part-time;
- Enable you to attend educational programs, meetings or seminars; or
- Are primarily medical in nature (such as in-house nursing care).

In addition, expenses for education (such as kindergarten fees) cannot be reimbursed from this account, nor can expenses for overnight camp.

**Claiming Reimbursement**

**When You Can File Claims**

Expenses must have been incurred during the Plan Year. An expense is incurred when the service that gives rise to the expense is provided. When the expense is billed, charged or paid is irrelevant.

You may not be reimbursed for any expenses arising before the plan becomes effective or for any expenses incurred after the close of the plan year (other than due to the grace period), or after a separation from service (except for continuation coverage).

For example, orthodontia payments, even if billed, will not be considered a healthcare expense under this plan until after the service has been provided. Orthodontia expenses will be reimbursed by this plan only if the expense has been incurred within the plan year. Lump sum payments or services paid in advance of the service being rendered are not reimbursable under this plan, except as provided below.

Orthodontia expenses may also be reimbursed if a reasonable payment schedule or service contract with expense detail is provided with the claim. A reasonable payment schedule or service contract must be prepared by your dentist and must illustrate what orthodontia services are to be provided, when the services are planned to be provided (identified by month and year), and the corresponding projected expenses associated with those services. An example of a reasonable payment schedule or service contract may include a down payment for initial services provided, and subsequent proportional payments in anticipation of follow-up services. Lump sum payments or services paid in advance of the services being rendered are not reimbursable under this plan in absence of a reasonable payment schedule or service contract.

**Aetna/PayFlex Card**

Participants will automatically receive an Aetna/PayFlex card in the mail. Please activate the card when you receive it so that you will be able to use the card for qualified expenses. Please note that the use of the Aetna/PayFlex card is purely for convenience only. IRS guidelines for FSAs still require participants to retain receipts for any eligible expense they receive reimbursement for. The FSA plan administrator, Aetna/PayFlex, will still request verification of expenses from participants. You will need to submit appropriate supporting documentation for a given expense where the Aetna/PayFlex card was used or the card will be deactivated until the expense can be substantiated as eligible under the IRS definitions. Please note that a payment receipt may not be sufficient for medical and dental services, so check with Aetna/PayFlex to determine what supporting documentation is required. Those enrolled in the Limited Healthcare FSA due to enrollment in the HSA medical plan do not receive Aetna/PayFlex Cards.

**Important Note** - A SSDP and his or her children are not usually considered tax-qualified dependents. Unless your SSDP (or his or her child) is your tax-qualified dependent, his or her expenses are not eligible for reimbursement under the Healthcare FSA.
Documenting Your Claim

Healthcare Expenses
When you submit a claim for reimbursement from your Healthcare FSA, you must provide a copy of:

- The Explanation of Benefits (EOB) you received from your healthcare plan showing how much, if any, of your claim was paid; or

- Itemized bills from suppliers for expenses not covered by any healthcare plan. The itemized bill should include the following information:
  - Patient name;
  - Diagnosis;
  - Service or service provided;
  - Charge; and
  - Date of service

Your claim will not be accepted if the required information is not provided. You may use the “FSA / Limited Purpose FSA” claim form to ensure that your claim submission contains all of the required information.

Dependent Care Expenses
To file a claim for reimbursement, complete the “FSA / Limited Purpose FSA” claim form. Copies of the form are available on the benefits website. You must provide the following information in your claim submission:

- Dependent’s name;
- Provider’s name, address and tax ID (or Social Security) number;
- The cost, nature and place of the service(s) performed;
- Proof of payment; and
- An indication of whether the provider is related to you and, if so, how (if the provider is your child, you must also include the child's age)

You may ask your dependent care provider to sign the claim form as verification of payment. Detailed bills or receipts are also considered acceptable documentation for dependent care expenses.

You are also required to report your provider's taxpayer identification number or Social Security number when you file your tax return.

Reimboursement
Aetna/PayFlex processes FSA claims as they are received, and issues FSA claim payments.

You can be reimbursed through your Healthcare FSA for qualifying healthcare expenses up to the annual pledge amount you elected at enrollment – even if not all of it has been deducted from your paychecks.
You can be reimbursed for dependent care expenses only up to the amount in your Dependent Care FSA when you file a claim. Any unpaid amounts still due you will be processed in the next claim cycle when (and if) you have enough money in your Dependent Care FSA to cover them.

You will receive an Explanation of Payment (EOP), which reflects the status of your account, each time you submit a request for reimbursement (for example, the amount of the claim, how much of it is eligible for reimbursement, what has been paid to date from your FSA, any amounts still payable, and any balance remaining in your Account).

Contact information for claim submission and customer service for Aetna/PayFlex is as follows:

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

Fax: 1-888-238-3539

Customer Service: 1-888-678-8242

How to Appeal a Denied Claim

If your claim is entirely or partially denied the reason(s) for the denial will appear on the Explanation of Payment (EOP) you receive from Aetna/PayFlex. Your written appeal should be submitted to:

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

Healthcare FSA Claims

If you think your claim has been wrongfully denied, you have 180 days after receiving the written denial to request a review. Your request for a review, called an appeal, must be submitted to Aetna/PayFlex in writing. Be sure to explain why you think you are entitled to reimbursement, and attach any documentation that will support your claim. Aetna/PayFlex must respond to your written request for a review within 30 days of receiving it, explaining the reasons for their decision in clear, understandable language. Aetna/PayFlex’s appeal determination decision is final and binding. You can also follow this procedure if you do not receive any response to your claim within 30 days after you have initially filed it with Aetna/PayFlex.

Dependent Care FSA Claims

If you think your claim has been wrongfully denied, you have 60 days after receiving the written denial to request a review. Your request for a review, called an appeal, must be submitted to Aetna/PayFlex in writing. Be sure to explain why you think you are entitled to reimbursement, and attach any documentation that will support your claim. Aetna/PayFlex must respond to your written request for a review within 60 days of receiving it. If a longer response time is required, Aetna/PayFlex will notify you. Aetna/PayFlex’s decision is final and binding. You can also follow this procedure if you do not receive any response to your claim within 90 days after you have initially filed it with Aetna/PayFlex.
Plan Information

Your ERISA Rights: Healthcare FSA

The Employee Retirement Income Security Act of 1974, known as ERISA, guarantees your rights as a Plan participant in the Healthcare FSA. ERISA provides that all Plan participants shall be entitled to:

Receive Information about Your Plan and Benefits
Examine, without charge, at the Plan Administrator’s office and at other specified locations, all documents governing the Plan, including insurance contracts and a copy of the latest annual report (Form 5500 Series) that is filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.

Obtain, upon written request to the Plan Administrator, copies of all documents governing the operation of the Plan, including insurance contracts and the latest annual report (Form 5500 Series), and an updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.

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.

Receive a copy of the procedures used by the Plan for determining a qualified domestic relations order (QDRO) or a qualified medical child support order (QMCSO).

Continue Group Health Plan Coverage
Continue healthcare coverage for yourself, spouse and/or dependents if there is a loss of coverage under the Plan as a result of a qualifying event. You and your dependents may have to pay for such coverage. Review this summary plan description and the documents governing the Plan on the rules governing your COBRA continuation coverage rights.

Prudent Action by Plan Fiduciaries

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit 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 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.

Enforce Your Rights

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

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 a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay 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 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 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.

If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan’s decision or lack thereof concerning the status of a domestic relations order or a medical child support order, you may file suit in a 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 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.

Assistance with Your Questions

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, or if you need assistance with obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory; or

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.

General Information about the Plan

Plan Administrator: Emory University
Attn: Vice President for Human Resources
1599 Clifton Road, First Floor
Atlanta, GA 30322

Agent for Service of Legal Process: Emory University
Office of the General Counsel
201 Dowman Drive
101 Administration Building
Atlanta, GA 30322

Employer Identification Number: 58-0566256
Plan Number: 502
Type of Plan: Welfare
Plan Year: January 1st – December 31st

Type of Administration
Administrative Services Contract with Aetna/PayFlex
Amendment or Termination of the Plan

Emory has the right to amend or terminate the Plan, in whole or in part, at any time. If a change is made, you will be notified. The establishment of an employee benefit plan does not imply that employment is guaranteed for any period of time or that any employee receives any non-forfeitable right to continued participation in any benefits plan.

Plan Documents

This plan description covers the major features of the Flexible Spending Account program administered by Aetna/PayFlex, as in effect January 1, 2017. The plan description has been designed to provide a clear and understandable summary of the Plan, and serves as the Summary Plan Description ( SPD) required for plans subject to ERISA.
Definitions

**Aetna/PayFlex Card** – A debit card that you may use electronically to access your flexible spending account to pay for eligible expenses. You may use the card at qualified merchants including doctor and dental offices, hospitals, pharmacies, and hearing/vision care centers.

**Benefits** – Your right to payment for Covered Flexible Spending Account Services that are available under the Plan. Your right to benefits is subject to the terms, conditions, limitations and exclusions of the Plan.

**Claims Administrator** – The companies (including affiliates) that provide certain claim administration services for the Plan including Aetna/PayFlex.

**Claim Determination Period** – The calendar year.

**Documentation** – IRS regulations require that claims and certain card transactions be substantiated with appropriate documentation. Documentation includes the insurance carrier Explanation of Benefits (EOB), provider itemized statement or pharmacy receipt, and detailed cash register receipt with the merchant name, product name, date, and amount of purchase.

**Eligible Medical or Dental Expenses** – Expenses incurred by the Employee or the Employee’s Spouse or Dependents that are eligible for reimbursements.

**Emory** – Shall mean Emory University and its schools, operating divisions and affiliates and any/all entities controlled by Emory University either directly or indirectly, including but not limited to, the Carter Center, Inc., Emory Healthcare Inc., Emory Children’s Center Inc., The Emory Clinic Inc., Emory Specialty Associates, LLC, Emory /Saint Joseph’s, Inc., Saint Joseph’s Hospital of Atlanta, Inc., The Medical Group of Saint Joseph’s, LLC, Translational Testing and Training Laboratories, Inc., EHCA Johns Creek, LLC d/b/a Emory Johns Creek Hospital.

**Expense Incurred** – an expense is treated as having been incurred when the medical or dependent care that give rise to the expense has been provided, and not when you are formally billed, charged for, or pay for the expense. To “give rise” means to cause to happen.

**Grace Period** – The 2 ½ month period after the end of the Plan Year. During this period, unused account balances that remain at the end of a Plan Year may be used for incurred expenses.

**Participant** – A person who is an Eligible Employee and who is participating in the Plan.

**Plan Administrator** – Emory University, c/o Human Resources Department.

**Plan Year** – The annual accounting period of the Plan.

**Use It or Lose It** – Rule pursuant to Section 125 of the Internal Revenue Code. Under this rule, any money left unspent at the end of the coverage period is forfeited.