

COVERAGE CONDITIONS

In Consideration of my employer allowing me to participate in the Flexible Spending Account (FSA), I acknowledge and agree to the following:

ACCEPTABLE FSA PLAN TERMS:

I agree to abide by the terms, conditions and provisions of the FSA contained in my Employer's Plan Document. I acknowledge my right to examine the Plan Document or obtain a copy of it by giving reasonable advance notice and paying a reasonable cost.

RESPONSIBILITY:

I acknowledge that the Internal Revenue Code permits me to claim reimbursement only for my tax deductible expenses incurred after the effective date of my FSA elections and I assume full responsibility for all taxes, penalties, interest or other consequences which may be assessed to me by any state, federal or other governmental taxing authority as a result of my requesting and receiving reimbursement from the FSA for disallowed expenses

SOCIAL SECURITY:

I choose to participate in the FSA despite my knowledge that my salary reduction elections may reduce my FICA withholding (Social Security) and that this may reduce my Social Security benefits upon retirement.

IRREVOCABLE ELECTION:

I understand I cannot change or revoke my election until the open enrollment period for the new plan year. I will be able to change my election if I have a change in status as outlined in the Plan Document. The election change must be requested within 30 days of the event and must be on account of and consistent with the change in status.

PLAN MODIFICATIONS:

I have been informed that the FSA offered by my employer may be modified from time to time and I agree that my employer may cancel or amend the FSA according to their independent judgment and discretion without my consent or prior notice to me.

FORFEITURE:

I understand that I must claim reimbursement for eligible expenses incurred during the plan year within 90 days of the last day of the plan year. Otherwise, I understand that I will forfeit those reimbursements. I further acknowledge that I will forfeit all funds credited to my FSA accounts which are not reimbursed to me.

SEEK LEGAL ADVICE:

I have been informed that my participation in the FSA will have tax and economic consequences to me and that before deciding to participate in the FSA, I should seek the advice of an attorney or tax consultant regarding the benefits, risks and limitations of the FSA.

DEPENDENT CARE:

I understand that the Internal Revenue Code prohibits me from claiming the Federal Child Care Credit for dependent care assistance expenses which are reimbursed to me by the FSA. The maximum amount I can claim depends on how I file my tax returns. If I am married filing jointly, or single, the maximum is \$5,000. If I am married filing separately, the maximum is \$2,500.

